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Workplace Safety and Health Management
Economic Cost-Benefit Analysis and Planning

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Dr Stephen Rimmer
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SUBMISSION on
BUSINESS REGULATION BENCHMARKING

Dear Dr Rimmer,

I understand that your current program includes specific focus on the quantity and quality of regulation. Over the past thirty years, I have made a particular study of the quality of Australian legislation in the areas of environmental controls and occupational health and safety (OH&S). While my comments may not coincide with the specific objectives of your review, I would hope that they might add some pertinent background information.

I have read the submissions by the Australasian Compliance Institute and the Australian Bankers' Association, and strongly endorse their recommendations on what they term 'Regulatory Effectiveness.' Whereas the majority of Australian environmental management legislation has either wholly or substantially achieved their regulatory objectives and more particularly their underlying social and economic impact outcome expectations, this has certainly not been the case for OH&S legislation. While the failure of Australian OH&S legislation to achieve any significant proportion of the speculative and hypothetical benefit estimates used to justify their adoption may in part be due to OH&S being a subset of the industrial relations environment with its unrelated power agendas, the significant issue for the present Review is that there are no effective *post-hoc* audit processes to appraise the effectiveness of the legislation and whether it had been honestly cost-benefit justified.

Among the key reasons for the failure of Australian OH&S legislation to achieve significant social and economic impacts on our adverse workplace death and injury situations are:

- preselection of inappropriate and often unmeasurable regulatory objectives
- lack of focus on timely achievement of socially-relevant impact outcomes
- presumption that 'compliance with process' will effectively, promptly and automatically achieve relevant impact outcomes
- unfocused verbose 'comprehensive' legislation, and
- drafting focus for successful prosecution rather than successful legislation

I also endorse the Australian Bankers' Association recommendation in favour of 'regulation impact statements and cost-benefit analysis' and echo their concern 'that consultation on new regulatory requirements or proposals to amend existing regulatory requirements have not always allowed sufficient time to give due consideration to the impact of such changes.'

I thank you for the opportunity to make a submission. Please feel free to contact me if you would like further information on any issue relating to your Review.

Yours faithfully,
Philip S. Clark