Foreword

A high quality regulatory environment is an essential foundation for all nations to be an enjoyable and prosperous place to live, work, and do business, while protecting the environment and all parts of society. High performing regulators play a key role in achieving these outcomes while also encouraging innovation and fostering productivity and growth.

Over the last decade, OECD countries have strengthened their use of a range of regulatory management tools. There is now a more careful examination of the need for regulation and the available design options (OECD, 2009). Most governments have outlined their policy on improving the design of regulation through regulatory impact analysis and stakeholder engagement mechanisms, often with the support of central scrutiny of proposed new regulation. As well as improving the design of new regulation, nearly all OECD countries have searched for opportunities to remove unnecessary burdens on the business community and citizens.

Good regulatory outcomes depend on more than well-designed rules and regulations. This was recognised in the OECD’s Recommendation of the Council on Regulatory Policy and Governance (OECD, 2012) which recommended that countries: “Develop a consistent policy covering the role and functions of regulatory agencies in order to provide greater confidence that regulatory decisions are made on an objective, impartial and consistent basis, without conflict of interest, bias or improper influence.” (p. 4)

The OECD Best Practice Principles for Regulatory Policy: The Governance of Regulators, is intended to assist countries in developing such a policy. It seeks to construct an overarching framework to support initiatives to drive further performance improvements across regulatory systems in relation to national regulatory bodies or agencies (regulators).

Efficient and effective regulators, with good regulatory management and governance practices, are needed to administer and enforce regulations. The comprehensive regulatory reviews of individual policy areas carried out by governments frequently find that there is scope to enhance governance as part of broader initiatives to improve regulatory outcomes [see for example, the Australian Productivity Commission’s reports on performance
benchmarking of Australian Business Regulation (www.pc.gov.au/projects/study/regulation-benchmarking), or Maxwell (2004)]. It is clear that appropriate governance arrangements for regulators support improvements in regulatory practice over time, and strengthen the legitimacy of regulation.

Strengthening the governance of regulators will help to maintain the confidence and trust of those being regulated and the broader community (ANAO, 2007). Good regulation helps to make OECD countries healthier, happier, cleaner, more prosperous and safer, while supporting innovative solutions to the challenges faced, and thereby serves the interests of all citizens.

The OECD Best Practice Principles for Regulatory Policy: The Governance of Regulators has undergone a rigorous consultation process. The initial draft of the principles was discussed at the ad hoc meeting of the Network of Economic Regulators (NER) on 21 November 2012 with key questions and comments from an academic expert. The draft was circulated among NER members and associations for further written comments. A revised version was discussed at the 8th Meeting of the Regulatory Policy Committee (RPC) on 22-23 April 2013, and it was also shared at the NER meeting on 24 April 2014. Incorporating feedback from both meetings, the 3rd draft was released for public consultation for a period of 3 months from June to August 2013. The document was revised absorbing public feedback and a subsequent version was presented and approved at the 9th Meeting of the RPC on 12-13 November 2013 and the NER meeting on 14 November 2013. A preliminary version of the principles was then circulated at the 10th meeting of the RPC on 14-15 April 2014 and the NER meeting on 14 April 2014 before its final publication.
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