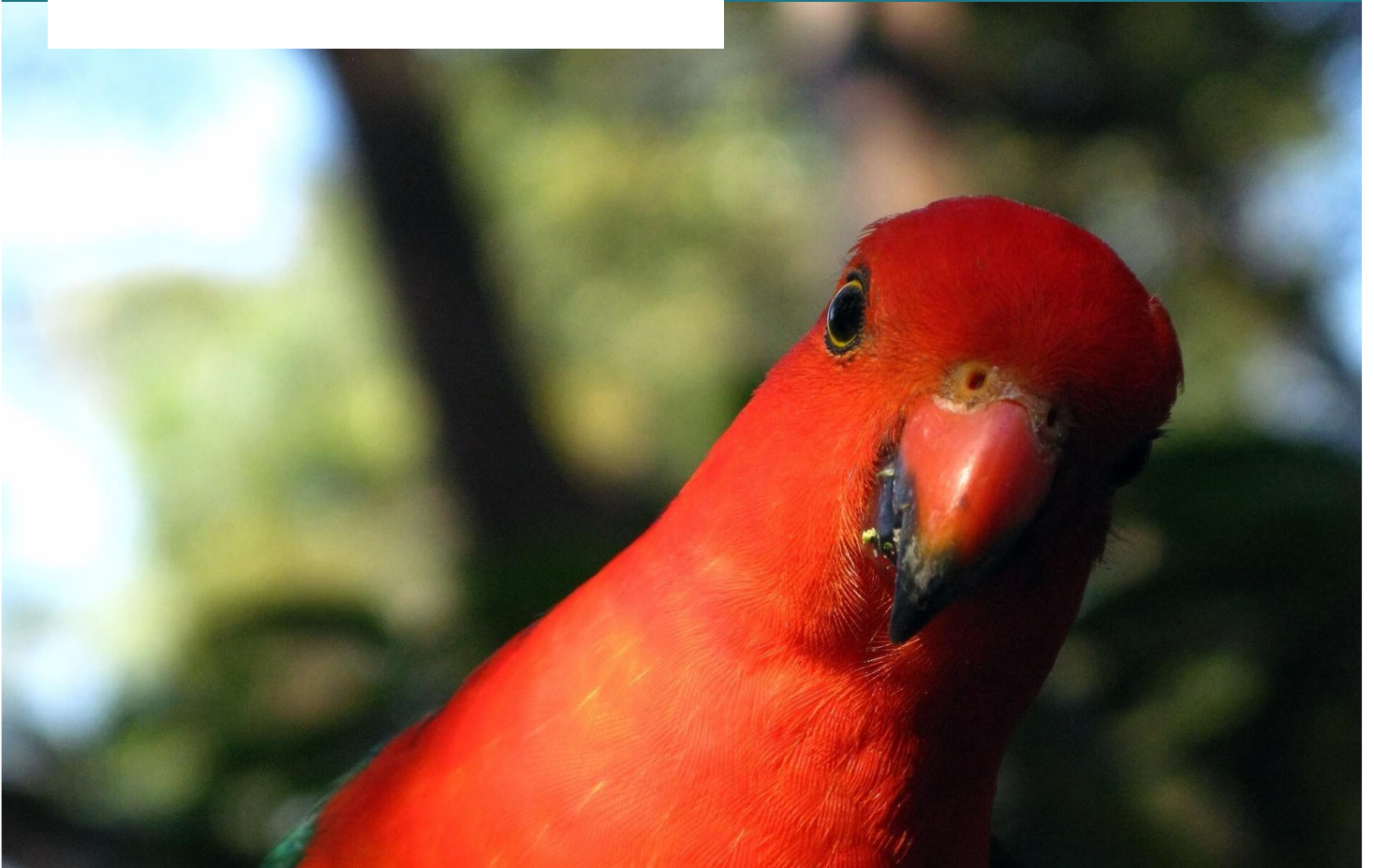




**AELERT**

A network for environmental  
regulators across Australasia



## Modern Regulator Improvement Tool

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Better Regulation Cluster

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## 1. INTELLECTUAL PROPERTY STATEMENT

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## 2. INTRODUCTION

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The Modern Regulator Improvement Tool (MRIT) was developed by AELERT to help member agencies self-assess their level of maturity in the 12 areas identified by AELERT as features of a modern – or effective – regulator. If agencies choose to share their assessments with AELERT, AELERT can identify areas of strength and opportunities for development that might be common across AELERT members. AELERT can use this information to develop resources and share knowledge amongst members, to help all AELERT members become as effective as possible in undertaking their regulatory roles.

## 3. BACKGROUND

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There is a growing body of work amongst regulators, academics and regulatory networks aimed at answering the question ‘What are the qualities of an effective regulator?’ It is worth noting that, although there may be some slight differences in meaning, much of this work uses phrases such as ‘effective regulator’, ‘modern regulator’, ‘best-in-class regulator’ etc. interchangeably and it is all aimed at identifying features present in ‘good’ regulators.

While there are many very useful documents that catalogue the attributes of a good regulator, the MRIT is the first document (as far as we are aware) that provides environmental regulators with a way to assess how well developed they are against each of those attributes. The MRIT does this by describing the expected characteristics of the six maturity levels (from absent to leading) for each attribute. A regulator can then decide which maturity level describes best where their agency is at. The attributes and maturity levels are described in more detail below.

There were two ideas that came together to form the MRIT. The first was the Statement of Better Regulatory Practice, which was developed at the 2012 AELERT Forum in Adelaide. The statement was the output of the two-day forum, and captured the features that attendees at the forum felt were important in a modern regulator.

The second idea was the desirability of being able to assess the relative capability of AELERT member agencies, with a view to using that information to help improve the overall levels of capability of environmental regulators in Australia. By identifying leading performers, they could be encouraged to share their knowledge with other members. Similarly, if one or more attributes were identified as commonly causing members some difficulty, AELERT would be able to support members with development activities and knowledge sharing.

