



Australian Government
Department of Agriculture, Fisheries and Forestry

SECRETARY

26 October 2011

Regulation Reforms Study
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Commissioners

The Department of Agriculture, Fisheries and Forestry welcomes the opportunity to provide a submission to the *Identifying and evaluating regulation reforms: Productivity Commission discussion draft*.

I acknowledge the important role of regulation in supporting our portfolio industries by providing biosecurity services, export certification, research and development, and emergency response mechanisms to increase productivity. The department is in an unusual position as a regulator, as many examples of our regulatory activity are driven by industry involved in trade and market activities rather than by the need for public good. In this case, regulatory activity cannot be considered to be an undue burden on business and industry.

However, the department acknowledges that unnecessary or poorly designed regulations have the potential to impose excessive costs on business by restricting competition, reducing innovation and distorting the allocation of resources in the economy.

The department notes that parts of the regulatory process are also a burden on agencies. Some of the tools and processes for achieving best practice regulation are 'blunt' instruments that focus on process rather than efficient regulation. Although the department acknowledges the importance of best practice and strives to comply with regulatory tools, this can be time consuming and has the potential to delay or defer reform or minimise community consultation.

The department is planning for its review of all portfolio legislative instruments that were developed before 2005 and that will begin to sunset in 2015, in accordance with section 50 of the *Legislative Instruments Act 2003*. Sunsetting will be an opportunity to consider whole-of-government regulatory reform. However, it has the potential to become onerous if there is limited direction on expectations. The department would encourage further direction and resourcing to assist agencies in the review process.

I understand that officers in my department have contacted the commission about arranging a meeting to further discuss these matters. I would be pleased to receive the results of your study and contribute further to identifying and evaluating regulation reforms.

Yours sincerely

Conall O'Connell