

COAG NATIONAL REFORM AGENDA

COAG REGULATORY REFORM PLAN APRIL 2007

CROSS-JURISDICTIONAL REGULATORY HOT SPOTS.....	2
MAXIMISING THE EFFICIENCY OF REGULATION.....	8
ANNUAL REVIEWS.....	9
ONGOING CROSS-JURISDICTIONAL REFORM.....	10
BENCHMARKING REGULATION.....	10
LEGISLATION REVIEW.....	10
OUTCOMES.....	10
Appendix A: Timeline for Implementation of Rail Safety Initiatives.....	12
Appendix B: Timeline for implementation of strategies to improve the uptake and development of national OHS strategies.....	14
Appendix C: Jurisdictional actions to maximise the efficiency of regulation.....	15
Appendix D: Jurisdictional Processes for Annual Reviews.....	23

CROSS-JURISDICTIONAL REGULATORY HOT SPOTS

COAG agreed in February and July 2006 to take action with respect to ten cross-jurisdictional regulatory hot-spots where overlapping and inconsistent regulatory regimes are impeding economic activity. The following actions have been agreed to address these areas of concern.

Rail Safety Regulation

The need to comply with different rail safety regimes across jurisdictions increases regulatory and operating costs to the rail industry and adversely impacts on the competitive position and efficiency of inter-state rail freight operations. It is acknowledged that an important first step in achieving nationally consistent rail safety regulatory arrangements is the enactment and commencement of the model national rail safety legislation and regulations in all jurisdictions. Additional measures have been identified that will assist in establishing a nationally consistent rail safety framework including national rail operator accreditation, data collection and rail regulator training.

COAG agreed that:

- a) mainland governments will implement by 30 June 2007¹ the National Transport Commission-developed model rail safety legislative package that has been agreed by the Australian Transport Council (ATC);
- b) governments, through the ATC, will develop a nationally consistent rail safety regulatory framework through the measures and by the timeframes outlined in Appendix A; and
- c) the ATC will present a final report to COAG by 30 June 2008.

COAG endorsed the timeline for implementing these initiatives as set out in Appendix A.

National Trade Measurement

Responsibility for Australia's trade measurement system is currently shared between the Commonwealth, State and Territory governments. The users and beneficiaries of the system have reported that the current arrangements impose avoidable regulatory costs on industry, consumers and government. An alternative arrangement that provides an effective national trade measurement system is vital in improving productivity and providing confidence in trade transactions in Australia which have a value in excess of \$400 billion per annum.

In response to a request from COAG for advice on introducing a national system, the Ministerial Council on Consumer Affairs (MCCA) has recommended that a national system delivered by the Commonwealth is the approach that will best overcome the current problems identified by business. A national system will also have significant

¹ COAG noted that while Tasmania will implement the model legislation and regulations, it will be unable to achieve this in 2007.

advantages in facilitating the adoption of newer and more efficient technologies, responding effectively to new demands for trade measurement infrastructure, and maintaining a viable skills base in the trade measurement workforce.

COAG thanked Victoria for its work in coordinating the consultations with business, government and the community and investigating options to overcome the problems identified.

COAG agreed to the Commonwealth's offer to take full responsibility, including funding, for the national trade measurement system, and noted the Commonwealth's commitment to ensure the maintenance of existing service standards.

COAG further agreed that the transition period for the transfer of responsibility for the administration of the trade measurement system in Australia will be three years with Commonwealth administration commencing on 1 July 2010. New Zealand will be consulted in developing national legislation and administration to explore opportunities for greater harmonisation in trade measurement.

During the transition period, the States and Territories agreed to maintain necessary resourcing devoted to the administration of trade measurement, including staffing and funding, to ensure continuity of service and maintenance of existing service standards. Commonwealth, State and Territory officials will work together to develop detailed transitional arrangements, including facilitating the transfer of resources where required for the operation of the new national system.

Personal Property Securities Register

Personal property securities are broadly defined as interests in personal property that a creditor has the right to take or keep possession of, or otherwise deal with, on default by a debtor. There are presently more than 70 separate acts governing personal property securities in Australia, administered by a range of Commonwealth, State and Territory government agencies and involving three ministerial councils. The multiplicity of legislative regimes has created legal uncertainty and high transaction and compliance costs for businesses.

COAG endorsed the progress made by the Standing Committee of Attorneys-General (SCAG) in developing options for implementing an efficient and effective national personal properties registration system for security transactions and agreed that a national system should be pursued as a matter of priority.

COAG agreed in principle, subject to further consideration of financial arrangements, to establish a national system for the registration of personal property securities which should commence operation in 2009, noting that this will deliver tangible economic benefits in terms of business development and reduced transaction costs. COAG further agreed in principle that the States and Territories would allow the migration of data from existing registers.

COAG noted that the national system would be funded by the Commonwealth and implemented by Commonwealth legislation supported by a referral of legislative power by the States to the Commonwealth.

COAG requested that SCAG provide COAG with a proposed Inter-governmental Agreement (IGA) by the end of 2007.

Occupational Health and Safety

The impact of the inconsistent application of occupational health and safety regulation across jurisdictions is regularly identified by business as an area of concern (including in the Commonwealth Government's Rethinking Regulation: Report of the Taskforce on Reducing Regulatory Burdens on Business and the Independent Pricing and Regulatory Tribunal Final report – Burden of Regulation in NSW and Improving Regulatory Efficiency). In order to reduce the compliance costs on businesses operating across borders, COAG tasked the Workplace Relations Ministerial Council (WRMC) with developing strategies to improve implementation and uptake of national occupational health and safety (OHS) standards.

COAG noted the recommendations endorsed by all members of the WRMC other than New South Wales.

In order to address its concerns in relation to the slow take-up of national standards, COAG agreed that the national OHS standards framework be recast to comprise the following components:

- (a) national standards focussed on safety requirements (specified as outcomes where possible) as the basis for jurisdictional regulations;
- (b) a core document containing the key principles found in OHS Acts to be used as the common framework for developing and reviewing national standards;
- (c) national codes of practice that provide more focussed practical guidance on how to meet an outcome;
- (d) guidance material;
- (e) regulatory interpretative documents; and
- (f) a handbook that documents the principles and processes of the national standards framework.