The MRIT combines both these ideas, being based around the features set out in the Statement of Better Regulatory Practice, and containing a mechanism for agencies to assess their level of development against each of those attributes.

### **3.1. About the MRIT**

The MRIT is not intended to be a precise tool (it is qualitative rather than quantitative). It is quite deliberately a 'blunt instrument'. There are a number of reasons for this. The first is that the tool is still in the early stages of its life. Trying to develop a very detailed and precise diagnostic tool before the concept has undergone a significant amount of real-world use is difficult if not impossible, and certainly more time-consuming than would be warranted. It may be that future versions of the MRIT will be more detailed and will enable subtle differences in regulatory capability to be identified, but that is some way down the track.

This leads to the second reason. It is not at all clear that a very subtle, precise tool is even needed. The purpose of the MRIT is to paint a picture of regulatory capability in enough detail to allow decision makers in an agency to understand where its strengths and weaknesses lie, and to allow AELERT to identify common themes that could help it to focus its activities. It is not intended to allow detailed comparisons to be made between agencies, for example, where the nuances of different maturity levels might be important.

Agencies will get the most out of the MRIT if they approach its use with this in mind. It may well be that spending a long time pondering over whether an attribute displays a particular maturity level will be less useful than using the tool to quickly provide a broad picture of agency development that will allow the agency to invest its resources wisely.

### **3.2. Using the MRIT**

The MRIT is structured around 12 attributes of a modern regulator, derived from the AELERT Statement of Better Regulatory Practice (which is available in the members' area of the AELERT website).

The 12 attributes are grouped into four broad themes as follows:

The theme vision, role and strategy contain the attributes of corporate plan and contribution, risk-based compliance planning and problem solving approach. They relate to the agency's strategic planning functions and its understanding of and contribution to wider government and community priorities.

The theme capability and improvement contains the attributes training and procedures, quality assurance and review functions and work and learn from regulators and partners. These attributes cover important aspects of a regulator's work to do with the robustness of the support and training for its staff, its commitment to good decision-making and the quality of its work, and its willingness and ability to continually develop itself by cooperating with and learning from its peers, co-regulators and other agencies.

Governance and delivery is concerned with both the agency's approach to management and good governance, and its profile and achievement of results (as well as its ability to measure and demonstrate those results). The attributes under this theme are activity and visibility, performance reporting and governance and oversight.

The final theme is leadership and culture, the often intangible but nevertheless critical aspects of any organisation that contribute directly to its ability to succeed in its mission. The attributes here are culture and leadership focus, regulatory philosophy and approach and stakeholder and community engagement.

Each attribute is described in further detail within the MRIT.

For each attribute, there are a series of descriptors that correspond to one of six maturity levels – absent, emerging, developing, maturing, well established and leading. A brief description of these levels is set out below:

- **Absent:** The attribute is not present in the agency, or is present only in a rudimentary form. There is no judgment associated with an agency identifying itself as 'absent' for a particular attribute, as there are many legitimate reasons why an attribute might not be present. For example, this might apply to a newly formed agency which has yet to develop some of the attributes, or to a more established agency that has not branched out into a particular area (such as compliance planning).
- **Emerging:** The attribute is present, but is at an early stage of its development. The agency may have recognised the importance of the attribute and begun developing its capability, or it may not have formally developed it but parts of the agency may be displaying the attribute in an ad hoc or unstructured way.
- **Developing:** The agency will have recognised the importance of the attribute and will have progressed down the path of embedding it into the systems, processes or culture of the agency. Agencies at the 'developing' level will have a growing degree of confidence with the attribute, but its presence may not be at a consistently high level across the whole agency.
- **Maturing:** An agency's confidence or proficiency is growing, and they may be recognised within their regulatory community or their jurisdiction as performing well in the attribute. The attribute may not be fully embedded in the agency, though. A change of leadership or change in the external environment could impact on the attribute.
- **Well-developed:** The attribute is now embedded in the agency, and will likely continue at this level despite organisational changes. The agency will be recognised by its peers as being at a high level of development in this attribute, and the agency will achieve strong results as a consequence of its level of maturity.
- **Leading:** It is not expected that many agencies will reach this level of maturity, without a conscious investment of resources in the attribute. A 'leading' agency will be recognised as such across the AELERT network, and quite likely overseas. It will have a strong theoretical understanding of the attribute, as well as a best-practice approach that achieves consistently strong results in matters related to the attribute.

### **3.3. Conducting an MRIT assessment**

A guidance document with some ideas for conducting an MRIT assessment is available in the members' area of the AELERT website. If you do not have a login for the members' area, you can get one by emailing [secretariat@aelert.net](mailto:secretariat@aelert.net). In addition, examples of templates and other documents developed by agencies who have used the MRIT will be made available on the website.



### 3.4. Uses for MRIT assessments

The MRIT is not intended to be used to develop league tables or to allow detailed comparison between two regulators. Rather, it is designed to provide a useful way for regulators to assess where they are on their journey towards being a modern regulator.

Nor is the MRIT intended to be the last word in how to assess regulatory maturity. As it is used, feedback and lessons learnt will be used to inform future iterations of the tool. As such, agile/iterative development and design principles are being used to develop it. An essential underpinning of the design is that it be developed, tested and refined as we learn by doing. This allows us to make progress with the tool, gives us time to establish a common understanding of the framework and language around regulatory practice and supports the evolution of the MRIT over time.

