

Foreword



The Government's deregulation agenda aims to reduce unnecessary red tape costs on individuals, businesses and community organisations. To contribute to the agenda, the Prime Minister and Cabinet Portfolio continually reviews obligations imposed by legislation, regulations or quasi-regulations to identify areas where red tape can be reduced.

During 2014 the Department of the Prime Minister and Cabinet commenced the implementation of the Indigenous Advancement Strategy. This has already resulted in a significant reduction in regulatory burden for stakeholders through a single application process, the introduction of a single funding agreement and streamlined reporting requirements. Further reductions in regulatory burden are expected in 2015 as the implementation is completed.

A handwritten signature in blue ink, appearing to read 'Nigel Scullion', with a stylized flourish at the end.

Senator the Hon Nigel Scullion
Minister for Indigenous Affairs

16 March 2015

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Portfolio highlight

The Department of the Prime Minister and Cabinet (the Department) achieved \$8.5 million in regulatory savings for the period September 2013 to December 2014. The majority of savings were achieved through implementing the Indigenous Advancement Strategy (IAS), which streamlined and simplified all Indigenous grants under one overarching programme.

During 2014, the Department of the Prime Minister and Cabinet's Deregulation Unit assisted in completing six (6) Regulatory Impact Statements (RIS), three (3) of which resulted in significant savings. One (1) RIS resulted in additional regulatory burden and two (2) RISs had no regulatory impact. Details of the RISs completed are included at Table 3 in this report.

Significant action has been taken by the Department to remove the unnecessary burden of red and green-tape regulations. Some key highlights include:

- The establishment of a Deregulation Unit tasked with providing oversight and assistance for deregulation within the Portfolio. The Deregulation Unit is led by a Senior Executive Officer and has dedicated staff working to achieve the Portfolio's deregulation objectives
- Working closely with the Indigenous Advisory Council (IAC) to establish an important stakeholder consultation mechanism for the deregulation objective

The Deregulation Unit undertook a comprehensive, two-stage 'Audit of Regulatory Stock' in 2014. Stage one of the audit identified and described all regulatory stock within the Department Portfolio, which comprised fifty one (51) pieces of legislation and one hundred and twenty one (121) items of quasi-legislation. Stage one of the audit confirmed that the regulatory stock was administered by nineteen (19) portfolio bodies under forty seven (47) separate programmes. Stage two of the Audit of Regulatory Stock determined a total cost of regulation administered by the Department of \$62.5 million. This audit was a significant process which required the engagement of the entire Department and the wider Portfolio.



The Department reported deregulation savings of \$8.5m for the reporting year ended December 2014.

The savings were largely generated from the transition from over 150 individual grant programme activities to the Indigenous Advancement Strategy (IAS). The move to a single programme generated savings of \$4.6m from a more streamlined application process; reductions in start-up times; and reduced compliance costs.

Summary of key regulatory savings and costs 2014

Table 1 Summary of key regulatory costs reported or announced between September 2013 and 31 December 2014. Details on individual measures are outlined in Appendix A.

KEY MEASURES	Reported (\$ million)
Stronger governance arrangements were implemented for organisations receiving significant funding through Indigenous programmes.	0.5
Total	0.5

Table 2 Summary of key deregulatory savings reported or announced between September 2013 and 31 December 2014

KEY MEASURES	Reported (\$ million)
Implementation of the first Indigenous Advancement Strategy round	2.3
Extensions granted to activities normally requiring a funding round during the transition to the new Indigenous Advancement Strategy	6.6
Repeal of the <i>Coordinator-General for Remote Indigenous Services Act 2009</i> (CGRIS)	.1
Repeal of section 17A (Annual Report) of the <i>Indigenous Education (Targeted Assistance) Act 2000</i>	-
Repeal the <i>Independent National Security Legislation Monitor Act 2010</i>	-
Total	\$9.0

Regulation Impact Statements

The Deregulation Unit provide a quality review and oversight role to the RIS preparation process, ensuring the Department's RISs are completed in accordance with the requirements of the Office of Best Practice Regulation (OBPR). As part of this role, the Deregulation Unit directly assist and advises line areas on how to prepare accurate RISs. The process implemented by the Department to prepare and quality review RISs has brought increased innovation and rigour to the Department's policy making process.

The Deregulation Unit has assisted in delivering six (6) short form RISs over the past year, three (3) of which resulted in reductions in the regulatory burden administered by the Department. The six (6) short form RISs did not trigger publication requirements. Table 3 only outlines final RISs published by the Department between September 2013 and December 2014.

Table 3: Published Regulation Impact Statement compliance 2014

	RIS Compliance*	PM's Exemptions	PIR required
Department of the Prime Minister and Cabinet Portfolio Total	0	0	0
<i>Department of the Prime Minister and Cabinet</i>	0	0	0
Measures that were minor or machinery in nature, not requiring a RIS	0	0	0

*The table only accounts for published final RISs.