COAG further agreed that the priority areas for harmonisation of principal OHS Acts will be, in the first instance, those matters essential for the consistent development, uptake and implementation of national standards into jurisdictions' regulation, and that the Australian Safety and Compensation Council (ASCC) may also identify and agree other priority areas for harmonisation that are considered necessary to improve safety outcomes.

COAG also noted that New South Wales could not agree that duty holders and the scope of their obligations are areas for prioritisation, as issues relating to these are subject to consideration of the independent review being conducted by the Hon Paul Stein QC.

COAG reaffirmed its requirements that there be no reduction or compromise in standards for legitimate safety concerns in current OHS standards. COAG noted that the following four principles, which will not be used to alter what COAG agreed for OHS harmonisation or to delay implementation of the agreed reforms, are intrinsic to WRMC's work on OHS harmonisation:

- (a) a tripartite approach;
- (b) compliance;
- (c) resources; and
- (d) ensuring protections are not reduced.

COAG agreed a timeline for the implementation of the strategies to improve the uptake and development of national OHS strategies as set out in Appendix B.

Environmental Assessment and Approvals Processes

It is important that all jurisdictions have in place rigorous assessment processes to ensure that the environmental impacts of proposed developments are well understood and the need for mitigation can be clearly identified. All governments have a responsibility to protect the environment, however it is also important that jurisdictions, as far as is possible ensure consistency in their regulatory requirements, so that the processes themselves do not unnecessarily impede economic activity.

The *Environment Protection and Biodiversity Act 1999* (the EPBC Act) allows for the making of bilateral agreements with the States and Territories to accredit their environmental assessment and approvals processes. A number of jurisdictions already have in place assessment bilateral agreements with the Commonwealth. Finalising outstanding assessment bilateral agreements as a priority will provide certainty for business by ensuring that proposed developments are assessed under the relevant jurisdiction's legislation, without duplication by the Commonwealth, and will in turn provide an opportunity for discussions on approvals bilateral agreements, which will in turn provide greater certainty for business.

Against this background, COAG agreed that the Commonwealth Minister for the Environment and Water Resources will develop a proposal, in consultation with States and Territories, for a more harmonised and efficient system of environmental assessment and approval as soon as possible.

Building Regulation

A major element of delivering continued regulatory reform on building regulation matters is a strong commitment by all jurisdictions to a nationally consistent Building Code of Australia (BCA) based on minimum necessary regulation. This commitment was given effect when the new intergovernmental agreement (IGA) on building codes was executed on 26 April 2006. COAG endorses the BCA as an instrument for setting out the statutory standards and policies for building rules consent and the new accountability measures, reporting requirements and gate-keeping mechanisms for implementing further building regulation reform encapsulated within the IGA.

Further to the commitments under the IGA, COAG requests that the Local Government and Planning Ministers' Council and the Building Ministers' Forum work cooperatively in order to reduce inconsistencies which impact on efficiency and increase costs in the application of the BCA on a national basis, and report to COAG at the end of 2007.

Product Safety

The States and Territories agreed to develop a uniform approach to product safety within 12 months.

Business Registration

COAG noted the interim report from the Small Business Ministerial Council (SBMC), which was provided in response to COAG's request in July 2006 for the SBMC to develop a model to deliver a seamless, single online registration system for Australian Business Numbers (ABNs) and business names, including trademark searching.

Having considered the options identified by the SBMC, COAG requested that the SBMC, in consultation with the Ministerial Council on Consumer Affairs, develop a business plan for implementation of a preferred model based upon maximising the positive net benefits, following a detailed analysis of the costs and benefits. In developing the business plan, COAG requested that the SBMC:

- (a) assess both a centrally- or State-administered and regulated model, considering Commonwealth Government and State/Territory government roles;
- (b) in parallel, consider and make recommendations on a more effective coordinated approach to all forms of business registration, in order for further benefits to be delivered to business; and
- (c) capitalise on other relevant initiatives across all levels of government including the Standard Business Reporting project.

COAG noted that the SBMC is proceeding with the development of an automated names determination engine.

COAG agreed that the SBMC is to report back to COAG with its recommendations and cost implications by the end of 2007.

Development Assessment

A more streamlined development assessment process can reduce the costs facing business and deliver positive economic, social, and environmental outcomes for the entire community.

COAG remains committed to streamlining and harmonising development assessment processes within jurisdictions and notes the Local Government Planning Ministers' Council (LGPMC) Report on Development Assessment Reform which indicates that:

- a) States and Territories have reviewed, or are reviewing their local government development assessment legislation, policies and objectives to ensure that they remain relevant, effective, efficiently administered, and consistent across their jurisdiction;
- b) States and Territories have put in place, or are putting in place, strategies to ensure that referrals are limited to agencies with a statutory role relevant to the application, and that referral agencies specify their requirements in advance and comply with clear response times;
- c) all jurisdictions agree to review the outcomes of the current system and software trials of electronic development assessment processing and, if appropriate, facilitate further trials, with the aim of maximising the uptake of electronic development assessment processing by the end of 2009; and

- d) all jurisdictions agree that all new tender specifications for electronic development assessment software purchased by Commonwealth, State, Territory and Local Government will incorporate a National Communication Protocol for transferring development application information electronically from 1 July 2007.

COAG requests that the LGPMC continue its work towards implementing key elements of the Development Assessment Forum's Leading Practice Model.

Chemicals and Plastics

On 10 February 2006 COAG agreed to establish a ministerial taskforce, with each jurisdiction nominating one responsible Minister, to develop measures to achieve a streamlined and harmonised system of national chemicals and plastics regulation.

COAG reaffirmed its commitment to address the concerns of stakeholders about the compliance burden in the regulation of chemicals and plastics, reflecting the complex matrix of chemicals and plastics regulation across multiple agencies, jurisdictions and all levels of government.

COAG noted that the Commonwealth Government has agreed that the Productivity Commission will undertake an independent public study of regulation in the sector that will help inform the work of the ministerial taskforce. The terms of reference for the Productivity Commission study will shortly be finalised in consultation with the state and territory governments. COAG agreed that the ministerial taskforce should report back to COAG with recommendations to streamline and harmonise the regulatory system drawing on the Productivity Commission study and other related activity.