The MRIT could be used in a number of ways:

- The MRIT can help to show agencies where their maturity levels may be towards the lower end of the range, allowing agencies to make decisions about where to focus their efforts in developing their capabilities. Conducting MRIT assessments over time can allow agencies to check their progress.
- AELERT encourages agencies to share the results of their MRIT assessments with AELERT. As more agencies do this AELERT can build a picture of the strengths and weaknesses of member agencies. This will allow AELERT to tailor its resources and member activities to supporting those areas where agencies would get the most value, and also (where members are willing) to connect agencies with strengths in particular attributes with agencies that wish to develop in those areas.
- Use of the MRIT can also be a useful way of showing other agencies within government (particularly central agencies such as Treasury, or the Department of Premier/Prime Minister and Cabinet, or to a local government's councillors) how the agency is performing against a set of attributes identified by the environmental regulatory community as important.

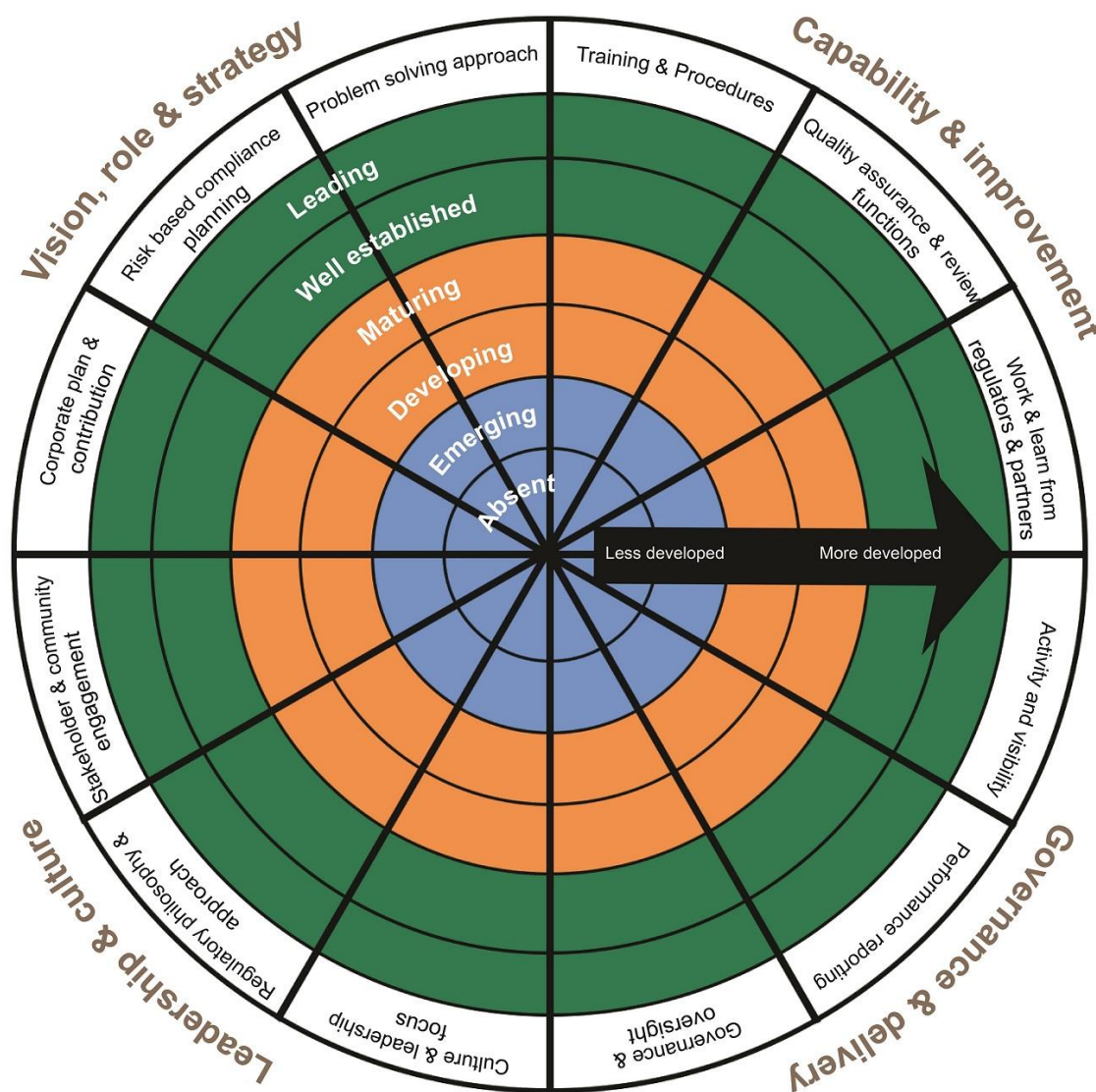
As the MRIT is used more and more, no doubt other uses for the tool will be found, and we encourage AELERT members to share their experiences with the network.

## 4. OVERVIEW OF THIS DOCUMENT

This document describes the draft maturity levels for each attribute area under the following four fundamental regulatory characteristics:

- Vision, Role and Strategy
- Capability and Improvement
- Governance and Delivery
- Leadership and Culture

### 4.1. Overview of the MRIT



## 5. LEADERSHIP AND CULTURE

### 5.1. Culture and Leadership Focus

#### Culture

This attribute describes the regulator's expectations, experiences, philosophy, and values that hold it together, and is expressed in its self-image, inner workings, interactions with its employees, regulated community and stakeholders. It is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid.

#### Leadership

This attribute describes the regulator's ability to establish a clear vision, share that vision with others so that they follow it willingly, provide the information, knowledge and methods to realise that vision and coordinate and balance the conflicting interests of all members and stakeholders.

