

Abstract of First Report by the Council for Promotion of Regulatory Reform

The Council for Promotion of Regulatory Reform compiled the results of researches and deliberations and submitted to the Prime Minister as the First Report including 141 regulatory reform items. Major items in the report are as below.

1. Reducing administrative costs

2. Agriculture

- (1) Reduction of price for production materials and establishment of an industry structure for distribution and processing which is advantageous for producers
- (2) Regulatory reforms concerning production and distribution of milk and dairy products
- (3) Promotion of utilizing Agricultural Land with the aim of strengthening agricultural competitiveness and revitalizing regional economy
- (4) Regulatory reforms concerning Forestry and Fisheries

3. Human resource

- (1) Establishment of employment rules for job based regular employee
- (2) Advancing giving legal annual paid leave

4. Medical care, Long-term care, Child care

- (1) Reform of the current ways to provide and use the long-term care service
- (2) Reviewing the Health Insurance Claims Review & Reimbursement Services
- (3) Improvement of the system of Foods with Function Claims

5. Investment etc.

- (1) Adoption of IT and one-stop service on procedures related to tax and social insurance
- (2) Utilizing public and private sectors data
- (3) Remote education on IT era

6. Other important issues

- (1) Creation of an environment for vitalizing emerging transportation service
- (2) Review on regulations concerning hotel business
- (3) Regulatory reform in regional areas
- (4) Use of private sector for Labor Standards Inspection

Reducing the administrative cost

1 Reducing the administrative cost

Based on the Three Principles for Administration Burden Reduction (“Pursuit of Thoroughness in Computerization of Administrative Procedure”, “Once Only”, “Uniform Documentary Forms”), the government will reduce the total of administrative costs in the prioritized areas by 20% by 2020.

Each ministry and agency will formulate a plan to achieve reduction goals by the end of June 2017. The Subcommittee for Administrative Burden Reduction will extensively examine the plans and request improvements as necessary. Each ministry and agency will revise its plan to achieve reduction goals by March 2018.

Agriculture

2-(1) Reduction of price for production materials and establishment of an industry structure for distribution and processing which is advantageous for producers

In order to increase farmer’s income, the government will steadily implement measures which are incorporated in “Program to Strengthen Agricultural Competitiveness”, examine thoroughly relevant laws including Wholesale Market Act, and take the necessary measures.

2-(2) Regulatory reforms concerning production and distribution of milk and dairy products

The Government will reform the system of Compensation Price for Producers of Milk for Manufacturing Use in order to realize new business environment for dairy farmers in which they can choose shipping destination freely based on fair conditions, produce milk and dairy products with originality and ingenuity driven by business mind set, and as a result increase their income. To realize the new system, the government will establish rules such as relevant legislation and notification.

2-(3) Promotion of utilizing agricultural land with the aim of strengthening agricultural competitiveness and revitalizing regional economy

The government will promote integration and aggregation of agricultural land led by Farmland Intermediary Management Institution (the rate of agricultural land integrated to farmers at the end of last year is 54%, in spite of the goal that integrated rate will be 80% by 2025), control farmers’ expectations regarding farmland conversion for agricultural land liquidity (for example charging benefits of conversion etc.), and review Agricultural Land Act concerning application of the law to agricultural land where new facilities for agricultural productions such as plant factory are built and operated.

2-(4) Regulatory reforms concerning Forestry and Fisheries

The government will consider necessary regulatory reforms concerning Forestry and

Fisheries, which are primary industries and have potential same as agriculture, from the perspective of turning into growth industry and resource management.

Human resource

3-(1) Establishment of employment rules for job-based regular employee

Work Style Reform is progressing, and conversion from Non-regular worker to regular worker is expected. In this situation, the system of job-based regular employee, in which either job duties, working place or working hour is limited, is an adequate form of employment for workers who have some restrictions on work style. But the system has not widely penetrated yet. Therefore, in order to enable workers to choice work style diversely, the government will consider establishing rules including amendment of related laws.

3-(2) Advancing giving legal annual paid leave

Recently, promoting work-life balance and health maintenance has become important policy agenda. And people change jobs regardless of age to get suitable work style. But based on the related law, legal annual paid leave is not given for half a year after entering company and the ratio of company that gives annual paid leave from the first day of entering company beyond legal obligation is about 30%. In order to meet the diverse needs of employees, relevant guideline will be reviewed for advancing giving annual paid leave.

