

Review of evidence - implementation

- 2.1 This chapter discusses the agenda's implementation; the following chapter examines the review mechanisms by which the agenda's outcomes can be assessed.
- 2.2 The chapter comprises:
- Overview of the Deregulation Agenda;
 - The role of PM&C; and
 - The departments selected for audit.

Overview of the Deregulation Agenda

Background

- 2.3 The stated goal of the government's Deregulation Agenda is to 'make life easier for Australians - and to make it easier for businesses to decide to invest and create more jobs'.¹
- 2.4 The Deregulation Agenda consists of a number of commitments, including:
- centralising responsibility for deregulatory functions to PM&C;
 - a measurable commitment to reducing the cost of complying with Commonwealth regulations (of \$1 billion annually);
 - the introduction of twice-annual parliamentary repeal days;
 - undertaking a stocktake of all Commonwealth regulations;
 - establishing Ministerial Advisory Councils to advise on deregulation;

¹ The Hon Tony Abbott MP and Christian Porter, 'Foreword', *The Australian Government Annual Deregulation Report 2014*, p. ii.

- introducing incentives for the Australian Public Service to cut red tape, including through links between Senior Executive Service remuneration to quantified regulatory reductions;
 - introducing a requirement that all Cabinet submissions must include a Regulation Impact Statement (RIS);
 - establishing deregulation as a standing item on Council of Australian Governments meeting agendas; and
 - establishing a Regulator Performance Framework to assess and audit the performance of individual regulators.²
- 2.5 The government also developed a Regulatory Burden Management Framework to estimate the likely change in the cost of complying with regulations. This formed the basis of the estimated savings as a consequence of the deregulatory approach.³
- 2.6 Ministerial Advisory Councils (MACs) were established within each portfolio, comprised of representatives of business, not-for-profit and other industry stakeholders. Their role, as it relates to the Deregulation Agenda, is to ‘provide advice... on opportunities to reduce red and green tape within their respective portfolios’.⁴

Governance of the agenda

- 2.7 Broadly, the ANAO audit found that the Deregulation Agenda had been well implemented, both via the central coordination of the PM&C and by the individual portfolios selected for this audit.

Department of the Prime Minister and Cabinet

- 2.8 PM&C has a central, coordinating role in the implementing the government’s Deregulation Agenda. As such, the Office of Deregulation was established within the department in late 2013 and the Office of Best Practice Regulation (OBPR) was transferred to PM&C from the Department of Finance. The OBPR is responsible for administering the RIS system and working with departments related to deregulatory processes and estimating regulatory costs and savings.⁵

2 *The Australian Government Annual Deregulation Report 2014*, pp 7–8.

3 *The Australian Government Annual Deregulation Report 2014*, pp 10–11.

4 Department of the Prime Minister and Cabinet, *Establishment of Ministerial Advisory Councils or Equivalent Consultation Mechanisms*, 13 December 2013, available at <https://www.cuttingredtape.gov.au/resources/guidance/ministerial-advisory-councils>.

5 ANAO Audit Report No. 29 (2015–16), p. 18.

- 2.9 PM&C established both a Secretaries' Committee on Deregulation and a Senior Executive Service Reference Group (comprised of the heads of each portfolio's Deregulation Unit).⁶
- 2.10 PM&C, following guidelines of best practice for effective governance, worked to ensure that consistent lines of communication were maintained, including by nominating portfolio liaison officers for Deregulation Units and by hosting information sharing events.⁷
- 2.11 PM&C also published examples of different portfolios' deregulatory initiatives for other departments to draw on.⁸ A website, cuttingredtape.gov.au, was created to further share information and raise awareness (both across the government and for members of the public) and maintain a central location for relevant publications and resources. The website also includes a form which allows members of the public to identify areas where regulation could be reformed.
- 2.12 Reporting from individual portfolios to PM&C provided the basis of the Australian Government Annual Deregulation Report; each portfolio was also initially required to publish its own deregulation report to provide more detailed information on that portfolio's deregulatory action taken.⁹
- 2.13 The reports from portfolios to PM&C took two forms: quarterly and annual reports. The quarterly reports listed progress for the period against deregulation targets, while the annual report forecasted future actions.¹⁰
- 2.14 Following the 2015 independent review, the guidelines for portfolios were reduced and amended as recommended, including the discontinuation of individual portfolio annual deregulation reports.¹¹

