

**SMALL BUSINESS, FEDERAL OPPOSITION'S PROPOSAL TO REDUCE RED TAPE**

*Statement by Minister for Small Business*

**MR R.C. KUCERA** (Yokine - Minister for Small Business) [9.14 am]: I wish to inform the House of the federal Opposition's plan to reduce red tape for small business operators, and to register the Gallop Government's strong support for this initiative. Regulations impose a massive burden on Australian businesses, consuming around eight per cent of gross domestic product every year. This amounts to an enormous waste of Australia's productive capacity. We recall that when the Howard Government came to power it promised to cut red tape in half. Western Australian small businesses know that the situation has in fact been made worse, with massive goods and services tax and business activity statement compliance costs impacting most heavily on small businesses.

Federal Labor has committed to establishing a red tape reduction office to streamline at the ground level compliance with rules and regulations, minimise compliance costs and abolish unnecessary regulations. Federal Labor's plan would also require all commonwealth agencies to operate under a set of principles for the development of good regulation that would ensure that future regulations are optimally efficient for business operators in terms of compliance costs.

The State Government welcomes federal Labor's plan as it would complement the State Government's ongoing efforts to reduce red tape, including: our red tape buster service, designed to identify and resolve red tape issues affecting specific industries; our small business advocacy service to assist small business operators resolve issues with government agencies; our improvements to cabinet reporting processes that require an enhanced small business impact statement to accompany any cabinet submission impacting on small business; and our online business licence information system, which provides information on federal, state and local government licensing requirements and copies of relevant forms.

Without economic reform at a national level, the growth potential for small business operators in particular will be stymied. Federal Labor leader Mark Latham has committed a future federal Labor Government to a new round of productivity reforms, which will not only enable the economy to grow but also take the pressure off the small business operators who need relief the most, especially from the enormous bureaucratic impost that is now being forced upon them by the GST and BAS compliance monster.