



Better Regulation  
Victoria

# **Towards Best Practice**

**Regulator Collaboration Practice Note**

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# About this Better Regulation Victoria practice note

Practice Notes are part of a package of guidance that equips regulators to deliver the *Towards Best Practice* guide. They are produced by Better Regulation Victoria to support regulators to review and improve specific areas of their operations.

This Practice Note assists regulators who seek to collaborate with their regulator peers and partners to tackle harms or risks, following Principle 8 of *Towards Best Practice*.

Principle eight of *Towards Best Practice* recognises that regulators and other agencies often have common goals in harm reduction or other outcomes and helps regulators consider how to collaborate in pursuit of these interests.

This Practice Note supports regulators to collaborate on harm reduction goals. It provides a focus on projects or problem-solving processes, guidance on how to decide on an appropriate collaborative approach, and the steps to follow.

## Who this guide is for

This guide is written for the executive group and planning staff of regulators who are considering collaboration, or who may be dealing with an issue which crosses regulatory boundaries (legal or geographical). This may for example include large businesses with operations in separate jurisdictions or complex regulatory issues which cross regulatory frameworks.

## Why collaborate?

Regulators might consider collaboration for several key reasons:

1. **Consistency and Harmonisation:** When regulators work together, they can harmonise the impact of regulations across jurisdictions, simplifying the regulatory landscape. This helps businesses and industries by reducing the complexity and costs associated with complying with different regulations in different regions or overlapping regulatory frameworks in a single jurisdiction.
2. **Shared Expertise and Resources:** Collaboration allows regulators to share knowledge, expertise, and resources. This is particularly important in complex or rapidly evolving industries where no single regulator may have all the necessary expertise, but it also helps where regulators can develop ways to share the inspection workload by undertaking “proxy” inspections on behalf of another regulator.
3. **Better Risk Management:** By working together, regulators can identify and address risks that cross borders or sectors more effectively. Collaboration helps in the early detection of issues that could have widespread impacts.

4. **Enhanced Enforcement:** Joint efforts in enforcement can increase the effectiveness and reach of regulation.
5. **Promoting Innovation:** Collaboration can help regulators create a more supportive environment for innovation. By aligning regulations and creating clear shared guidelines, regulators can help encourage the development of new technologies and business models, while still protecting public interests.
6. **Public Trust and Transparency:** Collaborative regulation often leads to more transparent and accountable processes, which can enhance public trust. When regulators are seen to be working together, especially in addressing complex issues, it reinforces the perception that they are acting in the public interest. Conversely, where regulators are perceived to be at odds or siloed, public confidence is undermined.
7. **Global Challenges:** Many regulatory challenges, such as climate change and biosecurity, are national or global in nature. Collaboration among regulators is essential to effectively address these issues, as unilateral action is often insufficient.

Collaboration is an inherent element of BRV Best Practice Principle 8 but is also an element of a number of others. Regulators might also collaborate with non-regulators (for example professional organisations or funding bodies) where appropriate: where this happens, the considerations will be similar.

## Steps in effective regulatory collaboration

The steps a regulator (or group of regulators) may consider when taking a collaborative approach are outlined below. Not all steps, or all elements of all steps, are required: these should be tailored to the specific regulatory issue under consideration. For example, extensive stakeholder engagement involving ongoing dialogue may not be required for small or less complex regulatory issues. Similarly, developing an MOU for a one-off collaborative exercise may be unnecessarily excessive.

### 1. Problem Identification and Assessment

- **Objective:** Identify the specific issue or problem that requires collaboration and assess its scope and impact.
- **Activities:**
  - Stakeholders, which may include regulators, industry experts, and public interest groups, come together to define the problem.
  - Conduct risk assessments to understand the potential consequences of inaction.
  - Determine the need for a collaborative approach, especially if the issue crosses borders or sectors.

### 2. Stakeholder Engagement

- **Objective:** Engage relevant stakeholders to ensure that all perspectives are considered.
- **Activities:**
  - Identify and involve key stakeholders, including other regulatory bodies, industry representatives, non-governmental organizations, and international institutions.
  - Facilitate consultations, workshops, or forums to gather input and build consensus.
  - Establish communication channels for ongoing dialogue.

### 3. Setting Goals and Objectives

- **Objective:** Define the goals and objectives of the collaboration.
- **Activities:**
  - Agree on the desired outcomes, such as joint enforcement actions, or shared standards.
  - Set specific, measurable, achievable, relevant, and time-bound (SMART) objectives to guide the collaboration.

### 4. Framework and Structure Development

- **Objective:** Establish the framework and structure for collaboration.
- **Activities:**
  - Develop a governance structure that outlines roles, responsibilities, decision-making processes, and accountability mechanisms.
  - Create legal agreements or memoranda of understanding (MOUs) to formalize the collaboration.
  - Set up working groups or task forces to address specific aspects of the problem.

