

3.15 Deputy T.A. Vallois of the Minister for Economic Development, Tourism, Sport and Culture regarding increases in input costs for businesses across all sectors: [1(125)]

Given that the recently published Business Tendency Survey identified a trend of continuing increases in input costs for businesses across all sectors, will the Minister advise what work, if any, he or his department have undertaken to identify what these increased costs are largely caused by; and whether, through this work, he has found any evidence that the Government are creating additional costs to businesses?

Senator L.J. Farnham (The Minister for Economic Development, Tourism, Sport and Culture):

The increase in input costs indicated by the Business Tendency Survey is not surprising given the trends in the exchange rate over the period since the last survey was conducted. Sterling in December 2016 was 15 per cent below its value a year ago on a trade-weighted basis. Such significant depreciation of the exchange rate would be expected to lead to higher import prices and in particular inputs that are imported from the non-sterling area. My department has assumed responsibility for the public sector reform regulation work stream and it intends to produce an outline plan for this work by the end of the first quarter of this year. This work will identify and act upon barriers to enterprise and unnecessary costs to doing business. Until the work is concluded we cannot identify if there are unnecessary costs to doing business as a result of Government policy or regulation but there is always the need to assess whether there are unnecessary costs either because regulations are outdated or the associated costs and benefits have changed over time. In the meantime, my department have been proactive in this area and I can cite the current public consultation underway prior to the production of the new Tourism Law.

3.15.1 The Deputy of St. John:

I thank the Minister for his answer. Given his answer with regards to public sector reform on regulation, can the Minister explain why we are only obtaining results from that at the end of the first quarter and whether he is aware of the regulatory reform work that was done by the Chief Minister 10 years ago which identified issues with regards to regulation back then and whether there is any similarities to that?

Senator L.J. Farnham:

We will certainly be referring to past reports and data collected on this roll. Could the Deputy just repeat the first part of the question?

The Deputy of St. John:

As to why he will only be reporting on the public sector regulation reforms at the end of the first quarter this year.

Senator L.J. Farnham:

It is a work in process that we are hurrying along because we are keen to get a better understanding of what impact Government policy is having perhaps on the cost of business. But I am also mindful of the impact of imposing new costs on business, for example there are some proposed new costs on business lined up and I cite the potential for waste charges as an example. So, yes, there is concern and we are working on it and I undertake to get that work done as quickly as possible.