

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:

Under National Reform Agenda (NRA) initiatives agreed by COAG in April 2007, *'jurisdictions are committed to maximising the efficiency of regulation, including, including through establishing gate keeper mechanisms, improving the quality of impact analysis, better measurement of compliance costs, undertaking annual reviews to reduce the burden of regulation and working with the PC on its benchmarking study into the compliance cost of regulation.'*

- a) How many new regulations have been implemented since the election of the Rudd Labor Government and how many regulations have been replaced by these new regulations that have been introduced?
- b) What cost benefit analysis has been used to maximise the efficiency of each of the regulation?
- c) What metrics are used to measure compliance costs of new regulation?
- d) What annual reviews have been undertaken to reduce the burden of regulation?

Answer:

- a) According to the ComLaw database maintained by the Department of the Attorney-General, for the period 1 December 2007 to 31 December 2009, 8,261 legislative instruments have been introduced (including 268 Acts) and 3,709 legislative instruments have been removed (including 48 Acts). These numbers include many classes of legislative instruments that relate to machinery of government matters or matters of administration that do not have a business regulatory impact.
- b) All new regulatory measures are subject to impact analysis. For proposals that are likely to have a significant impact on business, a more detailed analysis must be undertaken and documented in a Regulation Impact Statement (RIS), which can include cost benefit analysis.

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- c) The Government's Best Practice Regulation Handbook, 2007 states that "where there are medium or significant business compliance costs, these costs should be quantified using the Business Cost Calculator or an approved equivalent".
- d) The Government has been active in reducing the burden of regulation through several review initiatives. A stocktake of Commonwealth regulation, and associated processes, has removed over 200 redundant regulations over the past 12 months, including through the *Statute Stocktake (Regulatory and Other Laws) Act 2009*. A review of internal Government red tape is underway. The Government is also undertaking a systematic review of all Commonwealth subordinate legislation made before 2008 to document those regulations which impose net costs on business and to identify scope to improve regulatory efficiency.