



# MEDIA RELEASE

## SENATOR THE HON NICK SHERRY

Minister for Small Business  
Minister Assisting on Deregulation and Public Sector Superannuation  
Minister Assisting on Tourism

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### NEW PRODUCTIVITY COMMISSION STUDY INTO REGULATORY REFORM

The Productivity Commission will undertake a study focusing on effective identification of regulatory reform opportunities and the evaluation of reform outcomes, the Minister Assisting on Deregulation, Senator Nick Sherry, announced today.

“The Gillard Government recognises ongoing regulatory reform is a key driver of productivity growth and ensuring our economy remains strong and continues to create jobs,” Senator Sherry said.

“That is why we have embedded regulatory reform as a core government activity, with a comprehensive agenda aimed at reducing red tape for businesses of all sizes.

“We are driving this reform process both at a National level through COAG and at a Commonwealth level through Better Regulation Ministerial Partnerships“

In order to inform the Government’s regulatory reform strategy, the study will:

1. examine lessons gathered in Australia and overseas in reviewing regulation, identifying regulatory reform opportunities and priorities, and evaluating regulation reform outcomes; and
2. build on such lessons to analyse possible frameworks and approaches for identifying poorly performing areas of regulation and regulatory reform priorities, and both qualitative and quantitative methods for evaluating regulation reform outcomes.

“Good regulatory reform relies on effectively identifying reform opportunities in order to prioritise the allocation of resources to areas of the highest likely benefit,” Senator Sherry said.

“Evaluation of reform outcomes is equally important, in particular to demonstrate the benefits that flow after reforms have been implemented.

“In February 2010, the Organisation for Economic Cooperation and Development (OECD) concluded Australia is one of the front-running countries in the OECD in terms of its regulatory reform practices.

“The Gillard Government is determined to build on this impressive record, by maintaining the momentum of regulatory reform and making it easier for Australian businesses to operate.”

The new study will replace the fifth annual review of regulatory burdens on business, which was to have been a review of economy-wide generic regulation. An objective of the new study is to propose frameworks and approaches that can be used on an on-going basis to facilitate reforms that address regulatory burdens on business.

As part of the study, the Productivity Commission will seek public submissions and report back to the Government within 6 months. The terms of reference for the study, issued by the Assistant Treasurer the Hon Bill Shorten MP, are attached.

CANBERRA

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## **FRAMEWORKS AND APPROACHES TO IDENTIFY AREAS FOR REGULATION REFORM AND METHODS FOR EVALUATING REFORM OUTCOMES**

### **Terms of reference**

Productivity Commission Act 1998

I, Bill Shorten, pursuant to Parts 2 and 4 of the Productivity Commission Act 1998 hereby request the Productivity Commission to undertake a research study on frameworks and approaches to identify areas of regulation reform and methods for evaluating reform outcomes.

Ongoing regulatory reform to improve the quality of regulation needs to be supported by frameworks and approaches to identify appropriate areas of reform and the priority of such reform. Equally important is the ability to effectively evaluate reform outcomes, in particular to provide an indication of how reform can reduce administrative and compliance costs for business. The Productivity Commission is asked to conduct a review to propose frameworks and approaches that will be effective in identifying poorly performing areas of regulation and regulatory reform priorities, and methods for evaluating reform outcomes.

This review is to replace the fifth year of the cycle of annual reviews of regulatory burdens on business, which was to have been a review of economy-wide generic regulation.

### *Background*

In 2007, as part of the Government's response to the Report of the Taskforce on Reducing Regulatory Burdens on Business, the Productivity Commission was asked to conduct ongoing annual reviews of the burdens on business arising from the stock of government regulation. Four reviews have been conducted to date. At the direction of the Council of Australian Governments (under a separate review process) the Commission also undertakes reviews to benchmark compliance costs of regulations in targeted areas, such as food safety and occupational health and safety.

### *Scope of the annual review*

In undertaking the review, the Commission should:

1. examine lessons gathered in Australia and overseas in reviewing regulation, identifying regulatory reform opportunities and priorities, and evaluating regulation reform outcomes; and
2. build on such lessons to analyse possible frameworks and approaches for identifying poorly performing areas of regulation and regulatory reform priorities, and both qualitative and quantitative methods for evaluating regulation reform outcomes.

In proposing enhanced frameworks and approaches to identify poorly performing areas of regulation and regulatory reform priorities, and methods for evaluating reform outcomes, the Commission is to:

- seek public submissions and consult with interested parties as necessary;
- have regard to any other relevant current or recent reviews commissioned by Australian governments; and
- have regard to the assessment of the OECD in its 2009 *Review of Regulatory Reform in Australia —Towards a Seamless National Economy* that there is likely to be limited scope for gains to regulatory quality through a further tightening of existing processes.

The Commission's report will be published within six months of receipt of the terms of reference and the Government's response will be announced as soon as possible.

**BILL SHORTEN**