Portfolio activity supporting the Government's red tape objective

Deregulation Unit

The Department's Deregulation Unit was established with the release of the Commonwealth Deregulation agenda, and is led by a senior executive officer tasked with overseeing the deregulatory activities of the Department. The role of the Deregulation Unit is to ensure RISs completed by the Department are compliant with Government requirements and to assist in the identification of suitable alternative policy options. The Deregulation Unit also assists areas preparing regulatory impact costings to ensure the RISs accurately and consistently measure the effects of deregulatory activities within the Portfolio.

In 2014, the Deregulation Unit also undertook a major audit of regulatory stock across the entire Portfolio. The audit identified, classified and costed the regulatory burden imposed by the activities of the Department, including programmes, Portfolio bodies, legislation and regulations.

Indigenous Advisory Council

On 23 November 2013, the Prime Minister announced the establishment of the Prime Minister's Indigenous Advisory Council (IAC). The Council meets three times per year with the Prime Minister and senior ministers, and informs the indigenous policy implementation of the Government.

The IAC is chaired by Mr Warren Mundine, and comprises a mix of leaders with a broad range of business and public sector skills and experience. The IAC's main task is to ensure the Portfolio's programmes achieve real, positive change in the lives of Aboriginal people by increasing participation, preserving Aboriginal culture and building reconciliation.

The members of the IAC are:

- Mr Warren Mundine (Chair)
- Mr Richard Ah Mat
- Ms Leah Armstrong
- Dr Ngiare Brown
- Ms Josephine Cashman
- Ms Gail Kelly (resigned late 2014)
- Mr Djambawa Marawili AM
- Mr Bruce Martin
- Mr David Peever
- Mr Andrew Penfold
- Professor Peter Shergold AC
- Mr Daniel Tucker

Portfolio Activity Supporting the Government's Red Tape Objective

The IAC has played an advisory role on key deregulation measures, and has been given the opportunity to provide feedback and advice on key aspects of the Department's deregulation agenda, including the Audit of Regulatory Stock.

Table 4 Prime Minister and Cabinet Portfolio Ministerial Advisory Council

Name of Ministerial Advisory Council	Meeting date(s)
Indigenous Advisory Council	29 May 2014 24 October 2014

Letters of Expectation

During 2014, Government affirmed its commitment to improving the administration of regulation and the performance of regulators by issuing letters from Ministers to heads of regulators setting out performance expectations.

Letters were sent by the Minister for Indigenous Affairs to the following organisations within the Department's portfolio:

- Executive Director of Town Leasing
- Registrar of Indigenous Corporations
- Torres Strait Regional Authority
- Indigenous Land Corporation
- Anindilyakwa Land Council
- Central Land Council
- Northern Land Council
- Tiwi Land Council
- Wreck Bay Aboriginal Community Council

These letters highlighted the expectations of the Minister with respect to a number of wide ranging areas, including the broader government policy framework in which the regulator must operate and the Government's red tape reduction programme. The letter emphasised that regulators, where appropriate, are to exercise their regulatory functions in accordance with their legislation and best practice. It also made clear the Minister's preference for regulators to adopt a risk based approach in relation to compliance obligations and enforcement responses.

Letter recipients were also advised that a whole of government framework for regulator performance has been agreed by the Cabinet. This framework will provide further detail on the Government's expectations for regulator performance against specific performance indicators.

The Audit of Regulations – major findings

The Government is committed to reducing the regulatory burden for individuals, organisations and business by a minimum of \$1 billion each year. To help identify the existing regulatory impost and recognise opportunities to reduce red tape, portfolios undertook an initial audit of regulatory stock per Administrative Arrangements Order (AAO) 3 October 2013 (See Appendix B for detail of the AAO). A second audit – Stage two – was then undertaken to calculate the cost of the Portfolio's existing legislation and the regulatory burden identified in Stage one.

Stage one and Stage two of the audit established a benchmark to communicate Portfolio progress in reducing regulatory burden as well as identifying higher burden targets for future reductions.

Stage one

The first stage of the audit focused on developing and ranking a catalogue of existing regulation based on the burden imposed. The regulatory burden was ranked as high, medium, low or nil.

Rankings for legislation, regulations and quasi-regulations (such as programmes and activities) were developed in consultation with line area managers and portfolio bodies, and reviewed for consistency by the Department's Deregulation Unit.

Legislation

The audit identified fifty one (51) pieces of legislation administered by the Department. Of these, three (3) were ranked as having a high regulatory burden, three (3) a medium regulatory burden and sixteen (16) with a low regulatory burden. A further twenty nine (29) pieces of legislation were assessed as having zero regulatory burdens.

