

Taoiseach & Minister Bruton launch public consultation on new Government policy statement on economic regulation & publish a Forfas report on sectoral regulation

Regulation Central to Recovery & Jobs

21 April 2013

The Taoiseach Enda Kenny announced today [Sunday], a public consultation inviting submissions from interested parties in response to the consultation paper, “Government Policy Statement on Economic Regulation”. The initiative comes at the same time as a new Forfás report on economic regulation is published by Minister for Jobs, Enterprise and Innovation, Richard Bruton.

Announcing the consultation process, the Taoiseach said “We have seen how failures in regulation cost this country dearly and so better regulation is central to recovery and job creation. We need a regulatory environment which fosters growth and investment and one where the people and their interests are protected. Better regulation will ensure fair, reliable, sustainable and cost effective services are delivered to the public. Effective economic regulation is also essential for vital infrastructural investment”.

Commenting on publication of the Forfás report on sectoral regulation, Minister for Jobs, Enterprise and Innovation Richard Bruton said: “Controlling and reducing costs is a key part of the Government’s plans for jobs and growth. Many of the costs affecting business are regulated by the State, and it is crucial that we look at ways of improving our competitiveness in these areas. I look forward to seeing the results of this consultation so that we can develop and implement further actions to address regulated costs so that more businesses can start up, grow and create the jobs we need. Forfás has done excellent work on this report, and I commend Martin Shanahan and his team”.

The Government set out in the Programme for Government a number of reform commitments in the regulatory arena. In response Forfás undertook a review to identify changes in the operation of sectoral regulators that would enhance cost competitiveness but also that would help inform work on the wider economic regulatory reform agenda.

The immediate response from Government to the Forfás report and other elements of the PfG commitments is the development of a new Government Policy Statement on Economic Regulation that will focus on sectors already subject to economic regulation (energy, telecommunications, waste and aviation) or due to be regulated in the very near future (water and rail). This Policy Statement will be informed by the brief consultation period announced today.

The proposed Statement will set out a robust economic regulatory framework with national and sectoral policy objectives for implementation by relevant regulators.

The framework is also expected to cover issues such as timeliness and importance of reviewing mandates; driving efficiencies and reducing costs through rationalisation and shared services; operational effectiveness of regulators and their parent departments; performance and accountability; possibilities for variations of appeals mechanisms and standardising compliance and enforcement regimes.

The Forfas study findings confirm that to ensure effective economic regulation, that Government need to develop clear and consistent regulatory objectives with key goals prioritised, which then need to be applied and assessed to ensure that they are being met. The report also found a number of areas where changes to the operation of the sectoral regulators could have a real and positive impact on cost

competitiveness. These changes relate to the focus of regulatory mandates, the level and adequacy of resources, enforcement powers and sanctions available to the regulators, and the efficiency of the appeal process.

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The Forfás report is available at www.forfas.ie.

The consultation paper on the proposed Government Statement can be viewed on at:

http://www.taoiseach.gov.ie/eng/Publications/Publications_2013/ConsultationEconomicRegulation.html

Any person or body wishing to comment on any of the issues raised in the consultation paper is invited to make a written submission by Friday 17th May 2013.

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