



Good policy making means better legislation: A tale based on experience

“From policy to legislation” Conference

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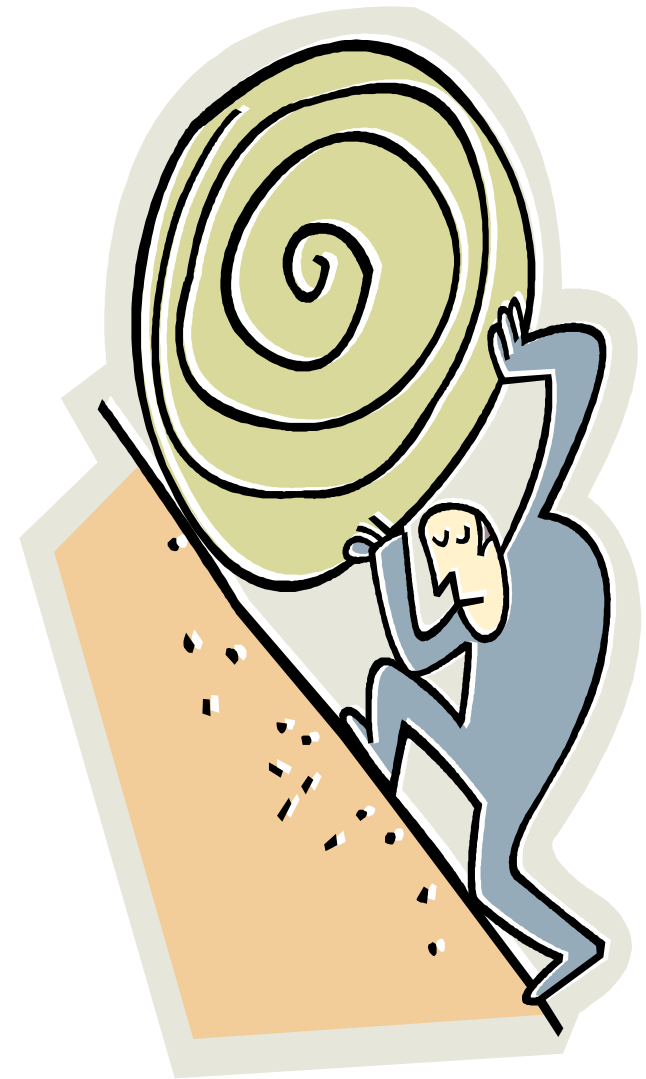


And now for something completely different

Background:

- ▶ Economist with 25 years as policy advisor
- ▶ Intense 15 years as advice quality assessor
- ▶ Time on the LAC looking at legislation
- ▶ Working to develop, criticise, and work within policy and legislation

All this supports strong simple view:



Good policy makes good legislation

Why?

Broadly, *good* legislation:

- ▶ Satisfies the LAC guidelines
- ▶ Simplifies the statute book
- ▶ Works as intended without unanticipated consequences



What does it take to create good legislation?

Preparation.

Bills are tested in a complex process, to ensure:

- ▶ they are needed
- ▶ they do what it says on the tin
- ▶ they don't do something else.

To fit this requirement the process needs to match to its elements



Good policy

Good policy process for legislation has the following characteristics:

- ▶ Does the “expert” work – fully understands the problem
- ▶ Develops diverse possible solutions
- ▶ Considers practicalities and risks – avoids surprises
- ▶ Keeps the solution “open” – allows for innovation



RIA fits in, where?