PM&C Portfolio Legislation	Indigenous-specific	Other
High	3	0
Medium	3	0
Low	15	1
Not Applicable/ Nil	4	25
Total	25	26

Portfolio Bodies and Regulators

The Department has seventeen (17) portfolio bodies and two (2) statutory regulators. Initial findings from Stage one of the audit indicate that of these, two (2) were considered to have a high regulatory burden, seven (7) a medium regulatory burden and five (5) with a low regulatory burden. A further five (5) portfolio bodies were assessed as having zero regulatory burdens.

PM&C Portfolio Bodies and Statutory regulators	Indigenous-specific	Other
High	2	0
Medium	7	0
Low	3	2
Not Applicable/ Nil	0	5
Total	12	7

Programmes

The Government announced significant reforms to Indigenous Affairs in the 2014-15 Budget. Approximately 150 current programmes, sub-programmes and activities were replaced with just five broad Indigenous Advancement programmes, with effect from 1 July 2014. This will significantly reduce the number of guidelines and separate rules applied to future investments. Transition arrangements are being implemented for 2014-15 to ensure continuity of services as the new Indigenous Advancement Strategy is implemented.

To align with the consistent approach taken across Government, the audit considered the impost associated with the programmes that were in place as at the date of the 3 October 2013 AAOs.

Only one (1) of the Portfolio's programmes was rated as having a high regulatory compliance impost. One (1) programme was rated as having a low regulatory burden and all other programmes were rated as having a medium regulatory burden.

The majority of programmes were rated as medium on the basis that funding agreements and contracts embedded specific requirements – regulatory burden – for all successful applicants to demonstrate appropriate use of funds and the achievement of outcomes. The range and nature of the requirements embedded in the agreements was largely consistent across nearly all programmes, which led to the consistent medium ranking.

With the establishment of the IAS, clear opportunities exist to reduce the regulatory impost on individuals, organisations and providers.

Stage two

Stage two of the audit calculated the Portfolio’s overall regulatory cost based on a sample of costs obtained from each of the high, medium and low risk burden rankings, and from within all three regulatory areas – legislation; portfolio body; and programme. The sample was selected using a targeted judgmental approach, which covered approximately 70% of the total population.

Regulation Source	Stage Two Count	No. with burden	TOTAL COST \$'000
Legislation	51	16	2,114
Portfolio Body	13	8	10,131
Programme	47	44	50,053
TOTAL	111	68	62,298

Appendix A: Measures announced in 2014

Amend the *Aboriginal and Torres Strait Islander Commission Amendment Act 2005* (Spring 2014)

- As part of the 2014 Spring Repeal Day, amendments were made to item 200 of Schedule 1 of Part 3 of the *Aboriginal and Torres Strait Islander Commission Amendment Act 2005*.
- Previously, an organisation that acquired an interest in land with ATSIC assistance could not dispose of that interest without the consent of the appropriate authority (the Commonwealth, Indigenous Business Australia, or the Indigenous Land Corporation, depending on the nature of the interest). The amendments enabled the appropriate consenting authority to waive the exercise of its statutory consent power by providing written notice to the organisation concerned that consent is no longer required (e.g., in circumstances where an organisation has repaid any grants of money from ATSIC).

Amend the *Classification (Publications, Films and Computer Games) Act 1995* (Spring 2014)

- As part of the 2014 Spring Repeal Day, section 114 of the *Classification (Publications, Films and Computer Games) Act 1995* was repealed.
- Given the current joint Commonwealth/NT review of the Stronger Futures National Partnership Agreement, repealing section 114 removed unnecessary duplication of operational review requirements concerning prohibited material.

Amend the *Stronger Futures in the Northern Territory Act 2012* (Spring 2014)

- As part of the 2014 Spring Repeal Day, the *Stronger Futures in the Northern Territory Act 2012* was amended to remove unnecessary or ineffective provisions.
- The Northern Territory Minister and the Northern Territory Licensing Commission are responsible for monitoring and regulating the activities of licensed premises in the Northern Territory under Northern Territory laws. Division 5 of Part 2 was repealed, removing ineffective provisions relating to assessments of licensed premises.
- Further, repealing Division 8 of Part 2 removed unnecessary duplication of Commonwealth and NT alcohol laws.

Repeal of the *National Security Legislation Monitor Bill* (Autumn 2014)

- As part of Repeal Day, the Independent National Security Legislation Monitor Repeal Bill 2014 abolished the Office of the Independent National Security Legislation Monitor to reduce bureaucracy and streamline the oversight of national security legislation. An extensive range of independent oversight mechanisms already exist, including the Inspector-General of Intelligence and Security, and the Australian Commission for Law Enforcement Integrity.

