

The Australian Government Guide to Regulation

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The Australian Government Guide to Regulation provides a framework and context for regulation and encourages policy makers to think about the regulatory impact of their policy decisions early in the policy and legislative design process. The guide outlines the key questions users should ask during their design process through the preparation of a formal Regulatory Impact Statement, or RIS.

Please see the link below for a full copy of the guide.

[The Australian Government Guide to Regulation | Cutting Red Tape](#)

A Regulatory Impact Statement, or RIS, forces all policy makers to formally consider seven key policy and regulatory considerations throughout the full life-cycle of their design process. A RIS is submitted for review to the Office of Best Practice Regulation (OBPR) who maintain a register of the documents and regulatory impacts. A RIS includes a cost-benefit analysis of alternative policy options, an estimate of regulatory impact costings and details of consultations.

A RIS is required to be prepared for all legislative instruments and any new regulation. Whilst it is a formal document used throughout the legislative design process, end-users or stakeholders rarely see a completed RIS as it is primarily focused on policy and legislative design prior to implementation. For example, the ATO would not generally use a RIS for consultations on legislative instruments or administrative statements that come after the legislation is implemented, but the ATO would generally be a consulted stakeholder during any tax design process and thus contribute to a RIS process.

A RIS is now a mandatory process for every policy proposal that involves regulation and is mandatory for *all* Cabinet submissions. For every type of policy decision you must produce a RIS if your organisation is:

- A government department (such as Treasury)
- A statutory authority (such as the Australian Human Rights Commission)
- A board (even if it has statutory independence) (such as the Australian Accounting Standards Board)
- A public entity operating under the *Public Governance, Performance and Accountability Act 2013* (such as Screen Australia).

Understanding this RIS background may also be instructive for stakeholders engaged in consultation on specific policy reforms. That is – by assisting them to understand the framework and context to better prepare written (formal or informal) submissions as part of those policy consultations. This brief outline is intended to assist stakeholders understand that framework and the policy questions that policy makers are seeking to answer through their engagement with those stakeholders.

Ten principles for Australian Government policy makers

The Government has prepared ten principles for Australian Government policy makers that form the foundation of their reduced red tape agenda. The Ten Principles for Australian Government Policy Makers document can be found [here](#). Of the ten principles relevant to stakeholders, particular attention should be paid to the following points:

- *Every substantive regulatory policy change must be the subject of a Regulation Impact Statement – e.g. where the policy proposal is likely to have a measurable impact on business, community organisations or individuals. This includes new regulations, amendments to existing regulations and, in some cases, sunsetted regulations being remade.*
- *Policy makers should consult in a genuine and timely way with affected businesses, community organisations and individuals.* Of particular note to stakeholders, the Guide suggests providing stakeholders a minimum of 30 days to respond to consultations and up to 60 days for more complex or onerous matters.
- *Policy makers must consult with each other to avoid creating cumulative or overlapping regulatory burdens.* Policy makers should make every effort to reduce the burden on stakeholders and ensure processes are conducted in the most efficient manner possible to ensure stakeholders are best able to provide meaningful and timely input.

The RIS Questions - Why are these questions so important?

The RIS questions below are critical because they help policy makers focus on the regulatory impact of major decisions. They are designed to help structure ideas, test assumptions and encourage policy makers to think about the regulation-based solution. The RIS process is encouraged to start at the beginning of all policy design processes – not just at the tail end after decisions are made. This ensures that all viable options are considered and appropriately analysed prior to finalisation and implementation.

1. **What is the problem you are trying to solve?**
The RIS requires the policy maker to explain the problem—and their objective—simply and clearly. A crisply defined problem offers scope for innovative, non-regulatory thinking.
2. **Why is government action needed?**
Policy makers are encouraged to ask themselves: is it a genuine priority? Is it government's job? Is the problem serious enough to justify government intervention? Will intervention work?
3. **What policy options are you considering?**
A RIS will reveal whether the policy maker has thought through all of the viable options, including the option of not regulating. Until you've analysed the problem from every angle, you may be overlooking a viable, low-impact alternative.
4. **What is the likely net benefit of each option?**
Policy interventions often come at a cost. The RIS obliges the policy maker to assess the benefit of your proposed intervention against the burden you impose. If that burden is greater than the benefit, you should look for alternatives or reconsider the need to intervene at all.
5. **Who will you consult about these options and how will you consult them?**
Transparency and accountability are not optional. The RIS encourages you to walk in the

shoes of the people, business decision makers and community groups affected by your policy proposal.

6. **What is the best option from those you have considered?**

The RIS will help make clear whether your decision making processes are robust enough to cope with scrutiny. The public don't just need to know what you've decided; they want to know why and on what information and arguments your decision was based.

7. **How will you implement and evaluate your chosen option?**

Too often this question is left until the last minute. The RIS process ensures you give adequate and timely consideration to the real-world problems of making your policy work—and makes sure you will test its effectiveness and ongoing relevance.

You may wish to provide the Guide to attendees at the Symposium so that they may better understand the regulatory approach for the purposes of stakeholder consultation and engagement.