

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Additional Estimates Hearing – February 2010

Department of Finance and Deregulation

Finance and Deregulation Portfolio

Outcome 1, Program 1.1

Topic: Best practice processes for regulation making and review.

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Type of Question: Written

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Senator Ronaldson asked:

The BRCWG stated ‘ensuring that the costs of both new and existing regulations are minimised is vital to reducing costs to businesses and consumers and to promoting improvements in Australia’s productivity and competitiveness. This can be done by undertaking robust gate keeping and impact assessment on the flow of new regulations and by also reviewing the stock of existing regulation.’

What impact analysis has been commissioned to date to ensure a robust gate keeping process to ensure the costs of both new and existing regulation are minimised to ensure reduced costs to businesses and consumers and to promote improvements in Australia’s productivity and competitiveness?

Answer:

On 27 November 2008 the Council of Australian Governments (COAG) agreed the National Partnership Agreement to Deliver Seamless National Economy. Under the terms of the Agreement, all jurisdictions committed to implement regulatory reform that continues to develop and enhance existing processes for regulation making and review to increase the efficiency of regulation. These processes include implementing specific action commitments outlined in COAG’s April 2007 *Regulatory Reform Plan*.

COAG requires that a Regulation Impact Statement (RIS) be prepared for agreements or decisions of COAG, Commonwealth-State Ministerial Councils and national standard setting bodies where these would have a significant impact on business. This requirement is set out in *Best Practice Regulation: A Guide to Ministerial Councils and National Standard Setting Bodies* (October 2007). The Guidelines provide that the RIS should “assess the costs and benefits of all the options supported by an acceptable level of evidence, where appropriate through a formal cost-benefit analysis” and that “after a decision is taken, the final RIS, which should be of a standard suitable for publication, will generally be made public”.