Leading	<ul style="list-style-type: none"> <li>Leaders create an environment in which employees embrace and believe in the vision, want to achieve it, live the culture and seek to achieve ambitious targets.</li> <li>Leaders behave strategically by analysing data, anticipating change, leveraging resources, driving policy debate, solving complex problems and implementing robust plans.</li> <li>Decisions are made collaboratively and, where appropriate, are challenged and reviewed.</li> </ul>
Well established	<ul style="list-style-type: none"> <li>The regulator's vision and values are understood and clearly articulated and this is measured through staff surveys or focus groups.</li> <li>Leadership development is valued, prioritised and resourced and the regulator invests in developing leadership capabilities.</li> <li>A mechanism or process exists to ensure decision making and decisions are open and transparent.</li> <li>A mechanism or process exists to allow staff to give feedback on performance and discuss career progression.</li> </ul>
Maturing	<ul style="list-style-type: none"> <li>Employee understanding of vision and strategy is measured by surveys and focus groups.</li> <li>Vision and values are articulated in one/some but not all elements of planning.</li> <li>Leaders communicate their vision to the whole organisation through speeches, newsletters and other media.</li> </ul>
Developing	<ul style="list-style-type: none"> <li>The need to establish and articulate a clear vision and values has been identified but not yet implemented.</li> <li>Values and behaviours are discussed by some but not all staff in the organisation.</li> </ul>
Emerging	<ul style="list-style-type: none"> <li>Vision and values are undocumented and applied inconsistently across the organisation.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>Organisational culture and values are not discussed or actively demonstrated</li> <li>Leaders are unable to clearly articulate the organisation's vision.</li> </ul>



## 5.2. Regulatory Philosophy and Approach

This attribute describes the regulator’s ability to clearly articulate and apply the theory that acts as a guiding principle for the way it regulates. This includes how it will approach its role as a regulator, use its powers to regulate and a description of the factors that the regulator takes into consideration when responding to any identified non-compliance or harm.

Leading	<ul style="list-style-type: none"> <li>• Has a published compliance and enforcement policy (or equivalent) that is regularly showcased and recognised as best practice in the sector.</li> <li>• The regulated and wider community has a clear understanding of the regulator’s regulatory philosophy and approach.</li> <li>• A process or mechanism exists to scan for emerging regulatory theory and practice for continuous review and improvement.</li> </ul>
Well established	<ul style="list-style-type: none"> <li>• The regulator’s compliance and enforcement policy (or equivalent) clearly describes how it will regulate using a harms- and risk-based responsive approach</li> <li>• Staff understand the regulatory philosophy and approach and apply it in their regulatory decision making.</li> <li>• A process or mechanism is used to document and review regulatory decision making to ensure the organisation is making decisions in line with its articulated regulatory approach.</li> <li>• Regulatory philosophy and practice is valued, prioritised and resourced and organisation invests in developing capability in this area.</li> </ul>
Maturing	<ul style="list-style-type: none"> <li>• A compliance and enforcement policy (or equivalent) is developed and elements of risk-based and outcome focused regulation are applied in parts of the organisation.</li> <li>• Staff and the regulated community’s understanding of the regulator’s philosophy and approach is measured by surveys and focus groups.</li> <li>• Regulatory philosophy and approach is articulated and applied consistently in one/some but not all elements of the organisation’s business.</li> </ul>
Developing	<ul style="list-style-type: none"> <li>• The need to clearly articulate and apply the regulatory philosophy and approach has been identified but not yet implemented across the organisation.</li> <li>• Regulatory philosophy and approaches are discussed by some regulatory staff but not all in the organisation.</li> </ul>
Emerging	<ul style="list-style-type: none"> <li>• Staff are unable to accurately and consistently articulate the regulatory philosophy and/or apply the regulatory approach to their regulatory decisions.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>• Regulatory philosophy and approach is undocumented or absent.</li> </ul>

### 5.3. Stakeholder and Community Engagement

This attribute describes the regulator’s ability to actively bring stakeholder and community voices into decisions that affect or interest them. This can involve different levels of engagement depending on the goals, timeframes, resources and levels of concern in the decision to be made. The types of engagement can include: inform, consult, involve, collaborate and empower.

Leading	<ul style="list-style-type: none"> <li>• Examples or case studies of successful engagement are regularly showcased and recognised as best practice in the sector.</li> <li>• Engages on development and implementation of policy and continuously reviews the impact and efficiency of desired policy outcomes.</li> <li>• Information used to inform regulatory decisions and is proactively made publically available.</li> <li>• Multiple pathways for stakeholders and the community exist for participation in the development of new policies, guidelines and standards.</li> </ul>
Well established	<ul style="list-style-type: none"> <li>• Regulator has a clear understanding of why it is engaging and this is communicated clearly with stakeholders and the community.</li> <li>• Regulator has a clear understanding of what stakeholders and community groups it needs to engage with.</li> <li>• Stakeholder and community engagement is valued, prioritised and resourced and organisation invests in a dedicated team for proactive engagement.</li> <li>• Regulator provides timely, easy-to-understand and transparent information to communicate its expectations and explain its decisions.</li> <li>• Seeks a full range of interested and affected stakeholders and community members to have their say when new policies, guidelines and standards are developed.</li> </ul>
Maturing	<ul style="list-style-type: none"> <li>• An Engagement Policy (or equivalent) is developed and elements of inclusive, early, flexible and genuine engagement are applied in parts of the organisation.</li> <li>• Staff and the regulated community’s understanding of the organisation’s key stakeholders and community members is measured by surveys and focus groups.</li> </ul>
Developing	<ul style="list-style-type: none"> <li>• The need to understand and effectively engage with stakeholders and the community has been identified but not yet implemented across the organization.</li> <li>• Engagement with stakeholders and the community is undertaken by some staff but not all in the organisation.</li> </ul>
Emerging	<ul style="list-style-type: none"> <li>• Engagement with stakeholders and the community is ad-hoc and reactive based on problems and issues.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>• Stakeholder and community engagement is undocumented or absent.</li> </ul>

## 6. VISION, ROLE AND STRATEGY

### 6.1. Corporate plan and contribution

#### Corporate Plan

A corporate plan that articulates the organisations goals, objectives and future work activities. The plan expresses the strategies, milestones and desired outcomes of the organisation, along with progress review practices and change management policies.