Amend the *Aboriginal and Torres Strait Islander Commission Amendment Act 2005* (Spring 2014)**Streamlining Indigenous remote service delivery monitoring (Autumn 2014)**

- As part of Repeal Day, the *Coordinator-General for Remote Indigenous Services Act 2009* was repealed and the Coordinator-General for Remote Indigenous Services (CGRIS) position abolished. The role and function of the CGRIS ceased on 31 January 2014 having been announced as part of the 2013-14 MYEFO. Monitoring and advice on remote service delivery will continue to take place within the Department of Prime Minister and Cabinet.
- The Department of the Prime Minister and Cabinet estimates this led to an annual saving for external stakeholders of \$90,000.

Measures Announced But not Implemented in 2014	Cost / saving announced \$m	Status
There were no measures announced in 2014 which have not yet been implemented.	\$Nil	N/A

Appendix B: Legislation administered

The following list of administered legislation was adapted from the Administrative Arrangements Order made on 3 October 2013 and signed by Quentin Bryce AC CVO, Governor –General of the Commonwealth of Australia.

Aboriginal Affairs (Arrangements with the States) Act 1973

Aboriginal and Torres Strait Islander Act 2005

Aboriginal and Torres Strait Islander Peoples Recognition Act 2013

Aboriginal and Torres Strait Islanders (Queensland Discriminatory Laws) Act 1975

Aboriginal and Torres Strait Islanders (Queensland Reserves and Communities Self-management) Act 1978

Aboriginal and Torres Strait Islander Commission Amendment Act 2005

Aboriginal Land Grant (Jervis Bay Territory) Act 1986

Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987

Aboriginal Land Rights and Other Legislation Amendment Act 2013, Part 2 of Schedule 1

Aboriginal Land Rights (Northern Territory) Act 1976, except to the extent administered by the Attorney-General

Aboriginal Land Rights (Northern Territory) Amendment Act 2006

Auditor-General Act 1997

Australian Capital Territory Government Service (Consequential Provisions) Act 1994

Classification (Publications, Films and Computer Games) Act 1995, Part 10, except to the extent administered by the Attorney-General

Coordinator-General for Remote Indigenous Services Act 2009

Corporations (Aboriginal and Torres Strait Islander) Act 2006

Corporations (Aboriginal and Torres Strait Islander) Consequential, Transitional and Other Measures Act 2006

Defence Act 1903, Part IIIAAA insofar as it relates to the powers or functions of the Prime Minister as an authorising minister and sections 58F to 58Q, 61, 61A, 61B, 61C, 118A and 118B

Equal Employment Opportunity (Commonwealth Authorities) Act 1987

Flags Act 1953

Governor-General Act 1974, except to the extent administered by the Minister for Finance

Hindmarsh Island Bridge Act 1997

House of Representatives (Quorum) Act 1989

Independent National Security Legislation Monitor Act 2010

Indigenous Education (Targeted Assistance) Act 2000

Inspector-General of Intelligence and Security Act 1986

Intelligence Services Act 2001, insofar as it relates to the powers or functions of the Prime Minister under sections 9A, 13(1A), 17(3) and Schedule 1, clauses 14(1) and 14(5)

Judicial and Statutory Officers (Remuneration and Allowances) Act 1984

Long Service Leave (Commonwealth Employees) Act 1976

Low Aromatic Fuels Act 2013

Maternity Leave (Commonwealth Employees) Act 1973

Native Title Act 1993, Divisions 6 and 7 of Part 2, and Part 11

Native Title Amendment Act 2007

Native Title (Technical Amendments) Act 2007

Office of National Assessments Act 1977

Ombudsman Act 1976

Parliamentary Commission of Inquiry (Repeal) Act 1986

Parliamentary Presiding Officers Act 1965

Petermann Aboriginal Land Trust (Boundaries) Act 1985

Public Service Act 1999

Remuneration and Allowances Act 1990

Remuneration and Allowances Alteration Act 1986

Remuneration Tribunal Act 1973

Royal Commissions Act 1902

Royal Powers Act 1953

Royal Style and Titles Act 1973

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Senate (Quorum) Act 1991

Stronger Futures in the Northern Territory Act 2012

Stronger Futures in the Northern Territory (Consequential and Transitional Provisions) Act 2012

Following the machinery-of-government changes in December 2013, responsibility for the *Higher Education Support Act 2003* (insofar as it relates to grants to higher education providers for the Indigenous Support Programme, the Indigenous Commonwealth Scholarships Programme and the Indigenous Staff Scholarships Programme) and the *Public Interest Disclosure Act 2013* were transferred into the Department under AAOs 12 December 2013 and were included in the Department's audit of regulations.