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# The Regulatory Impact Statement Process and Best Practice Regulation

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## 1994 Report to COAG of Committee on Regulatory Reform

### Key issues in setting national standards

- Impetus from Mutual Recognition Agreement
- Need for sufficient scrutiny to guard against unnecessary regulation & excessive requirements on business
- Need to move away from overly prescriptive standards towards performance based standards
- Desirability of avoiding duplication in the impact assessment procedures of different jurisdictions



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## The Banks Report

- Banks Taskforce report *Rethinking Regulation: Report of the Taskforce on Reducing Regulatory Burdens on Business* (Jan 2006)
  - 178 Recommendations (158 accepted by Govt)
  - tougher rules for making new regulation, including cost benefit analysis;
  - screening of all regulation at least every five years;




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## Govt response to Banks Report

“It also made a number of important recommendations to address the underlying causes of over-regulation.

- The final response acts in both these areas:
  - It addresses costly red tape in specific areas of concern.
  - It introduces a strengthened regulation-making and review framework to ensure ongoing gains.”




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## Principles of Good Regulatory Process

“The Government endorses the six principles of good regulatory process set out in the report and is announcing measures to ensure they are adhered to.

The principles are:

- establishing a case for action;
- examining alternatives to regulation;
- adopting the option that generates the greatest net benefit to the community;
- providing effective guidance to relevant regulators and affected stakeholders;
- reviewing regularly to ensure the regulation remains relevant and effective; and
- consulting effectively with stakeholders at all stages of the regulatory cycle.”



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## Regulatory consistency across jurisdictions


- “One area of particular concern to business where the report made a number of recommendations is the regulation of occupational health and safety across all jurisdictions. The Australian Government considers it imperative that COAG work to deliver greater national consistency in occupational health and safety, in keeping with its decision that there be no reduction or compromise in standards for legitimate safety concerns in current occupational health and safety standards.”



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## Reducing Regulatory Burden

- “A key step the Government is taking towards reducing the regulatory burden is in ensuring that systems are in place to guard against the introduction of unnecessary regulation and improve the quality of existing and new regulation. This means that gains will continue to be made into the future. Government ministers will ensure that these strengthened processes are implemented in their respective portfolios.”



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## Office of Best Practice Regulation


- “The Office of Regulation Review in the Treasury portfolio will be strengthened and reoriented, becoming the Office of Best Practice Regulation. It will work closely with government agencies as they develop policy proposals in order to prevent the generation of unnecessary new regulation. Furthermore, the Government is mandating appropriate levels of regulatory analysis, including through the use of the ‘Business Cost Calculator’, also available to businesses, to quantify in dollar terms the compliance cost of proposed regulatory options.”



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## COAG National Reform Agenda

- COAG meeting Feb 2006
- COAG has agreed in principle to establish new and robust intergovernmental arrangements for the governance of its National Reform Agenda. Governments at all levels will have a central and continuing role in elaborating and implementing the agenda.
- COAG agreed to a range of measures to ensure best-practice regulation making and review, and to make a "downpayment" on regulatory reduction by taking action now to reduce specific regulation "hotspots". It is expected that further action to address burdensome regulation and red tape will be taken as the Commonwealth considers and responds to the report of the Taskforce on Reducing the Regulatory Burden on Business, and as State, Territory and local governments undertake their own regulation review processes.



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## Best Practice Regulation Handbook 2007


- "An efficient regulatory system is essential to a well functioning society and economy and depends on having effective processes and institutions for making and administering regulation in all its forms."
- To ensure that regulation is efficient and effective (i.e. effective in addressing an identified problem and efficient in terms of maximising the benefits to the community - taking account of the costs), an enhanced regulatory framework has been introduced to improve the analysis applied to regulatory proposals and hence to improve the quality of regulation.



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## Regulatory Impact Assessment


- “In order to obtain the maximum benefit from the regulatory impact analysis process, the Australian Government has decided that for new regulation (including amendments to existing regulation) the RIS or BCC report must be prepared by officials once an administrative decision is made that regulation may be necessary, *but* before a policy decision is made by the Government or its delegated officials that regulation is necessary”



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## Elements of a Regulatory Impact Statement


- The **problem** or issues requiring action
- The desired **objective**
- The **options** that may achieve the objective
- Assessment of **impact** on consumers, business, government & community of each option
- A **consultation** statement
- An evaluation leading to a **recommended option**
- A strategy to **implement & review**



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## Impact on ARPANSA Radiation Protection Series publications

- Process for development of Codes & Standards must meet **COAG** requirements for National Standard setting
- i.e. Codes & Standards must undergo a **regulatory impact assessment** including cost-benefit analysis, assessment of other regulatory or non-regulatory options, and public consultation.



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## The RIS Process

- The RIS must be cleared by the Office of Best Practice Regulation (OBPR) before being released for public comment
- The OBPR must be satisfied that the level of analysis is adequate for consultation purposes
- A final RIS dealing with the issues raised in submissions must also be cleared by OBPR and forms part of the papers submitted to decision makers with the final Standard
- OBPR reports annually to the National Competition Council on compliance by Australian Government Departments and Agencies with the COAG Guidelines



## The ELF “Consultation RIS”

- Information was sought from a variety of sources
- Cost-benefit Analysis prepared by The Allen Consulting Group
- RIS Cleared by OBPR
- Released for public comment along with draft Standard until 28 February 2007
- 64 submissions were received