#### Contribution

This attribute describes the regulator's ability to link its goals, objectives and activities with the government's agenda.

Leading	<ul style="list-style-type: none"> <li>• Priorities are clearly expressed at all levels of the organisation, linked to whole of government plans and priorities.</li> <li>• Corporate planning is subject to systematic assessment and review to drive continuous improvement.</li> </ul>
Well established	<ul style="list-style-type: none"> <li>• Corporate priorities, desired outcomes and performance are clearly stated and readily accessible internally and externally.</li> <li>• Staff and the regulated community have a clear understanding of the regulator's corporate priorities and contribution to the government's agenda.</li> <li>• Corporate planning and contribution is valued, prioritised and resourced and organisation invests in a dedicated team for planning, reporting and assessment and continuous improvement.</li> </ul>
Maturing	<ul style="list-style-type: none"> <li>• A Corporate Plan is developed and implemented in some parts of the organisation.</li> <li>• Templates and reporting mechanisms to support the Corporate Plan are tested and continuously improved.</li> <li>• Staff understanding of the link between corporate priorities and the government's agenda is measured by surveys and focus groups.</li> </ul>
Developing	<ul style="list-style-type: none"> <li>• The need to develop a Corporate Plan has been identified but not yet implemented.</li> <li>• Some projects and programs align with the government agenda but the links are not clear or transparent.</li> </ul>
Emerging	<ul style="list-style-type: none"> <li>• Staff undertake projects and programs in an ad-hoc and reactive manner based on problems and issues and these are not tracked or reviewed in line with the organisations desired outcomes.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>• Corporate priorities are undocumented or a Corporate Plan is absent.</li> <li>• Corporate priorities are not aligned with government agenda.</li> </ul>

## 6.2. Risk based compliance planning function

Risk based compliance planning provides mechanisms to allocate regulatory effort and response based on an assessment of the regulator’s risk appetite, characteristics of the regulated community etc. This may include annual planning mechanisms, assessment frameworks or other systems to apportion and track effort.

<p>Leading</p>	<ul style="list-style-type: none"> <li>• The public compliance plan is web based allowing interested business or community to focus on areas of interest.</li> <li>• An intelligence system is integrated with risk based compliance planning and uses data from peer regulators and other government departments to determine likely compliance behaviour.</li> <li>• A high level of voluntary compliance is achieved by a promoted public plan, sought out by community and businesses and directs other government efforts.</li> <li>• The risk assessment method is agile, integrated with multiple data sources (including data from the public), enables comparisons of risk across multiple areas of focus and is actively used as the model by other regulators.</li> <li>• Resource management systems allow real time allocation of effort, agile re-prioritisation during the year based on new data and staff changes and automatically updates the online public plan.</li> </ul>
<p>Well established</p>	<ul style="list-style-type: none"> <li>• The risk based compliance planning is an embedded function with standard procedures, clear performance measures and a public and communicated annual plan.</li> <li>• Compliance plan is high level across key regulatory activities, informs the public about key focus areas and advises them on what they can do prior to being checked by the regulator.</li> <li>• Underpinning risk assessment process is adaptive, strategic and regularly reviewed.</li> <li>• Regulator seeks feedback on its inspection &amp; monitoring regime and undertakes follow up audits and checks to inform continuous improvement of its compliance and inspection strategies.</li> <li>• Intelligence function makes use of compliance data system to inform compliance planning approach and supporting systems are developed.</li> </ul>
<p>Maturing</p>	<ul style="list-style-type: none"> <li>• Compliance planning focuses on certain aspects of agency business that are high profile or subject to media attention.</li> <li>• Risks are prioritised using a highly intensive process driven a number of people.</li> <li>• Risk assessment is identified as important and used to triage reactive work in some areas.</li> <li>• There is a level of unknown risk across all regulatory coverage.</li> <li>• Senior leaders have a vision for allocation of effort to proactive compliance activity.</li> <li>• Planning structures allow effort to be deliberately allocated to prioritised harms / risks.</li> </ul>
<p>Developing</p>	<ul style="list-style-type: none"> <li>• Regulator aspires to a risk based regulatory model and is building systems to support assessment and prioritisation of risks and harms.</li> <li>• Corporate planning structures include mechanisms to track the allocation of resources to support compliance planning.</li> <li>• Operational leaders are discussing resource allocation to reactive versus proactive work.</li> <li>• Focus on expanding isolated proactive compliance activity across other activities.</li> <li>• A rudimentary system exists to capture and use data to identify and prioritise risks.</li> </ul>

Emerging	<ul style="list-style-type: none"> <li>• Compliance planning is ad hoc based on incomplete or low quality intelligence.</li> <li>• Isolated proactive compliance activity prioritised based on a single risk focus unrelated to harm e.g. media or public attention.</li> <li>• Limited or undocumented risk or harm prioritisation occurring across the organisation making resource allocation difficult.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>• Planning functions are ad-hoc or absent with resource allocation largely based on external demands on the regulator e.g. complaints, notifications or public reports.</li> <li>• Limited forward planning or proactive compliance activities. Isolated to individual projects or functions but largely undocumented and driven by individuals.</li> <li>• Reactive work drives allocation with limited or inconsistent resource decisions made.</li> </ul>



### 6.3. Problem solving approach

Problem solving is a way of resolving specific and/or complex problems by rearranging effort, skills and resources around the problem itself rather than through traditional functional structures.

