

## Strengthening the Trans-Tasman Relationship: the Signing of a New Protocol

The Regulatory Policy team was pleased to host the Head of the Australian Government Office of Regulation Review (the ORR), Dr Stephen Rimmer, during his recent visit to Wellington. The ORR, the Australian counterpart to the Regulatory Impact Analysis Unit (the RIAU), is part of the Productivity Commission and plays an oversight role in relation to regulation review processes. In this capacity, the ORR advises agencies on appropriate quality control mechanisms for the development of regulatory proposals and examines and advises on the quality of analysis within Regulatory Impact Statements, prepared under both Federal and Council of Australian Government (COAG) requirements.

A key purpose of Stephen's visit was to formalise a protocol between the RIAU and the ORR. The protocol relates to a new trans-Tasman consultation mechanism for the preparation of Regulatory Impact Statements (RISs) recently decided by COAG. Under the revised requirements for preparing COAG RISs, where the regulatory proposal involves trans-Tasman issues (for example, implications under the Trans-Tasman Mutual Recognition Arrangement), the ORR will forward the draft RISs that are prepared for community consultation and received from Ministerial Councils and standard setting bodies, to the RIAU. This is to specifically allow the RIAU to comment on these draft RISs from a New Zealand perspective and to help ensure that the regulatory proposal is considered in the context of the broader trans-Tasman market.



Dr Stephen Rimmer and Mark Steel signing the Protocol

A key objective of this new requirement is to facilitate better and earlier dialogue between Australian and New Zealand regulators on potential trans-Tasman issues and policy development more generally. In this vein, it is timely to reiterate that agencies in New Zealand are encouraged to consult with their Australian counterparts on any policy they are developing that might have trans-Tasman implications.

The protocol details the working arrangements between the ORR and RIAU under the new requirement and further strengthens an already close relationship between both bodies administering similar RIS regimes in New Zealand and Australia. A copy of the protocol is available on the MED [[www.med.govt.nz](http://www.med.govt.nz)] and ORR [[www.pc.gov.au/orr](http://www.pc.gov.au/orr)] websites, while the new COAG RIS guidelines are available at [www.coag.gov.au](http://www.coag.gov.au). If you would like further information about the protocol please feel free to contact Robyn Henderson on (04) 474 2948.

During his visit, Stephen also met with key stakeholders of the RIAU and discovered the real Middle Earth thanks to a LOTR tour!

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## Review of the Regulatory Impact Statement Guidelines

The Regulatory Policy team is currently working on a review of the Regulatory Impact Statement (RIS) regime. As part of this review the team is revising the guidelines for preparing RISs and Business Compliance Cost

Statements (BCCSs). At the moment, the guidance material relating to these statements exists in two sets of guidelines; “A Guide for Preparing Regulatory Impact Statements”, and “Business Compliance Cost Statements: Guidelines for Departments”. Key objectives of the review are to combine these into a single document, update their existing content, and improve their effectiveness and user-friendliness.

To help inform this process, the team is reviewing the guidelines for writing RISs in other jurisdictions. We have focused on the guidelines of jurisdictions such as Australia, (both at Commonwealth and State/Territory level), the United Kingdom, and Canada. This will assist us in incorporating the best new material on regulatory impact analysis from overseas. We are also interested in the latest approaches taken to format, style, and presentation, so as to make our new guidelines as easy to use and accessible as possible.

The review will also look at the possible inclusion of three new sections to the RIS framework:

1. Implementation and review issues;
2. International obligations; and
3. Competition impacts of the proposed regulation.

In addition, the team will soon be sending out to departments a survey on the guidance we provide on writing RIS/BCCSs. From this survey we hope to receive feedback from RIS writers as to what they would like to see in our new guidelines, and how they think we could make them more user-friendly.

We expect the new revised guidelines will be completed and published by the end of June 2005.