MAXIMISING THE EFFICIENCY OF REGULATION

COAG has agreed that all Governments will establish and maintain effective arrangements at each level of government that maximise the efficiency of new and amended regulation and avoid unnecessary compliance costs and restrictions on competition by:

- (a) establishing and maintaining “gate keeping mechanisms” as part of the decision-making process to ensure that the regulatory impact of proposed regulatory instruments are made fully transparent to decision makers in advance of decisions being made and to the public as soon as possible;
- (b) improving the quality of regulation impact analysis through the use, where appropriate, of cost-benefit analysis;
- (c) better measurement of compliance costs flowing from new and amended regulation, such as through the use of the Commonwealth Office of Small Business’ costing model;
- (d) broadening the scope of regulation impact analysis, where appropriate, to recognise the effect of regulation on individuals and the cumulative burden on business and, as part of the consideration of alternatives to new regulation, have regard to whether the existing regulatory regimes of other jurisdictions might offer a viable alternative; and
- (e) applying these arrangements to Ministerial Councils.

Regulation refers to the broad range of legally enforceable instruments which impose mandatory requirements upon business and the community as well as to those government voluntary codes and advisory instruments, for which there is a reasonable expectation of widespread compliance.

In keeping with this commitment to maximise the efficiency of new and amended regulation and avoid unnecessary compliance costs and restrictions on competition, COAG agrees that all governments will ensure that regulatory processes in their jurisdiction are consistent with the following principles:

1. establishing a case for action before addressing a problem;
2. a range of feasible policy options must be considered, including self-regulatory, co-regulatory and non-regulatory approaches, and their benefits and costs assessed;
3. adopting the option that generates the greatest net benefit for the community;
4. in accordance with the Competition Principles Agreement, legislation should not restrict competition unless it can be demonstrated that:
 - a. the benefits of the restrictions to the community as a whole outweigh the costs; and
 - b. the objectives of the regulation can only be achieved by restricting competition
5. providing effective guidance to relevant regulators and regulated parties in order to ensure that the policy intent and expected compliance requirements of the regulation are clear;
6. ensuring that regulation remains relevant and effective over time;

7. consulting effectively with affected key stakeholders at all stages of the regulatory cycle; and
8. government action should be effective and proportional to the issue being addressed.

Having regard to the above principles, the parties have agreed that regulation impact analysis of the feasible policy options, will, among other things, include an assessment of whether:

- (a) an existing regulatory model is in place outside the jurisdiction that would efficiently address the issue in question; and
- (b) a uniform, harmonised or jurisdiction-specific model would achieve the least burdensome outcome (or generate the greatest net benefit for the community).

In deciding on whether to adopt a uniform, harmonised or jurisdiction-specific model, governments will have regard to:

- the potential for better regulatory practices to be developed through regulatory competition, innovation and dynamism;
- the relative effectiveness and efficiency of the alternative models, including regulatory burdens and any transition costs; and
- whether the issue is state-specific or national, and whether there are substantial differences that may require jurisdiction-specific responses.

The parties have committed to the actions specified in Appendix C to give effect to the commitments made by COAG and to ensure that the agreed principles flow through into practice.

ANNUAL REVIEWS

COAG has agreed that each jurisdiction will review existing regulations with a view to encouraging competition and efficiency and streamlining and reducing the regulatory burden on business by:

- (a) initiating at least annual targeted reviews to reduce the burden of existing regulation in its own jurisdiction through a public inquiry and reporting process that provides opportunities for input from a range of stakeholders including business groups, with each review to identify priority areas where regulatory reform could provide significant gains to business and the community; and
- (b) acting on the recommendations of the reviews referred to above, and co-ordinating reform measures with other jurisdictions if appropriate.

The manner in which these reviews will be undertaken is along the lines specified in Appendix D.

ONGOING CROSS-JURISDICTIONAL REFORM

COAG agreed in February 2006 that the annual reviews of the burden of existing regulations referred to above will be used to identify further reforms that enhance regulatory consistency across jurisdictions or reduce duplication and overlap in regulation and in the role and operation of regulatory bodies.

COAG agrees that the terms of reference for all annual reviews will include an explicit reference to identifying areas for potential cross-jurisdictional reforms.

COAG agrees that a committee of Commonwealth-state officials will consider on an annual basis, any cross-jurisdictional reforms identified in jurisdictions' annual reviews, and make recommendations to COAG on mechanisms for addressing identified priority reforms. In formulating such recommendations, officials will consider the merits or otherwise of harmonised approaches to regulation.

BENCHMARKING REGULATION

COAG has agreed to proceed to the second stage of a study to benchmark the compliance costs of regulation, to be undertaken by the Productivity Commission. Benchmarking the compliance costs of regulation will assist all governments to identify further areas for possible regulation reform. The benchmarking study will examine the regulatory compliance costs associated with becoming and being a business, the delays and uncertainties of gaining approvals in doing business, and the regulatory duplication and inconsistencies in doing business interstate. COAG has asked Senior Officials to finalise by the end of May 2007 any variations to the areas of regulation to be benchmarked in the three-year program outlined in the Commission's feasibility study '*Performance Benchmarking of Australian Business Regulation*'. COAG noted the Commonwealth will fully fund the benchmarking exercise.

LEGISLATION REVIEW

COAG agreed that each jurisdiction will complete outstanding priority legislation reviews from the current National Competition Policy (NCP) Legislation Review Program in accordance with the NCP public benefit test. Governments will report annually to COAG on their progress in meeting this commitment.

OUTCOMES

COAG agrees that taking action to implement best practice regulation-making mechanisms would lead to the following broad outcomes:

1. the quality of regulatory decisions by governments will have improved due to better gatekeeping arrangements to vet all new regulatory proposals, using improved costing tools and cost benefit analysis to ensure the benefits of new regulations outweigh their costs to the community;

2. the regulatory burden in regulation 'hotspot' areas will be substantially reduced through open annual reviews to identify emerging priority areas and reduce unnecessarily burdensome regulation in these areas;
3. cross-jurisdictional regulatory overlap and inconsistency that create an unnecessary burden for business and the community will also be reduced;
4. common national framework for benchmarking regulatory burden in each jurisdiction; and
5. the potential for innovation and dynamism will be preserved through competitive regulatory approaches as appropriate.