Leading	<ul style="list-style-type: none"> <li>• Problem solving approach is subject to systematic assessment and review to drive continuous improvement.</li> <li>• Regulator uses successful problem-solving projects as the main way to document its performance and identify future problems to prevent harm.</li> <li>• Projects draw on participants from outside the regulator.</li> </ul>
Well established	<ul style="list-style-type: none"> <li>• The problem solving approach is standard procedure with clear performance measures based on a range of sources.</li> <li>• Problem solving approach is communicated externally.</li> <li>• Several projects have been completed and closed, and more projects are waiting to be commenced.</li> <li>• Regulator's annual report documents problem-solving projects.</li> <li>• Problem identification/solution draws on information from a range of sources within and outside the regulator.</li> </ul>
Maturing	<ul style="list-style-type: none"> <li>• A process/framework has been developed to support a problem solving approach and is communicated internally and implemented.</li> <li>• A process/framework has been developed to support the gathering and analysis of information to help inform risk assessments and problem identification/solution.</li> <li>• Projects have performance measures that demonstrate that the projects have solved the identified problem.</li> <li>• Successful problem-solving projects form part of the performance account for the regulator.</li> </ul>
Developing	<ul style="list-style-type: none"> <li>• Development of problem solving approach underway.</li> <li>• Problem identification/solution draws mainly on information generated within the regulator.</li> <li>• Projects have been identified using the framework, but may not have been completed.</li> <li>• Projects that are unsuccessful, show little chance of succeeding or that become a low priority have been closed and new projects started.</li> </ul>
Emerging	<ul style="list-style-type: none"> <li>• Identified need for problem solving approach.</li> <li>• Projects to tackle specific harms (problems) happen on an ad hoc basis in addition to officers normal duties.</li> <li>• Problem identification happens in the absence of a documented process.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>• Problems are seen as intractable or impossible and have occurred over a long period with multiple people or parties involved.</li> <li>• Problems are tackled reactively using traditional functional approaches with little or no resolution.</li> <li>• No clear approach to resolution or nomination of regulatory problems.</li> </ul>

## 7. CAPABILITY AND IMPROVEMENT

### 7.1. Training and procedures

#### Training

This attribute relates to workforce capability, what the regulator has in place to ensure it has the requisite combination of skills (i.e. abilities, knowledge, and expertise) and competencies, at all levels of the organisation, to achieve its regulatory role and organisational priorities now and into the future. Training includes both formal and informal approaches to learning.

#### Procedures

The procedures and policies used to reinforce expected behaviours and to support staff to achieve the organisation's objectives. It includes delegations, SOPs, systems etc.

Leading	<ul style="list-style-type: none"> <li>• Policies and procedures are well established, clear and concise, based on reliable and integrated systems (including IT) and ensure staff work effectively and efficiently across divisions/units within the organisation.</li> <li>• Policy and procedure culture embedded in the organisation, training is based on accredited documentation, staff are aware, understand the importance of and consistently follow policies and procedures.</li> <li>• Training and procedures are benchmarked or accredited</li> <li>• Training and procedures are subject to systematic assessment and review improvement (including through a quality assurance function and feedback loops via operational and peer experiences).</li> <li>• Clear learning and development strategies and dedicated training budgets are in place, supported by mentoring programs and opportunities for staff to identify and capture improvements.</li> </ul>
Well established	<ul style="list-style-type: none"> <li>• Training and procedures are adapted to organisation activities, embedded in organisation practices and inform training benchmarks.</li> <li>• Clear and concise procedures and policies based on reliable and integrated systems exist for staff for all key areas, backed up by competency based training that is clearly linked to roles, responsibilities and organisational priorities.</li> </ul>
Maturing	<ul style="list-style-type: none"> <li>• Whole of agency training and procedures for core regulatory functions have been in place for many years.</li> <li>• Effectiveness of training and procedures is measured through systematic reporting.</li> </ul>
Developing	<ul style="list-style-type: none"> <li>• Central/coordinated approach to training and procedures for core regulatory functions.</li> <li>• Procedures exist for core regulatory functions.</li> <li>• Staff are invited to provide feedback to improve training and procedures.</li> </ul>
Emerging	<ul style="list-style-type: none"> <li>• Ad-hoc approach to developing and delivering training and procedures (e.g. by discrete functional areas; no central resource to coordinate training or procedures).</li> <li>• Regulator has identified the need for a centralised/coordinated approach to training and procedures, and resources have been allocated to advance the function.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>• Reactive approach to training needs.</li> <li>• Procedures do not exist or are developed in a reactive fashion.</li> </ul>

## 7.2. Quality assurance and review function

This attribute describes initiatives that support operational consistency, fair and unbiased decision making and continuous improvement. These initiatives include internal and external mechanisms such as structured assessments and reviews of service quality, decision robustness and staff competence, program for assuring the quality of staff authorisations and multiple avenues for duty holders to review officer and regulatory decisions or lodge conduct complaints exists within and outside of the regulator.

Leading	<ul style="list-style-type: none"> <li>Quality assurance and review mechanisms are benchmarked or accredited.</li> <li>Outcomes from quality assurance and reviews are systematically assessed and reviewed across all areas of the organisation and with regulatory peers and improvements incorporated back into the business.</li> </ul>
Well established	<ul style="list-style-type: none"> <li>Quality assurance and review mechanisms are embedded and fit for purpose.</li> <li>Outcomes from quality assurance and reviews are used to feed into agency strategic planning.</li> </ul>
Maturing	<ul style="list-style-type: none"> <li>Quality assurance function has been in place for many years and is readily used by staff.</li> <li>Internal review and dispute management procedures exist in addition to legislative requirements and are readily accessible to external stakeholders.</li> <li>Quality assurance and review outcomes are systematically reported.</li> </ul>
Developing	<ul style="list-style-type: none"> <li>Quality assurance function and review mechanisms are implemented and resourced.</li> <li>Quality assurance and review outcomes are fed back to discrete operational areas.</li> </ul>
Emerging	<ul style="list-style-type: none"> <li>Ad-hoc approach to internal checks on decision making (e.g. isolated to enforcement decisions only).</li> <li>The benefits of a quality assurance function and/or review mechanisms have been identified and resources have been allocated to develop a quality assurance and review function in accordance with a prioritisation schedule.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>Reactive approach to assessing operational decisions and approaches (e.g. as a result of a major incident/crisis).</li> <li>Legislative review and complaint processes are the only mechanisms in place for duty holders to test decision-making.</li> </ul>

### 7.3. Learning with others

This relates to the regulator’s role in learning from, and sharing information and experiences with other regulators as part of the broader regulatory profession, with which it shares common activities, skills and in some cases common objectives and duty holders.