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## The Regulatory Portal

A key project we are currently working on is developing a ‘regulatory portal’. The portal will be a web-based portal for information about regulatory policy and its development. It will be aimed primarily at people working on the development of regulatory proposals

## Newsflashes

### ➤ “Hints and Tips” sheet and RIS/BCCS Headings Template

A “Hints and Tips” Sheet [<http://www.med.govt.nz/buslt/compliance/ri/bccs/hints-tips/>] has been developed, which provides summarised guidance on the key components for writing RIS/BCCSs. This sheet is to be used in conjunction with the RIS/BCCS guidelines, and contains links to some useful policy development tools, both within MED and across government.

A template of the full headings that need to be used in RIS/BCCSs is available at: [<http://www.med.govt.nz/buslt/compliance/ri/bccs/word-template/>]. This template can be downloaded and used when writing RIS/BCCSs to save time.

within government departments and is planned to go live in mid-2005.

The portal will include guidance produced by the regulatory policy team, links to other domestic and offshore information, case studies, and references. The information in the portal will be linked in to the key regulatory decision-making stages, including: problem identification, objective setting, option identification, cost/benefit analysis, consultation, implementation and monitoring and review. Our aim is for the material to be informative, practical and user friendly, so that it provides real assistance for people working through regulatory policy issues. We want analysts to be able to use the portal to develop their understanding of regulatory tools and frameworks, which should ultimately enhance the quality of regulatory policy proposals.

The team is currently in the process of researching and developing the portal content, however we need your input to be able to complete this work. We understand a number of departments have been thinking innovatively about regulatory policy, and have

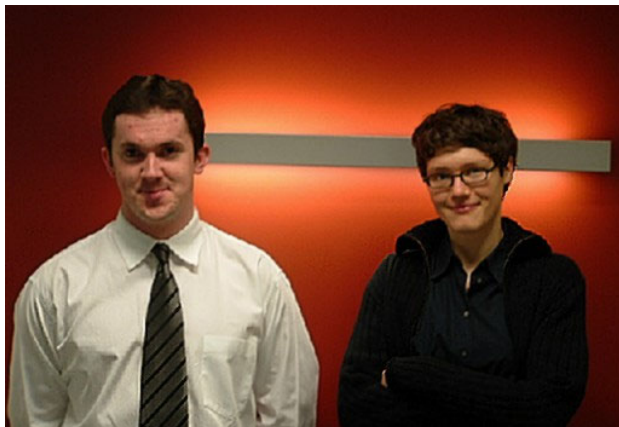
developed considerable expertise in particular regulatory areas and regulatory policy frameworks. We are keen to capture this knowledge within the portal and we hope to talk with departments about their experiences over the next few months.

If you would be interested in contributing your experiences and/or ideas, please contact Bronwyn Turley, ph (04) 4702331, [bronwyn.turley@med.govt.nz](mailto:bronwyn.turley@med.govt.nz). We look forward to hearing from you.

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## Team Changes

We would like to introduce two new members to our team - Ashley and Silke:



Ashley Tomlinson and Silke Radde

Two members of our team have moved on: Margaret Bearsley has taken up a position with the Takeovers Panel, and Tracy Fraser has been seconded to Hon. Margaret Wilson's office.

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## Housekeeping

### ➤ RIS Exemptions

If your proposal has legislative implications, but an RIS/BCCS is not required, remember that under the heading "Regulatory Impact and Compliance Cost Statement" in your Cabinet Paper you need to say that an RIS is not required as it falls within one of the exemptions (specifying which one). If you would like to discuss these exemptions, contact Elizabeth McDonald on (04) 470 2311.

### ➤ Options section of RIS/BCCS

The options section is where you identify all the feasible options that were considered during the policy development process.

Begin by outlining the key features of the status quo (the current regulatory environment), as this provides the counterfactual to all other options considered, and state why it is no longer appropriate to maintain the status quo. Following this, outline the key features of each option and state why each of the options were not preferred.

Conclude with the preferred option, outline the key features, but do not include any analysis as the analysis of the preferred option is discussed in the net benefit section. Cross check with your recommendations to ensure you have all the key features.

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