Timeline for Implementation of Rail Safety Initiatives

Initiative	Milestone	Action
Model Rail Safety Bill and Regulations and First Set of Nationally Approved Guidelines	Model Bill and Regulations passed by legislature in each jurisdiction by 30 June 2007 ² .	Report submitted by NTC to ATC by 30 October 2007 and by ATC to COAG by 31 December 2007, with progress reports on implementation to ATC by jurisdictions through the NTC at each ATC meeting.
	First set of Nationally Approved Guidelines agreed by ATC by 31 December 2007.	Approval by ATC of Guidelines: to be drafted by NTC by 30 June 2007
Identification of 'Local Variations' in Legislation and Regulations	Variations Register established to highlight differences between jurisdictions in legislation and regulations, including potential areas of non-compliance.	Compilation by NTC (in consultation with Rail Safety Package Steering Committee) of Variations Register, with progressive reporting to ATC commencing April 2007 by jurisdictions through NTC on residual variations, including justification where variations are retained.
Accreditation of operators	<p>Harmonise process of mutual recognition and develop procedures to minimise differences in accreditation outcomes between jurisdictions.</p> <p>Examine measures for further development of cross jurisdictional regulation of interstate rail operators.</p>	<p>Report by jurisdictions through NTC to each ATC meeting on progress in practical application of Section 36 of model Rail Safety legislation, including additional resource costs borne by operators and regulators in separate assessment of operators against differences in risks in each jurisdictions.</p> <p>NTC in consultation with Rail Safety Package Steering Committee to report back to ATC by 31 October 2007 on further potential improvements in cross jurisdictional regulation.</p> <p>ATC to report to COAG on residual differences in jurisdictional accreditation and regulatory arrangements by 31 December 2007, based on NTC report to ATC.</p>

² Tasmania will be unable to achieve this in 2007.

Initiative	Milestone	Action
Framework supporting competency based national training for regulators	Development of nationally consistent training courses for rail safety regulators by NTC in consultation with key stakeholders	Report by 31 October 2007 by NTC to ATC on progress in development and implementation of training arrangements. ATC to report by 31 December 2007 to COAG on progress with implementation.
Data collection	Effective implementation of the 21 April 2005 MOU between the ATSB and rail safety regulators.	Current 'clean-up' by jurisdictions of data to be completed by 31 December 2006. NTC and ATSB, in consultation with Rail Group, to propose future data requirements, collection and use to Rail Group by 31 December 2006, with NTC report to ATC by 31 May 2007. ATC to report to COAG by 30 June 2007 on progress in implementing standardised rail safety data collection.
Management of interfaces with other portfolios	Increased coordination between regulatory agencies to reduce inconsistencies, both between portfolios and between jurisdictions	NTC to provide recommendations to ATC by 30 June 2007. ATC to provide recommendations to COAG on potential actions by 31 December 2007: NTC to prepare recommendations.
National Train Driver Licensing Framework	Development of a framework that facilitates increased consistency across jurisdictions in core competencies for national train driver licences.	NTC to develop framework in consultation with industry and regulators, and report to ATC by 31 December 2008.
Review of rail safety regulatory arrangements	Detailed review of industry safety regulation framework, including implementation of nationally consistent accreditation, regulatory oversight and training arrangements.	NTC to prepare report for the first ATC meeting in 2008 ATC to report to COAG by 30 June 2008.

Appendix B

Timeline for implementation of strategies to improve the uptake and development of national OHS strategies

PROPOSAL	MILESTONES	TIMELINE	
		Work to Commence	Proposed Date of Completion
Develop core document	<ul style="list-style-type: none"> Develop a core document based on provisions in existing national standards and OHS Acts 	End 2006	End 2007
Harmonise elements in principal OHS Acts	<ul style="list-style-type: none"> ASCC to identify elements for harmonisation 	Mid 2007	Early 2008
	<ul style="list-style-type: none"> Undertake Regulation Impact Statement (if required) 	Early 2008	Mid 2008
	<ul style="list-style-type: none"> Finalise elements for harmonisation through WRMC 	Mid 2008	End 2008
	<ul style="list-style-type: none"> Jurisdictions to align principal OHS Acts with core document to achieve national consistency 	Early 2009	All jurisdictions by mid 2012
Develop outcome-focussed national standards	<ul style="list-style-type: none"> Translate existing national standards in draft 	End 2006	Mid 2008
	<ul style="list-style-type: none"> Analysis of deficiencies in translated standards using draft core document 	Mid 2007	Mid 2008
	<ul style="list-style-type: none"> Refine translated standards 	End 2007	End 2008
Revise national codes of practice	<ul style="list-style-type: none"> Analysis of existing codes 	Mid 2007	End 2008
	<ul style="list-style-type: none"> Revision of existing codes 	Early 2008	Ongoing
Develop regulatory interpretive documents	<ul style="list-style-type: none"> Develop regulatory interpretive documents as required for translated standards 	End 2008	Ongoing
Develop handbook	<ul style="list-style-type: none"> Develop handbook on national OHS framework—principles & processes 	Early 2007	End 2008
Implement revised standards and codes	<ul style="list-style-type: none"> Translated national standards implemented through ASCC declaration process and adopted by jurisdictions 	Early 2009	Ongoing
	<ul style="list-style-type: none"> Revised code implemented through ASCC declaration process and adopted by jurisdictions 	Early 2009	Ongoing

