
B ORR activities and performance

The Office of Regulation Review is located within the Productivity Commission and reports to its Chairman. The Office has significant autonomy, with its activities being quite separate from the other activities of the Commission.

The objective of the ORR's regulation review activities is to promote processes that, from an economywide perspective, improve the effectiveness and efficiency of legislation and regulations developed and administered by Commonwealth departments and regulatory agencies. The ORR aims to assess RISs and undertake associated activities to a high standard, with advice that is timely and useful to government.

This appendix briefly outlines activities undertaken by the ORR in 1999-2000 and then discusses its performance in terms of quality, timeliness and usefulness.

B.1 Activities in 1999-2000

The range of activities that the ORR is required to undertake is set down in its charter. Ranked in order of priority, the seven principal activities involve:

- advising on quality control mechanisms for regulation making and review;
- examining and advising on Regulation Impact Statements (RISs) prepared by Commonwealth departments and agencies;
- providing training and guidance to officials;
- reporting annually on compliance with the Commonwealth Government's RIS requirements;
- advising Ministerial Councils and national standard-setting bodies on regulation making;
- lodging submissions and publishing reports on regulatory issues; and
- monitoring regulatory reform developments in the States and Territories, and in other countries.

The ORR, together with the Treasury, advises the Assistant Treasurer in his role as the Minister responsible for regulatory best practice, and the Minister for Financial Services and Regulation on legislative review matters.

In advising on quality control mechanisms for making and reviewing regulation, in 1999-2000 the ORR:

- provided guidance to Commonwealth Government departments and agencies on appropriate terms of reference for 15 legislation reviews undertaken as part of a four-year Australia-wide program under the *Competition Principles Agreement* to review and reform all legislation which restricts competition;
- continued to work with, and provide assistance to, the Office of Small Business in relation to the development of the regulatory plans and regulatory performance indicators (RPIs); and
- gave a presentation on the RIS process to the Task Force on Industry Self-regulation in Australia, convened by the Minister for Financial Services and Regulation, and attended meetings of the special advisory group to the Task Force.

In the process of examining RISs and advising Commonwealth departments and agencies, the ORR gave advice on over 200 different regulatory issues, of which around 50 concerned amendments to taxation arrangements.

During the year, the ORR conducted 15 general training sessions in 8 different departments or regulatory agencies attended by some 284 Commonwealth officials.

The ORR examined and provided advice on 28 RISs for Ministerial Councils and a further three for national standard-setting bodies.

The ORR's annual report — *Regulation and its Review 1998-99* — was released in November 1999. It expanded reporting on compliance with the Government's regulation review requirements to a portfolio basis for the first time.

In monitoring regulatory reform developments around Australia and internationally this year, the ORR:

- convened a meeting with State and Territory officials to discuss regulatory best practice in Australian jurisdictions;
- met with five members of the Victorian Parliament's Scrutiny of Acts Committee, as part of the Committee's review of the effectiveness of Victoria's *Subordinate Legislation Act 1994*;

-
- met with a representative from the Brisbane City Council, to discuss incorporating RIS requirements into the Council's regulatory development processes;
 - participated in several meetings of the COAG Committee on Regulatory Reform;
 - represented Australia at an OECD meeting on regulatory reform, which included reviews of reforms in Greece and Italy;
 - received a visit from the Legislation Coordinator of the New Zealand Cabinet Office, and exchanged information of mutual interest; and
 - hosted, for one week, three officials from Japan's Economic Planning Agency who were in Australia to study the regulatory reform system.

B.2 Performance of the ORR

The ORR relies in part on feedback from, and surveys of, its 'clients' (see box B.1) to gauge its performance — in terms of quality, timeliness and usefulness. Other means of assessing its performance include training evaluations and other formal and informal feedback.

Box B.1 ORR client feedback survey

In May 2000, the Commission conducted a survey that asked questions pertinent to assessing the quality, timeliness and usefulness of the ORR's work. Most questions offered a rating along a five point scale and survey participants were provided with an opportunity to comment on issues being surveyed. While the respondents were classified according to the areas — legal, policy, other, legal/policy — of departments and agencies in which they worked, the Commission undertook not to identify individuals. In order to maintain confidentiality, the ABS was contracted to collate the results.

The feedback survey was delivered to 243 Commonwealth department and agency officials who had worked with the ORR on RISs during 1999-2000. In total, 132 responses were received from officials in 28 different departments and agencies, an overall response rate of 54 per cent. Most respondents worked in a policy area and had consulted the ORR on RIS-related matters on more than one occasion during the year.

Quality indicators

Reporting on quality indicators for the ORR is limited by the confidential nature of the advice it provides to Commonwealth departments and agencies, to the Assistant Treasurer, to the Minister for Financial Services and Regulation and to Cabinet. Its

major activities in advising on RISs and legislative reviews typically involve interaction and iteration with sponsoring departments and agencies. Willing participation in the RIS process and favourable feedback from these sponsoring agencies is the ORR's strongest direct evidence as to the quality of its work.

For the ORR to properly assess a RIS, it must be able to understand the issues being considered and be able to clearly articulate its advice on the adequacy and quality of the RIS. Not only should the advice be of a high standard, staff must conduct themselves in a professional and competent manner. It is also important for ORR staff to develop ongoing and effective working relationships so that any problems can be resolved quickly and in a cooperative manner. The survey sought to test these aspects of the ORR's performance.

