



# Council of Australian Governments' Regulation Impact Statement Preliminary Assessment: Is a RIS required?

An agency is required to contact the Office of Best Practice Regulation (OBPR) to seek advice on whether a regulation impact statement (RIS) is required for decisions made by Council of Australian Governments' (COAG) Councils and national standard-setting bodies (NSSBs). This form will help you identify the key features of your regulatory proposal, which, in turn, will allow us to quickly assess whether a RIS is required.

Attachment A provides more information on filling in this form. If you have any questions about completing this form, please contact the OBPR on ([helpdesk-OBPR@pmc.gov.au](mailto:helpdesk-OBPR@pmc.gov.au)) or call (02) 6271 6270.

## Overview

**Name of COAG Council / NSSB**

**Name of proposal**

**Description of the problem**

**Outline the policy objectives**

**Outline of the options available**

**Other elements of your proposal (including consultation undertaken or proposed)**

## Likely impact on businesses or individuals

Is your proposal likely to have any regulatory impacts? If so, please specify.

Is your proposal likely to affect compliance costs? If so, how?

## Timing

Key dates and timeline:

## Contact Information

Please enter your contact information below.

Name:

Email:

Phone:

Date:

**Please forward the completed form to the OBPR  
([helpdesk-OBPR@pmc.gov.au](mailto:helpdesk-OBPR@pmc.gov.au)) or call (02) 6271 6270 to  
discuss your proposal with an OBPR officer.**

## Attachment A

RISs are required for all decisions made by COAG Councils and NSSBs that would encourage or force businesses or individuals to pursue their interests in ways they would not otherwise have done. It is the COAG Council's / NSSB's responsibility to contact the OBPR to seek advice on whether a RIS is required for a regulatory proposal. Preliminary assessments based on the information provided by COAG Councils / NSSBs in this form are conducted by the OBPR to determine whether a RIS is required.

You are strongly encouraged to contact the OBPR to discuss your preliminary assessment and for advice and support. Contacting the OBPR early in the policy development process will help COAG Councils / NSSBs:

- progress the proposal through decision-making forums in a timely manner; and
- ensure full compliance with the COAG best practice regulation requirements.

Once the OBPR officer has the information identified in this form, he or she is able to make an assessment of whether the proposed regulation is likely to have an impact on businesses or individuals (and will require a RIS); or whether the impact is likely to be of a minor or machinery nature (and will not require a RIS).

The OBPR officer will base his or her assessment largely on the information you provide so the more quickly you can provide accurate information, the faster you will receive the Office's assessment. The OBPR aims to provide this assessment within five working days of receiving all the necessary information.

## Overview

### *Description of the Problem*

Include a description of the problem that is being addressed. Some of the points to consider when describing the problem include:

- Be careful not to confuse the problem with the 'symptom' of a problem. Identify the underlying cause of the problem rather than just a result of the problem itself. Is the problem the consequence or the cause?
- How significant is the problem? What is its magnitude? In the case of risk, what is the likelihood of the adverse event occurring? What evidence do you have to support this initial assessment?
- What is the nature of the problem – what is the loss, harm or other adverse consequences that are being experienced, and by whom?
- How is the problem currently regulated by the Australian Government, state, territory or local government regulations, or by governments overseas? Are there deficiencies in the existing regulatory system?
- Is there a case for government intervention or is the problem of purely private interest? Why does current regulation not properly address the identified problem?
- If the problem relates to existing legislation or regulation, it should be made clear whether the problem is in relation to its design (and) or its implementation.
- What are consequences of not taking any action?

- Could relying on the market in conjunction with the general application of existing laws and regulations solve the problem? If not, why not?
- Will the problem self-correct within a reasonable timeframe?

#### *Outline of the policy objectives*

In this step of the Preliminary Assessment you should clearly identify what objectives, outcomes, goals or targets are sought in relation to the identified problem. A common error is to confuse the desired final outcome of a proposal with the outputs, or means of obtaining it.

The aim is not to pre-justify a preferred solution, but to specify the objective broadly enough so that all relevant alternative solutions can be considered.

#### *Outline of the options*

This step should outline a range of viable options including, as appropriate, non-regulatory, self-regulatory and co-regulatory options to achieve the policy objectives.

#### *Other elements*

Any additional information that is relevant to the proposal should be included here. For example, have there been recent proposals of a related nature, or is the proposal a new regulation; or an amendment to an existing regulation.

Include also whether any consultation has already been undertaken, and what consultation is proposed.

## **Likely impact on businesses or individuals**

A RIS is required for all proposals that are expected to have an impact – whether positive or negative – on businesses or individuals, unless these impacts are of a minor or machinery nature. Impacts can be thought of as either regulatory or compliance impacts.

#### *Regulatory impacts*

Regulatory impacts may include:

- Changes to the number or type of products that businesses can offer, such as:
  - Banning products or industry practices
  - Changing the way in which products can be offered.
- Impacts on consumer demand for certain products, such as:
  - Increasing prices brought about by the regulation's requirements
  - Changing the information available to consumers.
- Impacts on the ability or incentives of businesses to compete in the market, such as:
  - Creating either a self-regulatory or co-regulatory regime
  - Changing the requirements for a licence, permit or other authorisation
  - Influencing the price or quantity of goods which are sold
  - Setting standards for product/service quality
  - Changing the price or type of inputs available to businesses.

### *Compliance costs*

Compliance costs are those costs that businesses face as a result of dealing with the government. Compliance costs include:

- Requiring the collection and reporting of certain information
- Keeping abreast of certain requirements and re-training staff
- Changing operating procedures or purchasing patterns
- Cooperating with audits or inspections
- Engaging lawyers, accountants or other advisors.

The OBPR assesses whether the proposal requires a RIS or whether it is minor or machinery in nature and does not require one.

- 'Minor' changes refer to those changes that do not substantially alter the existing regulatory arrangements for businesses or individuals, such as where there would be a very small initial one-off cost to business and no ongoing costs. Examples of minor changes include allowing entities to lodge applications electronically, and clarification of registration requirements or definitions.
- 'Machinery' changes refer to consequential changes in regulation that are required as a result of a substantive regulatory decision, and for which there is limited discretion available to the decision maker. Changes which are machinery in nature do not necessarily have a small impact. Examples of machinery changes include administrative changes such as name changes, updating thresholds, and changes to levy rates in line with movements in CPI.

## **Timing**

Key dates, as well as an indicative timeline, should both be clearly outlined. This information will assist the OBPR in providing advice in a timely manner and to help you prepare adequate RISs at the correct stages in the policy process.

## **More information on the COAG RIS process**

More information on the COAG RIS process can be found in the Council of Australian Governments (COAG) endorsed [Best Practice Regulation: A Guide for Ministerial Councils and National Standard Setting Bodies](http://www.dpmc.gov.au/best-practice-regulation-guide-ministerial-councils-and-national-standard-setting-bodies) (<http://www.dpmc.gov.au/best-practice-regulation-guide-ministerial-councils-and-national-standard-setting-bodies>).