

What does the Regulator Performance Framework mean for you?

Summary of the Framework and its application

What is it?

The Framework sets up common performance measures to assess how Commonwealth regulators operate. There are six outcomes-based key performance indicators that cover issues like communication, risk-based and proportionate approaches, transparency, reducing regulatory burden, and continuous improvement.

What does it do?

The Framework will require regulators to look at how they operate and the regulatory burden they create when administering regulation. It will also help to drive cultural change in regulators to encourage them to adopt appropriate regulatory risk-based approaches to their role.

Regulators will also be more accountable and transparent about the way they operate through public reporting of their performance against the Framework. The Government's Regulatory Impact Analysis process helps to identify both the benefits, as well as the likely costs, of any regulation before it is introduced.

Who does it apply to?

Commonwealth regulators that administer, monitor or enforce regulation are required to implement the Framework.

How will the Framework change regulator behaviour?

Regulators keep us safe and protect our economy. By telling us about their performance, business, the community and individuals will have confidence about how regulators are doing that.

It is equally important to drive cultural change within regulators to ensure the regulatory burden imposed on those being regulated is minimised as far as possible. The Framework will encourage regulators to look at how they operate and to improve how they operate in areas identified for development through the process.

How will the Framework affect me?

Over time, the Framework will help to focus regulators on changes that will reduce the regulatory burden they impose on regulated entities and you should see a reduction in the time, cost and effort it takes you to comply with these obligations. You may also be asked to provide information to support regulators to assess their performance, if this is not already occurring.

How will regulators reduce compliance?

Appropriate risk-based approaches help to ensure regulators target those areas requiring the most attention. Such approaches take into account of such things as the regulated activity, the nature of the regulated communities/industries, compliance history of regulated entities, and other external factors affecting risk. By encouraging regulators to focus on the areas of greatest risk, the Framework will minimise regulatory burden on those entities that already comply with their obligations. But this does not mean a reduction in regulatory standards, and still provides assurance that the regulation is achieving the desired result in the most efficient way. And it means corrective action is only undertaken when necessary, not as a standard procedure.