The results of the survey indicate that the ORR is providing a high quality service. Seventy per cent or more rated the ORR's performance as either good or excellent in terms of staff's ability to understand regulatory issues with which they were dealing, clarity of advice provided, overall competence and quality of the working relationship (table B.1). Further, 95 per cent of respondents reported that ORR staff were courteous and willing to listen. The bulk of comments received reflected these generally favourable assessments of the ORR's performance. One respondent indicated that 'preparing RISs is not easy, but ORR certainly adds value'.

Table B.1 Quality indicators

	<i>Excellent</i>	<i>Good</i>	<i>Average</i>	<i>Poor</i>	<i>Total^a</i>
	%	%	%	%	%
Ability to understand regulatory issues ^b	24	45	25	5	100
Clarity of ORR advice provided	32	51	14	3	100
Overall competence of ORR staff ^c	22	57	15	2	100
Working relationship	33	58	8	1	100
	<i>Always</i>	<i>Usually</i>	<i>Sometimes</i>	<i>Not stated</i>	<i>Total</i>
Courteous and willing to listen	73	21	4	2	100

^a Total includes 'Can't assess' and 'Not stated'. ^b Respondents were asked to rate the ORR staff's ability to understand the regulatory issues being dealt with, given the time frame in which they were working.

^c Respondents were asked to rate the overall competence of ORR staff compared with those of other Commonwealth agencies with whom they have contact.

However, there remains room for improvement as indicated by those respondents providing less favourable responses to the survey. Up to 30 per cent respondents were of the view that aspects of the quality of the ORR's work were average or poor. Some stated that its advice was naïve and at times insensitive to political issues.

Timeliness

The demand for RIS assessments is externally driven and timing is often determined by Cabinet and Parliamentary processes, as well as the resource priorities of departments and agencies. The ORR does its best to accommodate these demands. As a general rule, officials preparing a RIS are asked to allow around 2 to 3 weeks for several rounds of consulting with the ORR and redrafting the RIS so it can be cleared as of an adequate standard. But it is often possible to complete the process in less than a week. For more complex issues, such as the development of terms of reference for reviews, the suggested time for consultation is much longer — a minimum of three months.

In 1999-2000, six respondents to the survey (5 per cent) indicated that they typically allowed less than a day to consult the ORR for advice. Around half allowed two to five days and a third allowed five to ten working days. The remaining 14 respondents (11 per cent) allowed more than two weeks for consultation with the ORR (table B.2).

Table B.2 Timeliness^a

<i>Timeliness of advice</i>	<i>Time typically allowed for the ORR to respond</i>				<i>Total</i>
	<i>1 day or less</i>	<i>2-5 days</i>	<i>5-10 days</i>	<i>more than 2 weeks</i>	
	%	%	%	%	%
Excellent	2	20	15	2	39
Good	2	28	12	6	48
Average	-	4	5	2	11
Poor	-	-	-	-	-
Total	5	52	33	11	100

^a All figures have been rounded to the nearest whole number.

Most respondents to the survey were happy with the overall timeliness of the ORR's advice. Some 39 per cent rated the ORR's performance as excellent and a further 48 per cent assessed it to be good. A small share, around 11 per cent, considered the timeliness of the ORR's advice to be average.

All comments received about the timeliness of the ORR's advice were positive. This applied to those respondents who expected a rapid turnaround and others working to longer timeframes.

Indicators of usefulness

The usefulness of the Commission's regulation review activities in contributing to better regulatory outcomes, generating greater understanding within agencies of the Government's 'best practice' regulatory requirements and enhancing community understanding of regulatory issues is demonstrated by a range of indicators.

- Some regulatory proposals have been changed as a result of analysis undertaken during the RIS process. For example, in a few cases the ORR suggested new options, which were subsequently recommended to the decision-maker. More often, proposals were altered to reduce the compliance burden or costs imposed on business or other parties affected by the proposal.
- Regulation Impact Statements tabled with Explanatory Statements and Memoranda have provided greater transparency of the reasoning behind regulatory decisions so that the Parliament and the community are better informed. Parliamentarians have drawn on the Statements in debate.
- ORR reports are widely distributed and read:
 - 1265 copies of *Regulation and its Review 1998-99* were distributed in 1999-2000. The report was accessed more than 800 times on the Commission's web site in the period to July 2000.
 - 840 copies of the second edition of *A Guide to Regulation* have been distributed for use by policy and regulatory officers in all Commonwealth Government departments, agencies, statutory authorities and boards and to other people interested in regulatory reform. The Guide was accessed more than 1800 times on the Commission's web site during 1999-2000. About three-quarters of respondents to the ORR feedback survey found the Guide to be useful or very useful (see table B.3). Some constructive suggestions were made as to how the Guide could be improved, particularly by the inclusion of some examples or template RISs.

Table B.3 **Usefulness of *A Guide to Regulation***

<i>Usefulness of Guide</i>	<i>Number of responses</i>	<i>Per cent</i>
Very useful	37	28
Fairly useful	65	49
A little useful	14	11
Not at all useful	2	2
Total^a	132	100

^a Includes responses 'not stated'.

In 1999-2000, the ORR provided RIS training for 284 officials, including 100 Civil Aviation Safety Authority officials. Training evaluation forms were received from 125 people. Their views indicated that RIS training has been well received, with almost two-thirds rating training as good or very good. A further 16 per cent considered their RIS training to be excellent (table B.4). Thirteen per cent and four per cent of training participants considered the training to be satisfactory or fair/unsatisfactory, respectively.

Table B.4 RIS training evaluation in 1999-2000

<i>Evaluation</i>	<i>Number of responses</i>	<i>Per cent</i>
Excellent	20	16
Good/very good	81	65
Satisfactory/up to expectations	16	13
Unsatisfactory/fair	5	4
Total^a	125	100

^a Includes responses 'not stated'.