



Australian Government
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Prime Minister and Cabinet

INSTITUTE OF
PUBLIC ADMINISTRATION
AUSTRALIA

IPAA
ACT

2022 CONFERENCE

REGULATORY REFORM

supporting business
investment and growth

16-17 FEBRUARY 2022

HYATT HOTEL, CANBERRA AND ONLINE

TRANSCRIPT OF EVENT

2022 CONFERENCE | REGULATORY REFORM: SUPPORTING
BUSINESS INVESTMENT AND GROWTH

DAY 2 – 17 FEBRUARY:

HIGHLIGHTS, KEYNOTE AND PANEL SESSIONS

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Hon. Victor Dominello:

You know, increasingly smarter loan, we need smarter regulation because we are going to be driven by services and we've got to compete on quality not just quantity and if we don't have regulation in place, we won't have quality and we will quickly go to the bottom of the barrel and that's not good for anyone but how do we get that illicium where we have regulation in place but it doesn't take forever for businesses to comply with it and I think this is the area of microeconomic reform that our state, our country needs to undertake to position us for this decade again, otherwise we have the risk falling behind.

Hon. Victor Dominello:

We've got over 100 regulatory agencies just in council state and if you combine the feds, it is mind blowing and what the problem before COVID was that we would give lip service to working together. Everyone would say, yes, we have to collaborate was a buzzword but it was in many ways in government at least a lot of it was lip service. We would collaborate but nothing ever happened in practice. I've seen more collaboration in the last two years inside of government agencies and external than I'll be seen.

Dr. David Gruen:

The promise of RegTech is that the greater use of data digital and technology is going to reduce regulatory burden. Is this just at the margin or can this make a really substantial difference to regulatory burden?

Randall Brugeaud:

I think it has the potential to significantly reduce the regulatory burden. If I, again, apply this to a trade case study, if we look at the complexity of information environment that we are currently administering, there are 28 agencies. There are 20 user portals that are supporting cross border trade. So simply to understand the rules associated with what is required and what is not is significant. If we're able to simplify that and have it such that we have some consistency in the rules that we have the capacity to be able to discover information about what's required, then that is going to ensure that there is a much higher level of compliance.

Dr. Pamela Hanrahan:

When we think about the application of RegTech to reduce regulatory burden, are we talking about encoding desired regulatory outcomes into the very processes that sit inside organisations? It's an interesting prospect and as I say, this is not something that's in the future. This is something that can quite easily be done now and you can triangulate whatever is going on in that interaction with data that's pulled from all sorts of other sources as well. So you can know something about the past performance of that bank employee. You can know something about the characteristics and vulnerabilities of the clients and you can code that into your analysis of what's going on in that interaction.

Gayle Milnes:

The technology offers an opportunity to look refresh at how we regulate and think what is the problem we're trying to solve and then think what are the things we can bring to bear to best solve that and that might be digital. It might be cultural. It might be data. That's I think the important focus for us and that helps address to Pamela's point about just getting a whole lot of data doesn't solve it. Getting the right data, having that mixed with the technology, having that

best addressed on the problem you're trying to solve with the right data analytics. It all needs to come together.

Meghan Quinn:

What does best practice regulation look like from a business perspective?

Jennifer Westacott:

Well, first of all, we have to be persistent. We have to be vigilant. We have to ask ourselves what problem we're trying to solve. We believe that the work of the DREG Task Force has been critical and we think it should be a permanent feature of government and it needs to obviously continue its great work but also start looking at things like how do we revitalise regulatory impact statements and business I think would want to see that as part of that risks are identified and then they're tracked as regulation rolls out. We need to be more vigilant about mission free, both regulators and regulations. We have to constantly ask ourselves that regulation contemporary, what was interesting during COVID was how many things would just stopped and force the world can come to an end.

Bryan Chapple:

But the more you can get out and really understand the perspective from the business side or whoever it is that other stakeholders you'll normally be regulated to try and protect someone from something to some extent. So you want to understand both of those perspectives. I actually don't think there's conflicts in having them involved. I think it's actually essential to really understanding the impact of what it is you are doing. We all bring conflicts and perspectives with us. So, what I think one of the things you learn is how to or hopefully learn is how to see through some of those enterprise and judgement about when is something so obviously nakedly self-serving that you're going to ignore it and you see plenty of that and when is it actually a really constructive way that someone's trying to work through a problem with you.

Meghan Quinn:

The need for this regulatory stewardship approach to look at the stock, to look at the system is really important because we've seen what happens to regulatory systems if that stewardship approach doesn't happen and what happens is eventually, if there's not a maintenance of the existing arrangements and updating of them in a consistency of them, eventually something will break in the system in terms of the political reality and we end up with something like a Royal Commission.

Bryan Chapple:

I sort of view best practice as a journey, not a destination and so I think we have to just keep striving to improve and in a sense, the unintended consequences are will always happen no matter how we do things and so you just continually adapting to try and deal with the latest round of unattended consequences that you're causing in a way but I agree it is the government that has to do that and others kind of push us and challenge us and help us in that striving to keep doing better.

David Parker:

I'm going to say that culture is a set of behaviours and attitudes that describe or order or drive the way that we work together internally and how we engage externally with the regulated community. So it sets the time. It's attitudes and behaviour.

Anna Cronin:

Culture trumps everything. I mean, you can have the best organised regulator or organisation. You can have the best set of regulations that you are administering but if the culture's poor, you won't be effective and you won't be efficient.

Rod Sims:

What we're aiming for is effective regulation and it's a bit of an art and it's a bit of a Science. I just want to make the point that it's complicated now. I agree David, that culture does trump everything. I have no problem doing that. I think it does not just for regulators, just for any organisation. I mean, culture is what binds and for me coming culture in various ways, for me what really matters is what is the shared understanding of why the organisation exists.

Anna Cronin:

It's very hard to run a regulator and be effective if you're not well resourced. Now, funding for regulators is often used at pays. We often have cost recovery and where we don't have cost recovery in terms of registrations and approvals and so on then we need budget funding. I think you can be persuasive to ministers about the value of a really top notch regulator. So if you can say to ministers, I can deliver efficient outcomes for you. So you've got press releases about, I've taken 100 pages out of this. I've improved the timeframes to do that. Then you are likely to get budgetary support for the other stuff that's about effectiveness. Is the regulator effective in minimising the harms?

Rod Sims:

You've got to do your best to own the problem. That means you do need to continually engage with your minister. You may need to make contact with the financial departments. You may need to just have an eye to what their interests sit in. Yes, that might actually influence what you spend time on. I mean, there's got to be some flexibility. I mean, independence is one thing but independence taken to the level of saying, "Well, I don't care what the government thinks." What that's stupid. So you've got to have an eye to... So if you want to talk stakeholders, you've got a lot of them but one of them is the government as well. So you're not driven by what they want but you're not blind to it either.