Jurisdictional actions to maximise the efficiency of regulation

Actions	Completion Date
Commonwealth	
<p><u>Gate-keeping</u></p> <p>The Australian Government has endorsed the following six principles of good regulatory process:</p> <ul style="list-style-type: none"> • establishing a case for action; • examining alternatives to regulation; • adopting the option that generates the greatest net benefit to the community; • providing effective guidance to relevant regulators and affected stakeholders; • reviewing regularly to ensure the regulation remains relevant and effective; and • consulting effectively with stakeholders at all stages of the regulatory cycle. <p>These principles have been incorporated into strengthened systems and processes to guard against the introduction of unnecessary regulation in a new <i>Best Practice Regulation Handbook</i>, and related guidance material including a companion <i>User's Guide</i> and <i>Quickstart to Regulatory Impact Analysis</i>.</p> <ul style="list-style-type: none"> • This documentation is available on the web-site of the Office of Best Practice Regulation (OBPR) http://www.obpr.gov.au/ <p>The 'gate-keeping' role played by the Cabinet Secretariat has also been enhanced to ensure that all Cabinet papers note, as a minimum, any compliance cost to business.</p> <ul style="list-style-type: none"> • As part of this role, the Cabinet Secretariat would not circulate final submissions and memoranda without an adequate RIS or compliance cost assessment. <p>In exceptional circumstances, regulatory decisions may be made without adequate regulatory impact analysis. In those circumstances, the resulting regulation be the subject of a post-implementation review within 1 to 2 years of the implementation of the proposal.</p>	<p>The new arrangements apply from 20 November 2006.</p> <p>There is a 6-month transitional period to allow departments and agencies to provide feed-back and become familiar with the new arrangements.</p> <p>The transitional arrangements will also allow flexibility in the application of the new process.</p> <p>The arrangements are to take full effect by mid 2007.</p>
<p><u>Improving the Quality of Regulatory Impact Analysis</u></p> <p>To strengthen regulation assessment systems and processes, the Australian Government has adopted a three tiered system to assess all regulatory and quasi-regulatory proposals:</p> <ul style="list-style-type: none"> • All proposals must undergo a preliminary assessment to establish whether they are likely to involve an impact on business and individuals or the economy. <ul style="list-style-type: none"> – The assessment of whether there are compliance costs for business is to be addressed through the use of the <i>Quickscan</i> function of the Business Cost Calculator (BCC), or equivalent method approved by the Office 	<p>The new arrangements apply from 20 November 2006.</p> <p>There is a 6-month transitional period to allow departments and agencies to provide feed-back and become familiar with the new arrangements.</p> <p>The transitional arrangements will also allow flexibility in the application of the new process.</p> <p>The arrangements are to take full effect by mid 2007.</p>

Actions	Completion Date
<p>of Best Practice Regulation (OBPR).</p> <ul style="list-style-type: none"> – Part of the regulatory impact assessment also includes an assessment of the impact of the proposed regulation on competition. • If the preliminary assessment shows that a regulation does potentially involve <i>medium</i> business compliance costs, a full assessment of the compliance cost implications should be carried out and documented in a BCC, or equivalent, report. • Regulations that have a <i>significant impact</i> on business and individuals (whether in the form of compliance costs or other impacts) or that restrict competition, must be subjected to more detailed analysis, and ultimately documented in a Regulation Impact Statement (RIS). If the impacts include medium or significant business compliance costs, the BCC report forms part of the RIS <p>These requirements apply to <i>all</i> government entities which review or make regulations that have an impact on business and individuals, including agencies or boards with administrative or statutory independence and relate to:</p> <ul style="list-style-type: none"> • proposals with regulatory and quasi-regulatory obligations being brought to the Cabinet by ministers; • letters with regulatory and quasi-regulatory obligations being referred to the Prime Minister by ministers for approval; and • proposals (regulatory and quasi-regulatory) of ministers, boards, statutory authorities and regulators initiated by other means such as media releases or interviews. <p>Implicit in the new framework is a commitment by ministers and their portfolios to carefully consider, at an early stage, the case for acting in response to a perceived problem, including addressing the fundamental question of whether regulatory action is required, or whether the policy objectives can be achieved by alternative, non-regulatory measures which would impose lower costs on business and the economy.</p> <p>In relation to improving cost-benefit analysis, the OBPR has established a new 'Cost/Benefit and Risk Analysis Unit' to provide technical advice to Departments/Agencies and will expand the range of training and guidance material provided in this area.</p>	
<p><u>Reducing Red Tape in the Australian Public Service</u></p> <p>The Australian Government has introduced a principles-based framework for the review of existing internal whole-of-government regulation and administrative requirements and for the ongoing scrutiny of proposals for new requirements, with a view to reducing red tape in the Australian Government. The details of the framework are set out in the Management Advisory Committee report entitled <i>Reducing Red Tape in the Australian Public Service</i> (http://www.apsc.gov.au/mac/redtape.pdf).</p>	<p>New framework introduced on 28 February 2007.</p>

Actions	Completion Date
NSW	
<p>The NSW Government has strengthened the role of the Minister responsible for regulatory reform. The Minister will be responsible for implementing the Government's commitment to a best practice regulatory process, reducing red-tape, and reducing the regulatory burden. The Minister will be a champion for better regulation making in Cabinet; at the heart of Government decision making.</p> <p>The Minister has been tasked with ensuring that red-tape is minimised, and that an effective regulation making process has been followed in the development of all new regulatory proposals.</p>	From November 2006
<p>The NSW Government has committed to ensuring all regulation is developed in a manner consistent with the following best practice principles:</p> <ul style="list-style-type: none"> - the need for government action should be established; - the objective of action should be made clear; - the costs and benefits of a range of options should be considered, including non-regulatory options; - government action should be effective and proportional; - business and community consultation should inform regulatory decisions; - the simplification, repeal, reform, or consolidation of existing regulation should be considered; and - regulation should be periodically reviewed and, if necessary, reformed to ensure its continued efficiency and effectiveness. 	<p>Principles committed to in February 2007</p> <p>Principles will be implemented through improved processes from June 2007</p>
<p>The NSW Government has established the Better Regulation Office. The Better Regulation Office will be an advocate for, and source of assistance for, best practice regulation making across government. In particular the Office will:</p> <ul style="list-style-type: none"> - provide ongoing advice and practical tools to agencies to assist in meeting the requirements of good regulatory process, including guidance on alternative regulatory forms, risk analysis and cost-benefit analysis; - provide a central source of information on best practice regulation; - conduct targeted reviews into identified areas where reduction of regulatory burden would have benefits across the State's economy or multiple industries within the State's economy; - provide an annual report on compliance with the NSW Government's regulatory process requirements; - review and advise the Minister on the implementation of good regulatory processes across Government; and - provide technical and analytical support to the Minister. 	The Office was established administratively in January 2007 and will be fully operational by June 2007.
<p>The NSW Government will reform the broader processes around regulatory impact assessment and regulation making, and enhance the effectiveness of the requirements for post-implementation review.</p>	From early 2007

