



Australia

Indicators of Regulatory Policy and Governance 2021





Overview and recent developments

Overall Australia continues to have sound regulatory management practices in place. Recent announcements have continued Australia's deregulation approach that has largely been in place in one guise or another since 2013.

Australia updated its Best Practice Consultation guidance note to help ministries better prepare to engage with stakeholders, as well as to understand the role that the oversight body plays. Notwithstanding these changes, Australia would benefit from an increased focus on stakeholder engagement prior to a regulatory decision having been made, especially with regards to subordinate regulation.

Outcomes from a confidential review into the functioning of the oversight body resulted in a simplified regulatory impact assessment (RIA) process by replacing four types of regulation impact statement with one. It removed the requirement to have regulatory costs formally agreed with the oversight body. It also changed the levels of assessment that the oversight body provides on individual regulatory proposals.

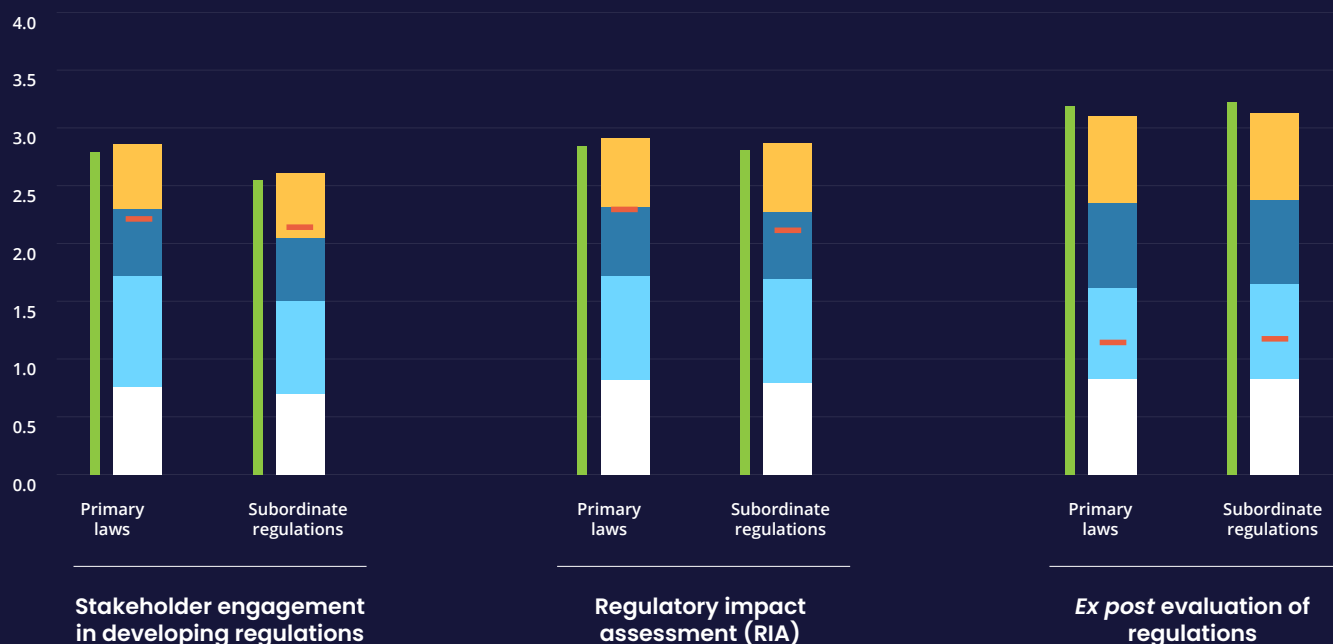
One important change to Australia's RIA requirements was that third-party reviews are now subject to scrutiny from the oversight body when relied upon by proposing ministries. Post-implementation reviews (PIRs) are generally required where proposals have avoided *ex ante* scrutiny during their initial development. In practice, Australia's RIA scope has ensured that exemptions from RIA are granted exceedingly sparingly. It will be important to maintain this key tenet of

the Australian system – even in the face of recent rapid decision making – and continue to ensure that exemptions are only triggered for genuine unforeseen emergencies. The timing of PIRs could be improved to ensure that data collection and monitoring impacts are immediately put in place to establish a baseline for the eventual evaluation. In time consideration could be given to overseeing more general reviews of regulations such as those conducted under automatic review clauses and sunset provisions as part of closing the regulatory loop.