Leading	<ul style="list-style-type: none"> <li>Networking, collaboration and exchange are core organisational principles and a key part of organisational culture and regulatory capability, and are subject to continual review and improvement.</li> </ul>
Well established	<ul style="list-style-type: none"> <li>Staff, at all levels across the organisation, are key office-holders, contributors and focal points in networking, collaboration and exchange forums, and routinely disseminate information and connections throughout the organization.</li> <li>Contributions to networking, collaboration and exchange forums are innovative, strategic and of broad benefit.</li> <li>Participation in regulatory practice networks more broadly and/or networks that extend overseas.</li> </ul>
Maturing	<ul style="list-style-type: none"> <li>Organisation’s regulatory practice contributes to, and/or is integrated with professional standards, language, codes, initiatives etc.</li> <li>Staff are actively encouraged to participate in networking, collaboration and exchange forums and challenged to stay up to date with developments in regulatory practice (within and beyond their organisation).</li> <li>A dedicated contact point has been identified or resources established within the organisation to seek out and share learnings, data and information with regulatory peers and partners.</li> </ul>
Developing	<ul style="list-style-type: none"> <li>Regulator often uses informal networks to exchange ideas.</li> <li>Is a member of formal networks etc. within the regulator’s area of direct regulatory focus (e.g. environment) and uses them when needed to find information to support current initiatives of the regulator.</li> <li>Staff are supported to explore available opportunities for shared and cross-over learning forums and information exchange initiatives, including internally with other regulatory functions.</li> </ul>
Emerging	<ul style="list-style-type: none"> <li>Staff are aware of networks and regulatory partners but have limited engagement with them.</li> <li>Exchange of ideas and information from other regulators happens in an ad hoc fashion through informal networks on an individual level.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>Reactive contact with other regulators and regulatory networks.</li> <li>Not aware of established networks, communities or practice or other opportunities to exchange ideas.</li> </ul>

## 8. GOVERNANCE AND DELIVERY

### 8.1. Activity and Visibility

The degree to which the regulator actively administers its legislation/regulatory scheme, including whether it plans and undertakes work in support of its purpose or whether it mostly reacts to incidents and complaints, and whether it uses the full range of regulatory and non-regulatory measures available to it. The degree to which the regulated and wider community are aware of the regulator, its role and function and its achievements.

Leading	<ul style="list-style-type: none"> <li>• High 'brand recognition' amongst the public, who see the regulator as credible, effective and trustworthy.</li> <li>• Regulated community respects and values the contribution of the regulator, and they are aware of regulatory activities relevant to them, perceive a high risk of detection of unlawful behaviour, and modify their behaviour accordingly.</li> <li>• Regulator anticipates change through contingency planning and agile systems that allow for rapid response to new challenges.</li> <li>• Use of real time electronic information regarding the operating conditions of regulatory focus and compliance reporting to enable informed and timely responses.</li> <li>• Uses the full range of regulatory measures with confidence, and uses creative, non-regulatory measures (including partnerships and collaborations with other agencies) to identify and respond to harms and problems.</li> </ul>
Well established	<ul style="list-style-type: none"> <li>• Public understands the role of the regulator, and has confidence in the way in which it does its work.</li> <li>• Regulated community views regulatory activities as effective, and some members modify their behaviour in response.</li> <li>• Information about the regulator's activities is available through a range of channels, and is regularly accessed and valued by the public and regulated community.</li> <li>• Regulator uses information gathered through inspections, complaints, notifications, surveillance, environmental monitoring, audits, citizen science and reports to gather intelligence and understand and measure compliance.</li> <li>• Has an appropriate mix of planned and reactive activities, allowing it to be confident that risks and harms are being identified and responded to.</li> </ul>
Maturing	<ul style="list-style-type: none"> <li>• Staff across the regulator are confident in using a range of regulatory measures to respond to a variety of situations.</li> <li>• Public is aware of significant actions by the regulator.</li> <li>• Regulated community is aware that proactive work is undertaken, and is aware of regulatory actions taken against peers. Perceives that there is a risk of detection of unlawful behavior.</li> <li>• Proactively promoting publication of regulatory activities (including planned activities) through targeted approach.</li> <li>• Regular meetings, including senior managers, to discuss changes in the operating environment that might require an organisational response.</li> </ul>
Developing	<ul style="list-style-type: none"> <li>• Uses a wider range of regulatory measures.</li> <li>• Regulated community understands the reach and limits of the agency's jurisdiction, but is largely unaware of the nature and scope of its proactive activities. Perceives the chance of detection of unlawful behaviour to be low.</li> <li>• Public is aware of the regulator's role, but not aware of its effectiveness in carrying out that role.</li> <li>• Monitoring (including inspections) by the regulator identifies non-compliance, allowing interventions to occur before they are notified.</li> </ul>



	<ul style="list-style-type: none"> <li>Provides regular and timely information about regulatory activities to the regulated community and public on agency website.</li> </ul>
Emerging	<ul style="list-style-type: none"> <li>The need to expand compliance monitoring (inspection/audit) regime to include proactive and reactive inspections has been identified, but not yet implemented.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>Regularly uses a small number of regulatory measures in response to breaches of the legislation.</li> <li>Community is unaware of the regulator's role, and the regulated community is unsure of the regulator's jurisdiction.</li> <li>Inspections are chosen in an ad-hoc manner and are reactive to complaints and notifications from the public or the regulated community.</li> <li>Information about the regulator's activities (including prosecutions) is not easily accessible by the regulated community or public.</li> </ul>

## 8.2. Performance Reporting

The collection and use of relevant information to determine whether the regulator is effective in its regulatory mission and to inform organisational decisions, and to inform the public and stakeholders about the regulator's effectiveness.

