

POSITION STATEMENT



Best Practice Regulation

September 2021

Since the introduction of requirements for regulatory impact analysis and regulatory impact statements in the 1990s there has been continuing evolution of the understanding of the critical importance of these tools in regulatory development. The Australian Government's Deregulation Agenda¹ notes:

- Regulations include any laws or other government-endorsed 'rules' where there is an expectation of compliance.
- Every policy proposal designed to introduce or abolish regulation must be accompanied by a Regulation Impact Statement (RIS).

Position: Animal Medicines Australia (AMA) supports the Office of Best Practice Regulation (OBPR) Principles of Best Practice Regulation for Policy Makers, the Australian Government Guide to Regulatory Impact Analysis and the development of a Best Practice Regulatory Culture.

These principles are critical to ensure that regulatory responses are properly targeted and proportionate. They are supported by AMA as an essential framework which can be used to assess the merits of any legislative or regulatory proposal.

OBPR Principles of Best Practice Regulation for Policy Makers

The Office of Best Practice Regulation (Commonwealth Government of Australia) advises all governments to ensure that regulatory processes in their jurisdiction are consistent with the following principles:^{2,3}

1. Policy makers should clearly demonstrate a public policy problem necessitating Australian government intervention, and should examine a range of genuine and viable options, including non-regulatory options, to address the problem.
2. Regulation should not be the default option: the policy option offering the greatest net benefit – regulatory or non-regulatory – should always be the recommended option.
3. Every substantive regulatory policy change must be the subject of a Regulation Impact Statement.
4. Policy makers should consult in a genuine and timely way with affected businesses, community organisations and individuals, as well as other policy makers to avoid creating cumulative or overlapping regulatory burdens.
5. The information upon which policy makers base their decisions must be published at the earliest opportunity.
6. All regulation should be periodically reviewed to test its continuing relevance.

¹ [Progressing Australia's Deregulation Agenda | Deregulation \(pmc.gov.au\)](https://www.pmc.gov.au/progressing-australia/deregulation-agenda)

² <https://www.pmc.gov.au/resource-centre/regulation/best-practice-regulation-guide-ministerial-councils-and-national-standard-setting-bodies>

³ <https://www.pmc.gov.au/sites/default/files/publications/australian-government-guide-to-regulatory-impact-analysis.pdf>



Australian Government Guide to Regulatory Impact Analysis

The [7 Regulation Impact Statement Questions](#)⁴ form the starting point for the evaluation of any policy decision:

1. What is the policy problem you are trying to solve? Clearly identify and define the problem you are trying to solve.
2. Why is government action needed? Clearly identify why there is a legitimate reason for government to intervene.
3. What policy options are you considering? Identify a range of genuine and viable alternative policy options.
4. What is the likely net benefit of each option? Identify who is likely to be affected by each regulatory option and assess the economic, social and environmental costs and benefits.
5. Who will you consult and how will you consult them? Explain the purpose and objectives of consultation.
6. What is the best option from those you have considered? Indicate which of the identified options you are leaning towards.
7. How will you implement and evaluate your chosen option? Discuss what success looks like and how your implementation plan will achieve this.

The development of a best practice regulatory culture towards delivering high quality advice, regulatory oversight, programs and services

AMA sees an important goal is that public service culture embraces and facilitates:

- Fostering innovation;
- Evidence-based decision-making;
- Timeliness;
- Predictability;
- Efficiency and effectiveness;
- Transparency;
- Visible governance; and
- Accountability.

AMA believes that the necessary regulatory policy information and tools exist to facilitate progress. These are supported through Commonwealth, Federal, State and Territory government policy statements.

Further background information and references is provided at Attachment 1.

⁴ [The 7 RIS questions | OBPR \(pmc.gov.au\)](#)

Background: Australian Government's Deregulation Agenda

(extracts from <https://www.jobs.gov.au/deregulation-agenda> at 1 February 2019 and <https://deregulation.pmc.gov.au> at 18 August 2021)

Regulations are essential for the proper functioning of society and the economy. They include any laws or other government-endorsed 'rules' where there is an expectation of compliance. In Australia, regulation is made at the federal level as well as by the states and territories, in the form of legislation and subordinate legislation and at a local government level as regulations and by-laws.

Australia is recognised internationally for its [Deregulation Agenda](#) and governance arrangements, particularly its approach to Regulatory Impact Analysis. The Australian Government remains committed to improving the quality of its regulation, including minimising the burden of regulation on businesses, community organisations and individuals. Commonwealth Government portfolios promote regulatory quality through the preparation of Regulation Impact Statements under the Government's Regulatory Impact Analysis system. They also review the Government's regulatory regimes to ensure they remain fit for purpose in the 21st Century.

The Government's Deregulation Agenda frameworks assist in keeping the Australian economy as efficient, flexible and responsive as possible. Key frameworks include:

- [Regulatory Impact Analysis requirements](#): Every policy proposal designed to introduce or abolish regulation must now be accompanied by a Regulation Impact Statement (RIS). The 2020 [Australian Government Guide to Regulation](#) provides high-level principles for policy-makers and outlines the requirements and process for developing a RIS.
- The Commonwealth [Regulatory Burden Measure \(RBM\)](#) is used by policy-makers to assist in calculating the compliance costs of regulatory proposals on businesses, individuals and community organisations.
- The [Regulator Performance Framework \(RPF\)](#) guides Commonwealth regulators in minimising their impact on those they regulate while still delivering the vital role they have been asked to perform.

Underpinning these frameworks is a commitment to [best practice regulation](#) to improve regulatory quality. This includes an ongoing focus on managing the Commonwealth stock of regulations to ensure they remain fit for purpose.

We also engage internationally to promote Australian regulatory policy priorities and achievements while contributing to international regulatory capability development, particularly in the Asia-Pacific region.

The Office of Best Practice Regulation (OBPR) in the Department of the Prime Minister and Cabinet administers the [Regulatory Impact Analysis requirements](#). The OBPR also conducts [training](#) and provides guidance to assist agencies in preparing Regulation Impact Statements and fulfils other regulatory review and reform obligations.

The Australian Government reports regularly on implementation of regulatory reforms and administration of Regulatory Impact Analysis. These [reports](#) are publicly available.

The Deregulation Taskforce was moved to the Department of Prime Minister and Cabinet in July 2020. The Taskforce is working across the following agreed priority areas:

- [Regulator best practice and performance](#)
- [Improving occupational mobility](#)
- [Modernising business communications](#)
- [Streamlining excise administration](#)
- [Streamlining overlapping regulations](#)
- [Office of Best Practice Regulation](#)