The Regulatory Policy Branch was transferred from the Department of Jobs and Small Business to the Department of the Prime Minister and Cabinet, as part of a series of organisational changes completed in January 2020. It has been entrusted with new responsibilities such as ensuring that agencies identify and drive relevant regulatory reforms, and an officer-level interdepartmental process has been set up to promote better regulatory practices and culture. The Office of Best Practice Regulation (OBPR) is also located at the centre of government and reviews about 1 500 policy proposals every year. OBPR is developing a bespoke IT system for RIA aimed at improving workload management related to overall RIA scrutiny as well as the quality of impact analysis advice. In addition to standard consultation processes related to RIA, OBPR meets with stakeholders on a regular basis to gather feedback on RIA processes as well as on policy areas facing challenges in bringing together high-quality evidence or analysis.

Indicators of Regulatory Policy and Governance (iREG): Australia, 2021

● Methodology
 ● Systematic adoption
 ● Transparency
 ● Oversight and quality control
 ■ Country total, 2018
 — OECD average, 2021



Notes: The more regulatory practices as advocated in the [OECD Recommendation on Regulatory Policy and Governance](#) a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (99% of all primary laws in Australia).

Source: Indicators of Regulatory Policy and Governance Surveys 2017 and 2021, <http://oe.cd/ireg>.

Australia: Transparency throughout the policy cycle



Inform the public in advance that:

A public consultation is planned to take place	All
Regulatory impact assessment (RIA) is due to take place	No
Ex post evaluations are planned to take place	All



Consult with stakeholders on:

Draft regulations	All
Evaluations of existing regulations	Major



Publish online:

Ongoing consultations*	Some
Views of participants in the consultation process	Yes
RIAs	All
Evaluations of existing regulations	Yes



Policy makers use:

Interactive website(s) to consult with stakeholders	Yes
Website(s) for the public to make recommendations on existing regulations	Yes



Policy makers provide a public response to:

Consultation comments	No
Recommendations made in ex post evaluations	Sometimes

* Publish on a single central government website.

Note: The data reflects Australia's practices regarding primary laws initiated by the executive.

Source: Indicators of Regulatory Policy and Governance Survey 2021, <http://oe.cd/ireg>.



THE OECD REGULATORY INDICATORS SURVEY AND THE IREG COMPOSITE INDICATORS

The data presented in the 2021 Regulatory Policy Outlook are the results of the 2014, 2017 and 2021 Indicators of Regulatory Policy and Governance (iREG) surveys.

The iREG survey investigates in detail three principles of the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance: stakeholder engagement, regulatory impact assessment (RIA) and *ex post* evaluation. Three composite indicators were developed based on information collected through the surveys for these areas. Each composite indicator is composed of four equally weighted categories:

- **Systematic adoption** comprises formal requirements and how often these requirements are conducted in practice;
- **Methodology** presents information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used;
- **Oversight and quality control** reflects the role of oversight bodies and publicly available evaluations; and
- **Transparency** comprises information which relates to the principles of open government e.g. whether government decisions are made publicly available.

The data underlying the composite indicators reflect practices and requirements in place at the national level of government, as of 1 January 2021. The indicators for stakeholder engagement

and RIA relate to regulations initiated by the executive, while the indicator on *ex post* evaluation relates to all regulations. Whilst the indicators provide an overview of a country's regulatory policy system, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform. A full score on the composite indicators does not imply full implementation of the Recommendation. To ensure full transparency, the methodology for constructing the composite indicators and underlying data as well as the results of sensitivity analysis are available publicly on the OECD website (<http://oe.cd/ireg>).

Related links:

- [Regulatory Policy Outlook 2021](#)
- [Indicators and underlying data and methodology](#)
- [2012 Recommendation of the Council on Regulatory Policy and Governance](#)
- [OECD Measuring Regulatory Performance Programme](#)
- [OECD work on regulatory policy](#)

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