

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2011-2012

Finance and Deregulation Portfolio

Department/Agency: Department of Finance and Deregulation

Outcome/Program: 1/ 1.1

Topic: OBPR and Deregulation

Senator: Ryan

Question reference number: F14

Type of question: Written

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Number of pages: 2

Question:

- a) What consultations has OBPR had with business on the impact of regulation on productivity? Please advise regarding details of conferences, liaison, papers.
- b) What consultation has OBPR had with Treasury and Prime Minister and Cabinet officials who work on policy to boost national productivity?
- c) Does Finance monitor productivity in the public service?
 - i. If so, what measures does it use?
 - ii. Over the past five years what productivity improvements have been delivered in the public service?
 - iii. How does this level of productivity compare to national productivity figures?
- d) What practical measures has the government taken in this Parliament to reduce the impact of regulation on business?

Answer:

- a) The role of the Office of Best Practice Regulation (OBPR) is to examine Regulation Impact Statements (RISs) prepared by agencies and advise on whether they meet the government's requirements and provide an adequate level of analysis. The RIS requirements include the need for agencies to demonstrate they have consulted adequately with stakeholders, including business. In the course of assessing RISs, the OBPR has on occasion discussed matters with business. The OBPR maintains an online public register of all RISs, which incorporates a blog facility to promote feedback.
- b) The OBPR has regular contact with colleagues in Treasury and the Department of the Prime Minister and Cabinet.
- c) While the Department of Finance and Deregulation does not explicitly monitor productivity in the public service, the Government has tasked it with strengthening efforts

across all departments to drive efficiency. Since 2007, the Government has pursued a diverse range of whole-of-government measures that have generated efficiency gains. Examples include, the establishment of a Commonwealth Property Management Framework to minimise lease property costs, reductions in campaign advertising expenses, greater reliance on telepresence and leveraging economies of scale through whole-of-government contracts for air travel and ICT services.

- d) A key element of the Australian Government's approach is rigorous regulation impact assessment (RIA) processes to assist decision making on proposals for new regulation. RIA arrangements have been strengthened in the last twelve months, including with a move to online publication of regulation impact statements soon after the relevant policy announcement to improve transparency and accountability. In terms of managing the quality of existing regulation, in addition to mechanisms such as the Review of pre-2008 Subordinate Regulation, the Government's approach has been to quality assure through a series of microeconomic reforms of underperforming regulation, both in the in the Commonwealth sphere and through COAG.
- Through the COAG National Partnership Agreement to Deliver a Seamless National Economy all jurisdictions are working together to tackle inefficient and costly regulation through the implementation of 27 deregulation priorities, eight areas of competition reform and improving regulatory processes. To date, 15 reforms, around half of the 27 deregulation priority reforms, are now operational.
 - At the Commonwealth level the Government is addressing underperforming regulation through a range of mechanisms, most notably through a program of Better Regulation Ministerial Partnerships. Six partnerships have been completed to date and a further four are currently underway.