



# Inquiry into Microeconomic Reform in Western Australia

## Regulatory Burden

### ISSUE

Well-designed regulation allows governments to achieve policy objectives such as promoting efficient markets, safeguarding public health, and ensuring responsible development.

Good regulation is regulation that delivers the greatest possible net benefit to society.

However, regulation results in a burden on citizens and businesses when it is unnecessary, obsolete, or poorly designed.

It may raise the price of goods and services, and will discourage entrepreneurs from establishing new and innovative businesses and business practices.

The ERA considers that there are many opportunities to reduce the burden of existing regulation in Western Australia, and to prevent the introduction of burdensome or unnecessary regulation in the future.

### WHAT WE RECOMMENDED

The ERA recommended that the Government establish a State-wide regulatory reform programme to address existing regulatory burden.

We provided specific recommendations on issues such as public sector customer service standards, better communication between Government departments, and improved use of technology within Government.

We also provided a variety of recommendations to improve the processes the Government uses to review proposed rules and laws, to ensure that these processes effectively guard against the introduction of poor quality regulation.

These recommendations focused on improving accountability and transparency in Government decision making.

### PRIORITIES FOR REFORM

#### THE EXISTING BURDEN:

Appointing a lead agency to deliver a State-wide reform initiative with clear and measurable targets

#### BETTER USE OF TECHNOLOGY:

Appointing a lead agency responsible for Information & Communications Technology reform and planning

#### SERVING THE PUBLIC:

Assessing the performance of senior public servants by the quality of customer service delivered by their agencies

#### REVIEW OF NEW REGULATIONS:

Strengthening the Regulatory Impact Assessment process that provides protection against future regulatory burden

### WHY WE RECOMMENDED THIS

#### REDUCING THE EXISTING BURDEN

Over the past five years, the Government has made progress in reducing the burden regulation places on individuals and businesses.

However, consultation with those affected indicates that there is still room for improvement, particularly in the areas of project approvals and licensing processes.

#### Project approvals may include:

*Land use approvals*  
*Environmental approvals*  
*Planning approvals*

#### Examples of activities that require licensing:

*Opening a bar or restaurant*  
*Operating a quarry*  
*Working as a real estate agent*  
*Extracting groundwater*

## **SAFEGUARDS AGAINST FUTURE REGULATORY BURDEN**

The Government has an established process, called Regulatory Impact Assessment, to vet proposed new laws and policies, to ensure they do not introduce further regulatory burden.

We found this process to be consistent with good practice used elsewhere in Australia and around the world.

However we also found a number of weaknesses in the way the process is applied in Western Australia.

Current practices could be significantly strengthened with increased transparency, central publication of relevant documents and findings, and reduced availability of exemptions from scrutiny.

Replace Regulatory Impact Assessment Guidelines with a statutory mandate

Conduct 5-year recurring reviews of the Regulatory Impact Assessment process

Publish all Regulatory Impact Assessment documentation on a central website

Submit impact assessment documents to Cabinet with all new proposals

Limit the timeframe during which exemptions from assessment may be given

Remove of the availability of exemptions for election commitments

Require public disclosure of the reasons for granting an exception

Improve processes for periodic review of existing legislation

*This fact sheet is part of a series on the ERA's 2014 Inquiry into Microeconomic Reform in Western Australia*

*The full report and additional fact sheets are available at [erawa.com.au](http://erawa.com.au)*

### **CONTACT US**

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## **THE BENEFITS OF REGULATORY REFORM**

Removing burdensome regulation, and ensuring high quality regulation in the future will provide many benefits to Western Australia.

- increased opportunities for new businesses: *making it faster, easier, and less expensive to start a business;*
- promoting a business culture that welcomes new and innovative ideas: *removing old regulations that unnecessarily restrict innovation;*
- better access to Government services, both in person and online: *making it easier for you to find understand and meet regulatory requirements, and seek assistance;*
- regulations that are more effective and less burdensome: *finding simpler, non-regulatory solutions to social and economic problems;*
- a more accountable Government: *making it easier for you to find out about proposed new laws and policies.*