Actions	Completion Date
<p>The NSW Government is developing a new best practice guide. The guide will set out the elements of a best practice regulatory impact assessment process, including the need for a clear understanding of the problem, identification and assessment of options on the basis of analysis of relative costs and benefits, effective business and community consultation, and detailed planning for implementation, monitoring and review.</p> <p>The NSW Government will require that a formal 'decision making' Regulatory Impact Statement (RIS), reporting on the regulation making process, be prepared for significant proposals. A 'decision making' RIS will be required to accompany proposals for new and amending Bills and Regulations which would:</p> <ul style="list-style-type: none"> - have a significant impact on individuals, the community, or any sector of the community; - have a significant impact on business, including by imposing significant compliance costs; - impose a material restriction on competition; or - impose a significant cost to Government. <p>The Better Regulation Office will assess the adequacy of the RIS before proposals are considered by decision makers, and the Minister will 'certify' the adequacy of RIS. RIS will be made publicly available as appropriate.</p>	<p>The guide is to be developed in the first half of 2007, and is expected to be available for use by agencies from June 2007</p> <p>The new 'decision making' RIS is to be developed in the first half of 2007, and its use will be phased in from June 2007</p>
<p>IPART has made specific proposals for reforms in 58 specific areas based on the issues raised by business and the community during its review. The NSW Government will provide a considered and detailed response to each of IPART's specific reform proposals shortly.</p>	<p>From December 2006</p>
<p>The new guide to Best Practice Regulation will require that regulatory proposals include processes for post implementation monitoring and review of legislation and regulation.</p> <p>An automatic review clause will continue to be included in principal Legislation. The Government will review and revise the existing staged repeal arrangements for Regulations.</p>	<p>From June 2007</p>
Victoria	
<p><u>Gatekeeping</u></p> <p>In February 2005, the Victorian Government released the <i>Victorian Guide to Regulation</i>, which establishes a consistent framework across the whole of government for the development of regulation in Victoria.</p> <p>The <i>Guide</i> contains sections on the rationale for and types of government regulation, and on the characteristics of best practice regulatory systems.</p> <p>It also details the relevant process in place for the appropriate scrutiny of regulatory proposals in Victoria:</p>	<p>Arrangements have been in place since February 2005</p>

Actions	Completion Date
<ul style="list-style-type: none"> • for primary legislative proposals with potentially significant effects on business or competition, a business impact assessment (BIA) must be prepared and submitted to Cabinet at the decision-making stage; • for proposed statutory rules (subordinate legislation or “regulations”) that impose an “appreciable burden” on the community), a regulatory impact statement (RIS) must be prepared and released for public consultation before the statutory rule is made. <p>The <i>Guide</i> contains detailed guidance about how to prepare BIAs and RISs.</p> <p>The methodologies underpinning the BIA and RIS processes are broadly the same. In summary, the nature of the problem to be addressed and the objectives of the proposed regulation need to be identified, and a range of viable options to achieve the objectives need to be assessed through cost-benefit-analysis to identify the options with the greatest net benefit to the community.</p> <p>The adequacy of the BIAs and RISs are independently assessed by the Victorian Competition and Efficiency Commission.</p>	
<p>An updated version of the <i>Victorian Guide to Regulation</i> is currently being prepared, which will contain improved guidance material in a number of areas, along with details of new processes, including the measurement of changes to the administrative burdens (see below).</p>	<p>The updated <i>Guide</i> is expected to be released late April/early May 2007.</p>
<p><u>Reducing the Regulatory Burden</u></p> <p>Offsetting simplifications required for any proposals imposing new or additional regulatory burdens.</p> <p>Standard Costing Model (SCM) assessment of administrative burdens must be included in RIS cost/benefit analysis of regulatory burdens on business.</p> <p>Specific assessment of application of SCM added to Victorian Competition and Efficiency Commission (VCEC) independent scrutiny of RISs.</p> <p>The administrative burdens in other regulatory instruments (e.g. enforceable codes issued by Ministers) will be assessed by VCEC in the same manner as is done under the RIS process for disallowable statutory rules.</p>	<p>From 1 July 2006</p> <p>From 1 January 2007</p> <p>From 1 January 2007</p> <p>From 1 January 2007</p>
<p>Queensland</p>	
<p>Establishing a Cabinet Committee to direct and drive the national and State regulatory reform agenda at a whole-of-Government level.</p>	<p>2007</p>
<p>Enhancing current gate keeping arrangements and impact assessment processes.</p>	<p>Late 2007</p>
<p>Implementing strategies for improving consultation</p>	<p>Late 2007</p>

Actions	Completion Date
arrangements with respect to legislation development and review.	
Developing more robust and user friendly guidelines to regulatory agencies on regulatory development, implementation and review.	Late 2007
South Australia	
<p>All submissions to Cabinet require an assessment of regulatory, business, regional, environmental, family and social impacts</p> <p>Use of the Business Cost Calculator is mandated for assessing all regulatory proposals and any other proposals with an impact on business</p> <p>Sign-off is required on the assessment of the business compliance costs associated with regulatory and other proposals</p> <p>Where the regulatory impact is significant, a Regulatory Impact Statement (RIS) must be attached to the submission</p> <p>Where there is a proposed restriction on competition the assessment must demonstrate that the objectives can only be achieved by restricting competition</p> <p>Options for publishing RISs are currently being considered within the South Australian Government</p> <p>A Minister Assisting the Premier in Cabinet Business has been appointed, with a role that includes improving the quality of regulatory proposals submitted to Cabinet.</p>	<p>From 10 August 2006</p> <p>From 10 August 2006</p> <p>From 1 July 2007</p> <p>From April 2006</p>
Tasmania	
<p>In Tasmania the Legislation Review Program (LRP) requires the review of all State legislation that restricts competition to ensure that only those restrictions that are fully justified in the public benefit are retained. The LRP also contains gatekeeper arrangements for new or amending legislation that restricts competition or has a significant impact on business.</p> <p>All Cabinet submissions in Tasmania require a Legislative and Regulatory Impact Statement that must address whether the agency has complied with the Legislative Review Program.</p> <p>At this stage, Tasmania is assessing how the State's existing gatekeeping arrangements compare to the Commonwealth's arrangements administered by the Office of Best Practice Regulation. As part of this process, Tasmania is investigating the adoption of an appropriate business cost model, including how and when it will be incorporated into current regulation review arrangements and understanding the resource implications.</p>	