Selected departments

- 2.15 The ANAO audit concluded that the selected departments – Communications and the Arts; Health; and Industry, Innovation and

6 ANAO Audit Report No. 29 (2015–16), p. 19.

7 ANAO Audit Report No. 29 (2015–16), p. 9.

8 Department of the Prime Minister and Cabinet, Deregulation Units: Key Approaches 2015, available at:

https://www.cuttingredtape.gov.au/sites/default/files/files/du_essentials_final.pdf, accessed 23 January 2017, p. iii.

9 Barbara Belcher, *Independent Review of Whole-of-Government Internal Regulation: Report to Secretaries Committee on Transformation – Volume 2 Assessment of key regulatory areas*, August 2015, p. 100.

10 Barbara Belcher, *Independent Review of Whole-of-Government Internal Regulation: Report to Secretaries Committee on Transformation – Volume 2 Assessment of key regulatory areas*, August 2015, p. 100.

11 Barbara Belcher, *Independent Review of Whole-of-Government Internal Regulation: Report to Secretaries Committee on Transformation – Volume 2 Assessment of key regulatory areas*, August 2015, p. 102; ANAO Audit Report No. 29 (2015–16), p. 40.

- Science – followed several principles of governance best practice, including by adopting consistent costing measures in assessing the impacts of deregulation initiatives, utilising existing and new stakeholder consultation forums in considering deregulatory approaches and having regard to risk-based and proportionate approaches to assessing the benefits of regulatory arrangements.¹²
- 2.16 Each portfolio established a Deregulation Unit based on the guidelines provided by PM&C. The units were funded out of existing resources – with each portfolio self-assessing the requirements of their Deregulation Unit – and therefore did not themselves impose any additional costs.¹³
- 2.17 By establishing these units, clear responsibility for meeting portfolio requirements in implementing the agenda was assigned.
- 2.18 These units had five key activities, as outlined in the *Deregulation Units: Key Approaches* guide published by PM&C:
- Building capacity and changing culture: driving cultural change through clear expectations and building capacity;
 - Consulting and collaborating: undertaking stakeholder engagement to capitalise on reform opportunities;
 - Supporting regulators: engaging regulators in improving the design and administration of regulation;
 - Reducing regulatory duplication: identifying and removing regulatory duplication; and
 - Coordinating, monitoring and reporting: centrally coordinating the deregulation agenda in their portfolios.¹⁴
- 2.19 A further role of the decentralised Deregulation Units was to support their respective portfolios' work on RIS for cabinet submissions.¹⁵
- 2.20 Units were expected to contribute to the whole-of-government processes established by PM&C, including contributions to the annual Deregulation Reports.¹⁶

12 ANAO Audit Report No. 29 (2015–16), pp 8–9.

13 Answer to Question on Notice, Department of the Prime Minister and Cabinet, Question 48, Additional Estimates, February 2014.

14 Department of the Prime Minister and Cabinet, Deregulation Units: Key Approaches 2015, available at:
https://www.cuttingredtape.gov.au/sites/default/files/files/du_essentials_final.pdf, accessed 23 January 2017, p. iii.

15 Department of the Prime Minister and Cabinet, Deregulation Units: Key Approaches 2015, available at:
https://www.cuttingredtape.gov.au/sites/default/files/files/du_essentials_final.pdf, accessed 23 January 2017, p. iii.

16 Department of the Prime Minister and Cabinet, Office of Deregulation – Guidance Note: Establishment of Portfolio Deregulation Units, 17 December 2013. Provided in Answer to

- 2.21 Within each portfolio, the units had responsibility for information sharing and engagement, both with the portfolio as a whole and with the relevant external stakeholders. The audit notes that units employed strategies such as internal workshops and seminars and distributing written materials to explain both the broad approach to deregulation and issues specific to that portfolio.¹⁷

Question on Notice, Department of the Prime Minister and Cabinet, Question 48, Additional Estimates, February 2014.mini

17 ANAO Audit Report No. 29 (2015–16), p. 29.