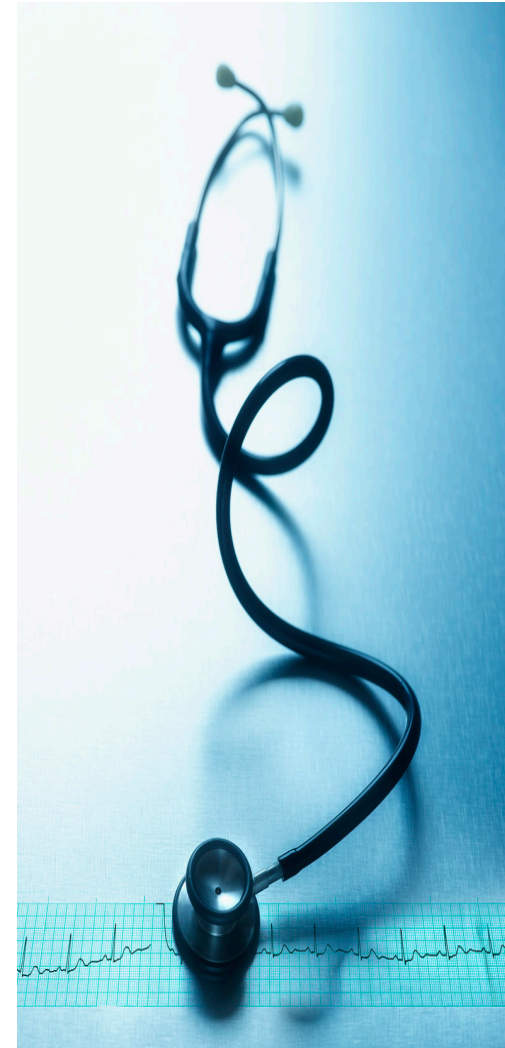
RIA is **Regulatory Impact Analysis**.

It addresses the big issues:

- ▶ What's this change going to do?
- ▶ What's the best option?
- ▶ Is it worth doing at all?

Strengths are:

- ▶ Frames up key issues
- ▶ Looks to a CBA
- ▶ Simplifies the story



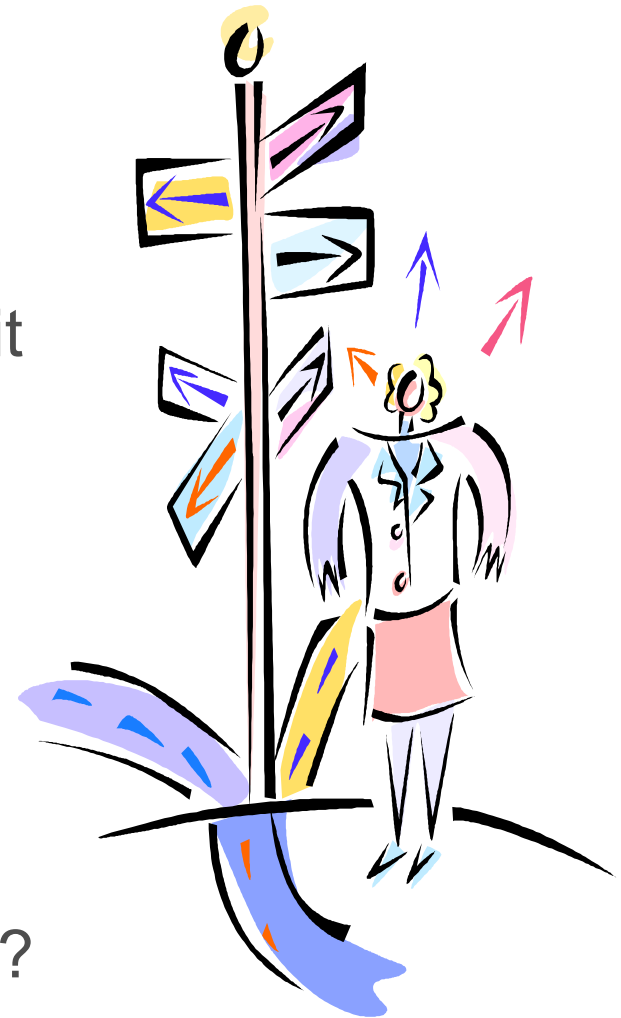
Policy process – basis for good legislation

Good *process* will include the following detail:

- ▶ Real issue: what is broken?
- ▶ High level approach selected?
- ▶ Concrete mechanisms in legislation to fit LAC rules
- ▶ Checks possible problems (different options)
- ▶ Cost/ benefit (public funds?)

Aim: answers to all the questions likely, including, crucially:

- ▶ How/why it works: incentives; sanctions?



Mandate – do it once & do it well

Good policy needs Cabinet approval.
Risky decisions like “informed consent”:
Non-experts get expert help to make
risky decision, on their own preferences

Complete advice, looks to RIA core:

- ▶ Why model A, not model B?
- ▶ Cost per unit?
- ▶ Winners and who losers?
- ▶ Operative when, & depends on what?

Also is clear about:

- ▶ Choices to be made
- ▶ All risks involved and possible responses
- ▶ Fit into local & overseas law

