



# The Coalition's Deregulation Reform Discussion Paper

**March 2013**

**AIST Submission**

## AIST

The Australian Institute of Superannuation Trustees (AIST) is an independent, not-for-profit professional body whose mission is to protect the interests of Australia's \$500 billion not-for-profit superannuation sector. AIST's members are the trustee directors and staff of industry, corporate and public-sector superannuation funds, who manage the superannuation accounts of two-thirds of the Australian workforce.

AIST is a registered training organisation and has recently expanded its education program to encompass the growing and changing needs of all members of the not-for-profit superannuation sector.

AIST offers a range of services including compliance and consulting services, events - both national and international - as well as member support. AIST also advocates on behalf of its members to relevant stakeholders.

AIST's services are designed to support members in their endeavour to improve the superannuation system and build a better retirement for all Australians.

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## 1 Executive summary

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AIST welcomes this discussion paper, as well as all attempts to remove unnecessary bureaucracy in all forms where it stifles innovation, interaction with government departments and agencies and ordinary business activity.

We broadly support most of the general discussion points raised in this paper; however we offer some comments designed to further improve some of the initiatives outlined by the Coalition in this paper. We have not commented on some of the points as, in most cases, these are outside our usual interactions with government or our business generally.

We applaud the Coalition Taskforce for this initiative, and look forward to further analysis and constructive outcomes that will benefit the Australian community.

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## 2 Discussion

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### 2.1 Part 1 – Cutting red tape.

AIST supports efforts to reduce unnecessary red tape. For example, we believe that there is a great deal of unnecessary work in our industry pursuing compliance measures, some of which are no longer required for end users. The following are our responses to the discussion points in the paper.

We are not in a position to comment on each point contained in this section; however, we offer the following in response.

We support the creation of units within each department that is tasked with the role of identifying and driving red tape reduction. We agree that the role of this unit should be in a position that provides direct access to the secretary of the department; however, we believe that the role of agencies is slightly different. For example, we believe that regulators are in a different position to government departments, and consider that the task of red tape reduction is one that should rest entirely within the regulator. It is appropriate that government agencies, including regulators, drive their own efficiency increases.

In keeping with this, we believe that the agencies could easily then report further up the line. We are uncertain what could be gained from departmental interference in agency affairs where the agency in question is also an effective regulator.

We support the need for a 12 month timeframe to report on the cost of compliance. However, we highlight that the cost of compliance cannot always easily be quantified. It is arguable that where a regulator is concerned, part of the benefit of regulation comes in the form of risk mitigation, where effective regulation becomes a disincentive to undesirable activity.

We support the need to have concrete productivity enhancements linked to public service role objectives, such as key performance indicators. Better incentives to reduce red tape are always welcomed. However, we emphasise that the heads of departments and agencies should always be tasked with doing their 'day jobs' first, and do not encourage this information becoming a distraction to their normal duties.

Lastly, AIST continues to support reviews of new regulation and their cost benefit impact, however, we emphasise that the qualitative impacts receive the same importance, where costs and benefits do not have a monetary value.

### 2.2 Part 2 – Improved Commonwealth Government regulatory gatekeeping requirements

AIST welcomes the attention given by this discussion paper to regulatory gatekeeping. This is an area of policymaking that receives little attention and we encourage scrutiny being given.

We believe that the present location of the Office of Best Practice Regulation is a natural fit, given the mandate of the department to promote the Government's objective of improving the effectiveness and efficiency of regulation. Whilst the attraction to moving this to within the Department of Prime Minister and Cabinet appears consistent with other measures contained within this paper, we do not believe that such a move is necessary.

We support the requirement for RISs that contain cost-benefit impact statement, and recommend that guidelines for this information include qualitative as well as quantitative data, both financial and non-financial.

We have no comments to make on the requirement for Cabinet submissions, however we caution against any moves that may limit the role of regulators in setting delegated legislation.

## 2.3 Part 3 – Reducing regulatory uncertainty

AIST welcomes moves to reduce regulatory uncertainty. We applaud measures that ensure certainty and believe that all guidance should be as clear and unambiguous as possible.

We are, however, not in a position to comment on this part of the paper. We are conscious that efforts to subject the regulators servicing the financial services industry to scrutiny by the Productivity Commission may undermine (or be perceived to undermine) any inquiry that may be held into Australia's financial system.

## 2.4 Part 4 – Improving Commonwealth grants and procurement

Although AIST supports more efficient governance of this area, it is outside the scope of our dealings with the Government to be able to offer constructive comment on these matters.

## 2.5 Part 5 – Promoting better regulation by the states and across the region

We agree that the Commonwealth should promote less burdensome and more consistent regulation, particularly where the states are involved. It has been said by some that the member states of the European Union are closer in some areas of regulation than the Australian states and the Commonwealth.

We also applaud efforts to consider the dovetailing of regulation with other jurisdictions in the area, particularly New Zealand. Our nations should be striving to ensure that a seamless common market exists, and any differences, no matter how minor, remove this perception.

We support efforts at regulatory mutual recognition on the proviso that our national sovereignty remains unaffected.