Actions	Completion Date
Western Australia	
Enhance gatekeeping arrangements by broadening the scope of gatekeeping reviews to ensure all Bills and new regulations are reviewed (in accordance with principles of Best Practice Regulation) where there potentially is a significant impact on either business or the community more broadly.	From 1 July 2007
Improve transparency of gatekeeping reviews by making these reviews publicly available.	From 1 July 2007
Enhance the quality of gatekeeping reviews by revising Western Australia's <i>Public Interest Guidelines For Legislation Review</i> , so that there is a common template for review of legislation and regulations.	From 1 July 2007
Improve the quality of gatekeeping reviews by: <ul style="list-style-type: none"> • providing assistance to agencies to undertake regulatory reviews; • auditing agencies compliance with the standards of best-practice regulation review; and • reporting, in agencies annual reports, the level of compliance with best-practice regulation review. 	From 1 July 2007
Undertake regular targeted reviews of existing laws and subordinate laws in accordance with national hotspot priority areas or matters Western Australia considers are of economic significance.	From 1 January 2007
Northern Territory	
<p>The Northern Territory introduced a formal regulatory review framework in 2003, which is titled the Competition Impact Analysis (CIA) process. The CIA process is administered by an inter-agency committee comprised of Northern Territory Treasury and Departments of the Chief Minister, Justice and Business, Economic and Regional Development officials.</p> <p>Under the Territory's regulatory review framework, agencies are required to demonstrate that all new and amending legislation that restricts competition and business conduct confers net benefits on the community prior to Cabinet consideration. The CIA committee assists agencies in conducting regulatory reviews and provide authorisation that proposed legislation meets public benefit criteria.</p> <p>Under the Regulatory reform Plan, the CIA framework is to be revised to incorporate National Reform Agenda best practice regulation principles, including:</p> <ul style="list-style-type: none"> • new guidelines and procedures aimed at encouraging agencies to more closely integrate best practice regulation principles as part of policy and legislative development processes; • increased focus on cost benefit analysis, including use of the Commonwealth Government <i>Business Cost Calculator</i> to assist in determining the impact of regulation on business compliance costs; and • strengthened public consultation and post implementation monitoring requirements. 	1 March 2007

Actions	Completion Date
ACT	
<p>The ACT requires RISs for all new or amending policy that has a regulatory impact. Policy proposals are monitored by ACT Treasury for a regulatory impact through the Cabinet Submission process. In addition, under the Legislation Act 2001, RISs are required for subordinate legislation where the proposed subordinate law is likely to impose appreciable cost on the community, or a part of the community.</p> <p>The ACT will examine ways to reform the broader processes around regulatory impact assessment and regulation making and enhance the effectiveness of the requirements for post-implementation review. As part of these reforms, the Government will update the Regulation Impact Statement guidelines, enhance training measures for agencies, examine the Commonwealth's gatekeeping arrangements and draw on Commonwealth reforms as appropriate.</p>	<p>From mid 2007 - to enable the outcomes of the Regulatory Reform Implementation Plan to be incorporated into ACT reforms.</p>

Jurisdictional Processes for Annual Reviews

Commonwealth

On 28 February 2007, the Commonwealth Treasurer announced that the Productivity Commission's annual regulation review process would commence on 1 April 2007.

- The annual regulation reviews will identify regulation that is unnecessarily burdensome, complex or redundant, or duplicates regulations in other jurisdictions.
- The Productivity Commission will develop a short list of priority areas with options to alleviate regulatory burden and identify reforms to enhance regulatory consistency across jurisdictions.

To ensure that all industry sectors are examined by the Productivity Commission, and to provide certainty for businesses, the reviews will be conducted according to a five year cycle.

- Australia's primary sector will be the focus of the first review and, in subsequent years, the manufacturing sector and distributive trades, social and economic infrastructure services, and business and consumer services sectors will be examined. The fifth year of the cycle is reserved for a review of economy-wide generic regulation, and regulation that has not been picked up earlier in the cycle.

The Productivity Commission will report the findings of the first annual review at the end of October 2007, with the second annual review to commence in February 2008. The terms of reference for the annual reviews of regulation are available at:

<http://www.treasurer.gov.au/tsr/content/pressreleases/2007/007.asp>

Further, to ensure the continuing effectiveness of regulation created from 2007, the government has committed to review new regulation five years after implementation (see Recommendation 7.28 of the *Report of the Taskforce on reducing regulatory Burdens on Business – 'The Banks Taskforce'*).

- A copy of the Government's response to the Banks Taskforce Report is available on the Department of the Treasury website (<http://www.treasury.gov.au/contentitem.asp?NavId=002&ContentID=1141>) (see page 88, recommendation 7.28)

Accordingly, from 2011, the annual regulation plans (ARPs) of all departments and agencies will list regulation introduced from 2007 and, following an assessment against a checklist developed by the OBPR, will indicate if a full review of this regulation is to be undertaken.

New South Wales

The IPART Review of Regulatory Burden

In December 2005, the NSW Government asked the Independent Pricing and Regulatory Tribunal (IPART) to:

- undertake a public inquiry to identify areas of NSW Government regulation that are imposing a significant, unnecessary burden on business and the community;
- identify areas of overlapping or inconsistent requirements between New South Wales and other States and Territories or the Commonwealth that result in the most significant and unnecessary administrative or compliance burdens;
- determine priority areas where there are good prospects of regulatory reforms that could provide significant immediate gains to business and the community; and
- develop recommendations for Government action to improve the efficiency of regulation and reduce unnecessary burdens, including consideration of non-regulatory or incentive-based options for achieving public policy outcomes.

IPART's final report was released on 9 November 2006 and the NSW Government announced its in-principle support for the report's main recommendations. The Government's final response to IPART's recommendations on regulatory process included:

- a commitment to new best practice regulation principles;
- a strengthened role for the Minister with responsibility for business and economic regulatory reform as a champion for the quality of the regulation making process;
- details of the new 'Better Regulation Office' to oversee good regulatory practice and support the strengthened role of the Minister; and
- a commitment to a new framework for regulation making and the review of regulation, to be developed in 2007, including improvements to consultation requirements, regulatory analysis, implementation and review, and a new and enhanced RIS requirement.

