

# Appendix D: Ready Reckoner

The better regulation principles should be followed in the development of every regulatory proposal.

## BETTER REGULATION PRINCIPLES

<b>Principle 1:</b>	The need for government action should be established
<b>Principle 2:</b>	The objective of government action should be clear
<b>Principle 3:</b>	The impact of government action should be properly understood by considering the costs and benefits of a range of options, including non-regulatory options
<b>Principle 4:</b>	Government action should be effective and proportional
<b>Principle 5:</b>	Consultation with business and the community should inform regulatory development
<b>Principle 6:</b>	The simplification, repeal, reform or consolidation of existing regulation should be considered
<b>Principle 7:</b>	Regulation should be periodically reviewed, and if necessary reformed to ensure its continued efficiency and effectiveness

The following elements will need to be included in a policy process to ensure the better regulation principles are met. The questions under each element may assist in applying the principles during regulatory development.

## APPLY THE PROPORTIONALITY PRINCIPLE

- Is the scope of the regulatory proposal proportionate to the seriousness of the problem being dealt with?
- Is the amount of time, effort and other resources spent developing the regulatory proposal proportionate to its importance and its impact?

■ Principle 4

## PLAN FOR EFFECTIVE CONSULTATION

- Is consultation planned to occur throughout the regulatory development process?
- Does the consultation period allow stakeholders adequate time to prepare responses?
- Is the approach to consultation commensurate with the size of the problem to be addressed, the significance of the impacts of the proposal and the stakeholder concern about the policy issue?
- Will all stakeholders that may be affected by the options be consulted?

■ Principle 5

## ESTABLISH THE NEED FOR GOVERNMENT ACTION

- What is the problem to be solved?
- How big is the problem and how severe are its consequences?
- What are the broad impacts of the problem and who is affected?
- Have affected parties been consulted on the nature and impact of the problem?
- What will happen if no action is taken?

■ Principle 1

## DEFINE POLICY OBJECTIVES

- What is the outcome to be achieved?
- Are objectives specified clearly?
- Do objectives relate to the problem which has been identified?
- Are objectives consistent with existing government objectives and policies?

■ Principle 2

## DEVELOP VIABLE OPTIONS

- Have a number of options been considered, including non-regulatory alternatives?
- Has the status quo been considered as an option?
- Can existing regulation be amended to achieve the objectives?
- Have options used to address similar policy problems in other jurisdictions been considered?
- Is there a less interventionist form of regulation available that will achieve stated objectives?
- Have stakeholders been consulted to assist with options development?

■ Principle 3

## ASSESS THE IMPACTS OF OPTIONS

- Is the level and detail of the assessment of costs and benefits proportionate to the size of the problem and the potential impacts of options?
- Have all groups affected by proposed options been identified, including sub-groups?
- Have financial, economic, social and environmental impacts been identified, including both direct and indirect costs and benefits?
- Has the most appropriate method of assessment of each option been considered, taking into account availability of data, ability to quantify costs and benefits, and the significance of the impacts?
- Have distributional impacts, cumulative regulatory burden, and risk and uncertainty been considered in the analysis?
- Have any competition restrictions resulting from options been identified and justified?
- Have compliance costs to business been assessed?
- What is the recommended option, based on meeting objectives and achieving the greatest net benefit or least cost to the community?

■ Principle 3

## CONSIDER EXISTING REGULATION

- Does the new proposal create obsolete regulatory requirements that can be repealed?
- Does the new proposal fit with existing regulatory requirements?
- Can the policy objectives be achieved by 'piggy-backing' on an existing regulatory instrument?
- Is it feasible to consolidate the requirements in a number of instruments into a single regulation?
- Does the new proposed regulatory instrument supersede existing regulation which can be repealed?
- Can reporting requirements imposed under existing approvals, licences or regulatory instruments be simplified or repealed?
- Is existing regulation still valid?

■ Principle 6

## PLAN FOR IMPLEMENTATION AND COMPLIANCE

- Does the implementation strategy clearly set out how the proposal would be implemented and enforced?
- Does the strategy communicate the purpose and objectives of the proposal?
- Are roles and responsibilities clearly defined in the implementation strategy?
- Does the implementation strategy set out regulatory requirements and actions needed for compliance?
- Are compliance burdens imposed consistently across different groups?
- Are compliance burdens commensurate with the size of the problem?
- Are compliance strategies and penalties explained in the implementation strategy?

■ Principle 4

## CONSIDER HOW PERFORMANCE WILL BE MONITORED AND REPORTED

### DETERMINE WHEN TO HOLD A REVIEW

- Does the implementation strategy clearly set out how the proposal would be implemented and enforced?
- Does the strategy communicate the purpose and objectives of the proposal?
- Are roles and responsibilities clearly defined in the implementation strategy?
- Does the implementation strategy set out regulatory requirements and actions needed for compliance?
- Are compliance burdens imposed consistently across different groups?
- Are compliance burdens commensurate with the size of the problem?
- Are compliance strategies and penalties explained in the implementation strategy?

■ Principle 3

■ Principle 7

## PORTFOLIO MINISTER DETERMINES WHETHER A BETTER REGULATION STATEMENT IS NEEDED

- Does the regulatory scheme represent a major new policy initiative?
- Will it affect a significant number of businesses or add significantly to business costs?
- Will the regulatory scheme impact disproportionately on small businesses?
- Will it have a concentrated impact on a particular group, region or industry?
- Will it have a large impact on the economy?
- Does the regulatory scheme seek to impose a material restriction on competition?
- Does it lock consumers into particular service providers, or make it more difficult to move between service providers?
- Does it impose restrictions that reduce the range of price or service quality options that are provided in the marketplace?
- Will the scheme impose restrictions on firms entering or exiting a market?
- Will it introduce controls that reduce the number of participants in a market?
- Would the regulatory scheme place businesses at a competitive disadvantage with interstate and overseas competitors?
- Have affected parties been consulted on the nature and impact of the problem?
- What will happen if no action is taken?

■ Principle 3