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: Performance information

Question reference number: F79
Type of Question: Written
Date set by the committee for the return of answer: 26 March 2010

Number of Pages: 1
Senator Ronaldson asked:

a) How do the regulatory burden metrics take account of the complexity of regulatory requirements?
b) Fewer provisions or regulatory text may mask a greater compliance requirement involving more effort or less clear statements involving objective interpretation concepts that demand expert advice or uncertain operational implications. How is this implementation burden taken into account?

Answer:

a) & b) All new regulatory measures are subject to impact analysis. 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". Further, the Handbook states that for "proposals that are likely to have a significant impact on business and individuals or the economy (whether in the form of compliance costs or other impacts), a more detailed analysis must be undertaken and documented in a Regulation Impact Statement (RIS)".

Cost benefit analysis is used internationally to measure net costs and benefits to the community. As part of this process, both administrative and compliance costs are measured, including through tools like the Business Cost Calculator. The Government's Handbook states that "where possible, impacts should be quantified".