Medical care, Long-term care, Child care

4-(1) Reform of the current ways to provide and use the long-term care service

In order to enable people to choice the long-term care service depending on their needs, the government will improve the system of information disclosure and third party evaluations, whose rate of use by user and their family is low (system of information disclosure:19.2% third party evaluations:8.8%), clarify nationwide rules on flexible combination of services within the long-term care insurance and outside, ensure fairness and transparency in public offering of long-term care service provider by local governments.

4-(2) Review the Health Insurance Claims Review & Reimbursement Services

In order to reduce the administrative cost of the Health Insurance Claims Review & Reimbursement Services (about 80 billion yen per year), design method for computer system based on most advanced ICT technology will be adopted, the medical prescription (Receipt) form will be changed to be suitable for computer check, and a review will be conducted on consolidating branches and centralizing claims review.

4-(3) Improvement of the system of Foods with Function Claims

It takes beyond 90 days for government office to point out inadequacy of submission,

consequently the company cannot expect the time of product release. In order to remedy such delay on processing documents submitted, the government will improve the operation, formulate roadmap and announce it, simplify documents, review guideline, formulate Q&A, and promote using this system for perishable food.

Investment etc.

5-(1) Adoption of IT and one-stop service on procedures related to tax and social insurance

In order to reduce the administrative burden on company, the government will promote computerization on year-end adjustment procedure related to income tax, on notification about the amount of inhabitant tax special collection, promote online application of social insurance related procedure (rate of use is 9.6% in 2015) and review the procedures accompanying it.

5-(2) Utilizing public and private sectors data

Regarding processing and utilizing de-identified data by local governments (each about 2000 local governments enact ordinance), in order to establish consistent rules, the government will establish forum for exchanging opinions with local governments and consider legislation of nationwide rule instead of ordinance of local governments

5-(3) Remote education on IT era

From the perspective of improving the quality of education, the government will compile measures for promoting remote education in earnest, and consider measures for reducing burden on teacher and the number of teachers without appropriate subject qualifications (the number of license in 2015: junior high school 7,171, high school 3,680) by promoting remote education permitted by current rules.

Other important issues

6-(1) Creation of an environment for vitalizing emerging transportation service

With the aim of vitalizing emerging transportation service based on structural change of demand and supply such as lack of manpower, innovation, diversification of user's needs etc., the government will create an environment for development and diffusion of new taxi meter based on ICT technology, introduce a system of pre-determined taxi fare, clarify acceptable scope of receiving money by private motor vehicle transportation without the registration, review regulations of the number of motor vehicles owned (own more than 5 vehicles) in opening new office in motor truck transportation businesses, and review the qualifications for examination of the class 2 driver's license including age requirement (21 years of age or older).

6-(2) Review on regulations concerning hotel business

The government will review regulations for buildings and facilities on hotel business with zero-base, abolish regulations on minimum number of rooms (hotel: more than 10 rooms, ryokan (Japanese style hotel): more than 5 rooms), regulations that definite a standard on electrical equipment (at the front desk: 700~1500 lux, at room: 70~150 lux etc.), and abolish regulations that definite a standard on the front desk (length of the desk is more than 1.8m etc.) and allow taking alternative measures as an exemption from regulations by using ICT technology.

6-(3) Regulatory reform in regional areas

In regard to documentary forms for administrative procedure in local governments, especially the forms that have an effect on economic activities by company, the government will examine the forms with which company proceed with multiple local governments, and consider improvement measures to reduce the burden on company (such as to uniform by national laws and regulations and to indicate a model form by national government to local governments etc.) while consulting with local governments.

6-(4) Use of private sector for Labor Standards Inspection

The ratio of the workplace regulatory supervised by Labor Standards Inspectors in one year is only about 3% and the ratio of the workplace that violate the laws among supervised workplace is about 70%. Therefore government will establish new scheme to utilize private experts to expand coverage of inspection. Consigned privates (bear the obligation of confidentiality in the contract) will send a self-check sheet to workplaces that does not submit an overtime work agreement (so called "36 Agreement") and compile it. After that, they will select workplaces that seem to need guidance, check their labor-related documents and guide them if they agree (if they do not agree, Labor Standards Inspectors will supervise them).