Business Tied Up in Red Tape

The announcement that the Holy Grail one of Canberra’s institutions, will close its doors for the last time due to the cost of regulation should be a wake-up call for the ACT Government according to ClubsACT.

Chief Executive Jeff House is calling on the ACT Government to convene a Business Summit to discuss the issue of regulation stating that the sad closure is tangible evidence of what the organisation has been saying for some time.

“The costs of regulation in the ACT have been impacting on the viability of venues and when that’s happening regulation is not doing its job, it’s in those circumstances very counter-productive.

“Over the Christmas period we had a ‘Closed for Business’ sign as many well-known venues decided it was too expensive to trade and now one of Canberra’s high profile night spots closing for good. Something is very wrong when venues decide they can no longer operate in the ACT environment.

The impact of regulation spans every industry in the ACT. Regulation is necessary but it needs to be effective and should not add to the cost of doing business in a way that makes the financial viability of a business questionable.

Mr House noted that while regulatory costs is an issue for all industries, the hospitality sector in particular had undergone too many changes in quick succession including changes to food laws, smoking law management, mandatory training requirements, massive increases in licencing fees and administrative responsibility, outdoor licensing restrictions and fee increases.

“I congratulate the ACT Government and Minister Barr for the establishment of the Red Tape Reduction Task Force. It is a welcome step. The prevention and reduction of red tape should be a permanent process of government. As should the process for ensuring that regulation is as effective and efficient as possible.

“The existing Regulatory Impact Statement Process is a complete failure and the very need for the Red Tape Reduction Task Force demonstrates that. The Task Force is in fact cleaning up mess which should never have been made in the first place. The RIS process needs an overhaul so it is at least meaningful from an economic activity and growth perspective.

“The summit will allow business to collaborate with government to ensure there is a regulatory framework which does its job but allows business to operate and generate growth and jobs in Canberra. This is important because when we look at a number of different industry sectors, we know there is more regulation on the way – not less.

“With the possibility of a federal Liberal government in September, we’re running out of time to get our economic house in order before the wolves are at Canberra’s front door”, Mr House concluded.

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