The NSW Government will review the stock of existing regulation each year. This may be a broad scale review in the manner of the IPART review, or a more targeted review focusing on priority sectors, such as the Small Business Review. The NSW Government has committed to conduct three industry-specific red tape reviews of existing regulation per annum over the next five years.

The Small Business Review

The Small Business Regulation Review aims to reduce the regulatory burden on small firms and comprises a program of rolling reviews of specific industry sectors. Each of the reviews is undertaken by a taskforce appointed by the Minister for Small Business, which brings together a number of government, business and industry sector representatives.

Completed reviews include the motor vehicle retailing and services sector, the accommodation, food and beverages services sector, and the manufacturing (fabricated metal products, machinery and equipment, and furniture) sector.

A review of the business and professional services sector is currently underway, and the Government has announced the next three red tape reviews will be undertaken in the industries of road transport, rental hiring and real estate, and retail.

Internal Government red-tape review

The NSW Government is also currently undertaking a review of internal government red tape. The Review is considering the ‘unnecessary’ administrative burdens imposed on NSW Government agencies, and developing options for reducing that burden.

Victoria

Victoria’s *Reducing the Regulatory Burden* project was announced by the Treasurer in the State Budget on 30 May 2006. This priority reform builds on several broad regulatory initiatives that Victoria has implemented over recent years, including:

- establishing the Victorian Competition and Efficiency Commission (VCEC) to:
 - assess and report on the adequacy of all RISs and legislation Business Impact Assessments (BIAs), including application of cost/benefit analysis; and
 - undertake several reviews each year of specific regulatory hotspots referred to it by the Government;
- establishing the Business Victoria website;
- Local Government initiatives to support home based businesses;
- establishing the Victorian Small Business Commissioner, one of whose roles is to reduce the burden of disputes involving small business; and
- introducing State Revenue Office online services.

The *Reducing the Regulatory Burden* project commits the Victorian Government to reducing both the administrative and compliance burden of regulation. The three key strategies to reduce the burden of regulation are:

- cutting the existing administration burden of regulation by 15 per cent over three years and 25 per cent over the next five years, from 1 July 2006;
- ensuring the administrative burden of any new regulation is met by an ‘offsetting simplification’ in the same or related area; and
- undertaking a program of reviews to identify the necessary actions to reduce compliance burdens.

By May 2007, every department is required to develop and implement a strategy for reducing the major administrative burdens identified through review of legislation administered by their Minister(s). In addition, departments are required to submit proposals for review of compliance burdens in legislation and propose reductions.

At the end of the 3-year target period, the *Reducing the Regulatory Burden* project will itself be reviewed to determine:

- whether it has met the 15% target for reduction in administrative burdens;
- whether it is on track to meet the 5-year target of 25% reduction in administrative burdens; and
- whether the project should be continued and, if so, what new targets should be set.

Queensland

During 2005/2006 Qld completed a number of reviews relating to Queensland’s regulatory environment including:

- a public review of hot spots for regulatory reform;
- 3 industry specific reviews focused on identifying the impact of regulation on the tourism, retail and manufacturing (including food processing sectors); and
- a review of the legislative/regulatory reform initiatives in the Queensland Government.

Findings and recommendations from these reviews form the basis of Queensland's regulatory reform agenda.

From 2007, the Queensland Government will proactively identify systemic regulatory issues of concern to business occurring within or across sectors, and annually conduct a public review to assist in developing ways of achieving measurable improvements in them.

South Australia

The South Australian Government has established a target of reducing red tape by at least 25% by July 2008. Carriage of the target is with the newly established Competitiveness Council. The Competitiveness Council has selected 5 industry sectors for review initially: cafes and restaurants; motor-vehicle retailing and services; fishing and aquaculture; building construction; and road transport. The reviews involve broad consultation to identify practical steps the government can take to reduce or remove any unnecessary, overlapping, repetitive or inconsistent regulation.

South Australian Government departments have also submitted 'action plans' to the Competitiveness Council that outline their contribution to the government's overall 25% reduction target. Savings to businesses identified in the plans have been costed, where possible, using the Business Cost Calculator. A scorecard outlining the cost savings to business from red tape reduction initiatives is under development and will be updated quarterly.

Reviews of regulation are also required by the sunset program established under the Subordinate Legislation Act 1978 whereby all regulations expire on 1 September in the year following the tenth anniversary of their promulgation. To support the sunset program Cabinet Office intends to provide enhanced training for agencies on regulation review and preparation of RISs.

Tasmania

Tasmania is currently considering how to best progress red tape reduction initiatives and is considering which model to implement for the annual reviews of regulation.

Northern Territory

Regulatory Impact Analysis

Annual reviews of business compliance burdens will be conducted by the Competition Impact Analysis Committee in accordance with formal terms of reference developed through industry consultation. Annual reviews will aim to quantify as far as possible compliance costs across the stock of regulation and remove inefficient compliance burdens. Review processes will be open and public, with submissions invited from all stakeholders and draft findings submitted for consultation, prior to final recommendations being made.

Western Australia

Western Australia will undertake transparent and targeted regulatory reviews of existing regulations where these are considered to be of national or state significance.

Where another jurisdiction has recently completed a review of similar regulations, the reviewer would take those recommendations into account. Reform measures may be co-ordinated with other jurisdictions through informal liaison where appropriate.

ACT

In 2007, the ACT is fulfilling this commitment through the review of the Unlawful Games Act 1984 (the Act). This review is being undertaken by the ACT Gambling and Racing Commission, which is an independent statutory body responsible for the regulation of gambling and racing activities in the ACT.

Essentially the Act provides, with one exception, that all gaming is illegal unless it is permitted under another ACT law. (The conditional exception is in relation to the game of Two-up played on Anzac Day.) The major policy issue in this review is to what extent it is appropriate to legalise and regulate gaming activities that are not currently permitted by law. Some of the key considerations in reviewing gaming that is currently unlawful is the purpose and nature of the gaming activity, their similarity to other activities that are currently regulated (or not regulated) in other jurisdictions and the capacity for any law to be effectively enforced.

The review will consider a range of feasible policy options, including selfregulatory, coregulatory and non-regulatory approaches in the context of their effectiveness and their relative costs and benefits. The Commission will also be considering regulatory models from other jurisdictions that may address the issues in question. Following a two-stage public consultation process, the Commission's recommendations will be forwarded to the Government for consideration in the second half of this year.