### 5. Data Sharing and Information Exchange

- **Objective:** Facilitate the sharing of relevant data and information among participants.
- **Activities:**
  - Establish protocols for data sharing, ensuring confidentiality, privacy, and security where necessary.
  - Set up databases, communication platforms, or networks to enable real-time information exchange.

- Regularly update and share findings, best practices, and lessons learned.

## 6. Implementation and Action

- **Objective:** Execute the agreed-upon actions to address the problem.
- **Activities:**
  - Implement joint regulatory measures, such as aligned standards, coordinated inspections, or shared enforcement actions.
  - Monitor and enforce compliance.
  - Adapt and adjust actions as needed based on ongoing assessments and feedback.

## 7. Monitoring and Evaluation

- **Objective:** Continuously monitor progress and evaluate the effectiveness of the collaboration.
- **Activities:**
  - Track the implementation of actions and measure progress against the defined goals and objectives.
  - Use key performance indicators (KPIs) to assess the impact of the collaboration.
  - Conduct regular reviews, audits, or assessments to identify areas for improvement.

## 8. Adaptation and Improvement

- **Objective:** Adjust the collaborative approach based on feedback and changing circumstances.
- **Activities:**
  - Revise strategies, policies, or regulations as needed to respond to new developments or challenges.
  - Incorporate lessons learned into future collaboration efforts.
  - Enhance communication and coordination mechanisms based on experiences gained during the collaboration.

## 9. Communication and Reporting

- **Objective:** Communicate outcomes and report on the progress of the collaboration.
- **Activities:**
  - Prepare and distribute reports, both internally among stakeholders and externally to the public or other interested parties.

- Engage in public communication to build transparency and trust.
- Share success stories and case studies to highlight the benefits of the collaboration.

## 10. Closure or Continuation

- **Objective:** Decide whether to conclude the collaboration or continue it in a new phase.
- **Activities:**
  - If the collaboration has achieved its objectives, formalise the closure with a final report and dissemination of outcomes.
  - If ongoing issues remain, plan for the continuation of the collaboration, potentially entering a new phase with revised goals or expanded participation.
  - Evaluate the need for institutionalizing the collaboration into a permanent framework.

Each stage builds on the previous one, ensuring that the collaboration is well-structured, goal-oriented, and capable of adapting to changing circumstances.

Some flexibility will likely be required. For example, it may make sense to undertake data and intelligence sharing at an early stage to more fully understand the problem. Indeed, collaboration across regulators might even be confined solely to sharing data and/or intelligence.

# Challenges to regulatory collaboration

While regulatory collaboration has many benefits, it can also face challenges that may hinder its effectiveness. Here are some potential issues that can arise when regulators collaborate:

## 1. Conflicting Objectives and Priorities

- **Problem:** Different regulators may have varying objectives, mandates, or priorities that can conflict with one another.
- **Impact:** This can lead to disagreements or compromises that dilute the effectiveness of the collaboration, causing delays or suboptimal outcomes.

## 2. Jurisdictional Disputes

- **Problem:** Overlapping or unclear jurisdictions can create confusion about which regulator has authority in specific areas.
- **Impact:** Jurisdictional disputes can slow down decision-making processes, create legal challenges, or result in inconsistent enforcement of regulations.

## 3. Bureaucratic Inefficiencies



- **Problem:** Collaboration may involve multiple layers of bureaucracy, which can lead to inefficiencies in communication, decision-making, and implementation.
- **Impact:** This can slow down the process, increase costs, and create frustration among stakeholders, potentially undermining the collaboration's goals.

#### 4. Information Silos and Poor Data Sharing

- **Problem:** Regulators may be reluctant or unable to share information due to privacy concerns or legal restrictions.
- **Impact:** Poor data sharing can lead to incomplete or inaccurate understanding of the issues, reducing the effectiveness of collaborative efforts and leading to gaps.

#### 5. Coordination Challenges

- **Problem:** Coordinating actions across different agencies, especially in large-scale collaborations, can be challenging due to differences in processes, timelines, and resources.
- **Impact:** Coordination challenges can result in misaligned efforts, duplication of work, or failure to act in a timely manner, weakening the overall impact of the collaboration.

#### 6. Resource Constraints

- **Problem:** Collaborative efforts may require significant resources, including funding, personnel, and technology, which may not be equally available to all participating regulators.
- **Impact:** Resource imbalances can lead to uneven participation or reliance on a few regulators to carry the burden, potentially causing delays or limiting the scope of the collaboration.

#### 7. Political and Public Pressure

- **Problem:** Collaborative regulatory efforts can be influenced by policy agendas or public opinion, which may shift over time.
- **Impact:** This can lead to changing priorities, pressures to achieve quick results, or even the abandonment of collaborative efforts if they become politically unpopular or controversial.

#### 8. Cultural Differences

- **Problem:** Different regulatory bodies may have distinct organizational cultures, values, or ways of working that can clash during collaboration.
- **Impact:** Cultural differences can lead to misunderstandings, mistrust, or resistance to joint initiatives, reducing the effectiveness of the collaboration.

#### 9. Lack of Clear Leadership

- **Problem:** Without clear leadership, collaborative efforts can suffer from a lack of direction and accountability.
- **Impact:** This can result in drifting objectives, inconsistent enforcement, and difficulties in resolving conflicts or making decisions.

#### 10. Regulatory Capture or Influence

- **Problem:** Collaborative efforts can be vulnerable to regulatory capture, where industry interests unduly influence regulatory decisions.
- **Impact:** This can compromise the integrity of the collaboration, leading to biased or weakened regulations that do not adequately protect the public interest.

#### 11. Inconsistent Enforcement

- **Problem:** Even with collaboration, enforcement may vary between jurisdictions or agencies due to differences in resources, priorities, or legal frameworks.
- **Impact:** Inconsistent enforcement can undermine the credibility of the regulations and create loopholes that can be exploited by non-compliant entities.

#### 12. Sustainability of Collaboration

- **Problem:** Maintaining long-term collaboration can be challenging, particularly if initial successes are not sustained or if key participants lose interest or capacity.
- **Impact:** This can lead to the disbanding of collaborative efforts, leaving unresolved issues or causing a reversion to fragmented regulation.

#### 13. Legal and Compliance Risks

- **Problem:** Collaborative efforts may inadvertently lead to legal challenges, especially if they overstep legal boundaries or violate existing laws and agreements.
- **Impact:** This can result in lawsuits, regulatory rollbacks, or the need to renegotiate terms, which can be costly and time-consuming.

By being aware of these potential challenges, regulators can take steps to mitigate risks and improve the chances of successful collaboration. This may involve establishing clear governance structures, ensuring transparent communication, aligning objectives, and regularly reviewing and adapting the collaboration as needed.

# Evaluating regulatory collaboration

Good evaluation is an important element of continuous improvement. Evaluating the effectiveness of regulatory collaboration involves assessing various factors and outcomes to determine whether joint efforts among regulatory bodies and other stakeholders are achieving their intended goals and where there might be opportunities to improve for the future. Here are key indicators and methods to assess the effectiveness of regulatory collaboration:

## Achievement of Objectives

**Problem Resolution:** Determine if the collaboration effectively addresses and resolves the initial regulatory issues or challenges. For example, if the goal was to improve safety standards, check whether there have been measurable improvements in safety metrics.

**Target Achievement:** Evaluate whether the collaborative effort met its specific targets and objectives, such as reducing compliance breaches, improving public health outcomes, or enhancing environmental protection.

## Efficiency and Resource Utilization

**Resource Allocation:** Assess whether resources (financial, human, and technological) were used efficiently and effectively across agencies. Effective collaboration should lead to optimized use of resources and avoid duplication of efforts.

**Time and Cost Savings:** Measure whether the collaboration resulted in time and cost savings compared to what would have been achieved through separate, uncoordinated efforts.

## Coordination and Communication

**Information Sharing:** Evaluate the effectiveness of information sharing among participating agencies. Effective collaboration should involve timely and accurate exchange of data and insights.

**Unified Messaging:** Check if there was consistent and clear communication to the public and stakeholders. Inconsistent messaging can undermine the effectiveness of the collaboration.

## Stakeholder and Public Satisfaction

**Feedback from Stakeholders:** Gather feedback from stakeholders involved in the collaboration, including regulatory agencies, industry representatives, and community organizations. Positive feedback and satisfaction indicate effective collaboration.

**Public Perception:** Assess public perception and satisfaction with the outcomes of the collaboration. Surveys, public forums, and media coverage can provide insights into how well the collaboration was received by the community.

## Impact and Outcomes

**Measurable Results:** Look for tangible, measurable outcomes that demonstrate the impact of the collaboration. This could include reductions in violations, improvements in compliance rates, or better environmental and health indicators.

**Long-term Benefits:** Consider whether the collaboration has led to sustainable long-term benefits, such as lasting improvements in regulations, enhanced public safety, or ongoing positive changes in industry practices.

### Adaptability and Learning

**Flexibility and Adaptation:** Evaluate how well the collaborative effort adapted to changing circumstances or emerging issues. Effective collaboration should be flexible and responsive to new information or challenges.

**Lessons Learned:** Review whether the collaboration led to the identification and implementation of best practices and lessons learned. Continuous improvement based on experience is a sign of effective collaboration.

### Governance and Accountability

**Clear Roles and Responsibilities:** Assess whether the roles and responsibilities of each participating entity were clearly defined and adhered to. Effective collaboration requires clear governance structures and accountability mechanisms.

**Monitoring and Evaluation:** Check if there were robust monitoring and evaluation processes in place to track progress and assess the effectiveness of the collaboration. Regular reviews and assessments can help identify areas for improvement.

By analysing these factors, regulators and stakeholders can determine the effectiveness of their collaborative efforts and make necessary adjustments to enhance future collaborations.