Leading	<ul style="list-style-type: none"> <li>• Performance reports give a sophisticated picture of regulator performance that allows the regulator to create a compelling picture of its effectiveness in carrying out its regulatory mission.</li> <li>• Drives performance excellence through direct assessment of performance issues and trends at all levels and are actively involved in organisational performance improvement.</li> <li>• Proactively engages with stakeholders and the community to discuss information and performance results.</li> <li>• Information, knowledge and intelligence are effectively used as evidence to drive policy development and delivery.</li> <li>• Use of performance indicators for decision-making at all levels of the organisation as evidenced by plans, minutes, presentations and reports.</li> <li>• Data and performance information is available in forms that are convenient to stakeholders, partners and the public (e.g. websites, public libraries, widely distributed reports).</li> </ul>
Well established	<ul style="list-style-type: none"> <li>• Performance reports enable conclusions to be drawn about whether actions of the regulator are contributing to environmental outcomes.</li> <li>• Performance data and analysis are readily available to all relevant parties including agency partners.</li> <li>• Regulator responds to underperformance against targets regarding resource allocation and future strategies.</li> <li>• Performance indicators are primarily activity indicators.</li> </ul>
Maturing	<ul style="list-style-type: none"> <li>• Performance targets establish clear links between business area activity and departmental goals.</li> <li>• Performance information is collected about operational, customer service, strategic and environmental matters.</li> <li>• Performance reports include a range of output and outcome measures (such as number of sites in compliance).</li> <li>• Reports are used to inform a range of decisions, including resourcing, performance measurement and strategic direction and are easily available internally.</li> <li>• Performance information (including performance targets) is published regularly on departmental websites.</li> <li>• Performance indicator data are reviewed and updated regularly.</li> </ul>
Developing	<ul style="list-style-type: none"> <li>• Information about outputs (such as number of compliance inspections conducted) is collected by the regulator and used as an internal measure of performance.</li> <li>• The information is made available to the public and stakeholders through a limited range of channels (such as through annual reports).</li> <li>• Relevant information on results (operating, service, strategic and community-level) is used to make organisational decisions.</li> </ul>
Emerging	<ul style="list-style-type: none"> <li>• The need to provide data and information to the public and stakeholders has been identified, but not yet implemented.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>• Data and performance information is not collected or is collected but is not easily reportable.</li> <li>• No information provided to the public about the regulator's performance.</li> </ul>

### 8.3. Governance & Oversight

The systems and institutions for ensuring that the regulator is well-managed, accountable, ethical and transparent

Leading	<ul style="list-style-type: none"> <li>• Risk management system in place and implemented, including systems to produce early warnings of possible major systems failure and mechanisms to assure that opportunities are also exploited.</li> <li>• Balance risk and opportunity by having alignment of agency divisions and budget allocations to agency-wide performance management, and agency targets and KPIs, with clear accountabilities for all employees.</li> <li>• Systems in place to devolve responsibilities and accountabilities throughout the organisation, providing greater flexibility and appropriate discretion linked to capabilities and informed by an assurance framework.</li> </ul>
Well established	<ul style="list-style-type: none"> <li>• An internal audit function is embedded and acts as an independent, objective assurance and consulting activity that adds value and improves the regulator's operations.</li> <li>• Regulator has a culture of accountability and ethical behaviour, and leader's role model appropriate behaviours for staff.</li> </ul>
Maturing	<ul style="list-style-type: none"> <li>• Governance arrangements and responsibilities are clearly and publicly available.</li> <li>• The regulator identifies, evaluates, manages and reports significant risks to a Board/management committee and/or audit and risk Committee.</li> <li>• Systems identified below are understood, valued and adhered to by staff across the organisation.</li> </ul>
Developing	<ul style="list-style-type: none"> <li>• Staff are regularly made aware of core public service obligations (such as ethical behaviour and adherence to the code of conduct) and the organisation's role as a regulator.</li> <li>• Systems are in place to manage organisational risks, staff performance and good decision making, but adherence is not uniform across the organisation.</li> <li>• Leaders and senior managers scan the organisational environment for risks and respond to them when found.</li> <li>• Project Management Office developed and tools, training and guidance provided to staff.</li> <li>• Assurance framework developed and used to monitor for consistency across agency.</li> </ul>
Emerging	<ul style="list-style-type: none"> <li>• The need for processes to support public service requirements has been identified, but they have not yet been implemented.</li> </ul>
Absent	<ul style="list-style-type: none"> <li>• No processes to ensure that risks are managed, staff are accountable, decisions are lawful and that public service requirements are upheld.</li> <li>• Risk management is ad hoc and reactive.</li> </ul>

## 9. MODERN REGULATOR IMPROVEMENT TOOL: A SUMMARY

### A tool for assessing organisational maturity against the qualities of a Modern Regulator

#### Problem Solving Approach

A way of resolving specific complex or complex problems by rearranging effort, skills and resources around the problem itself rather than through traditional functional structures. It is often associated with agile project management styles and concepts of double loop learning.

#### Risk based compliance planning

Mechanisms to allocate regulatory effort and response based on an assessment of the regulator's risk appetite, characteristics of the regulated community etc. This may include annual planning mechanisms, assessment frameworks or other systems to apportion and track effort.

#### Corporate Plan and Contribution

A corporate plan that articulates the organisation's goals, objectives and future work activities.

'Contribution' describes the regulator's ability to link its goals, objectives and activities with the government's agenda.

#### Stakeholder & Community Engagement

The regulator's ability to bring stakeholder and community voices into decisions that affect or interest them. This can involve different levels of engagement. The types of engagement can include: inform, consult, involve, collaborate and empower.

#### Regulatory Philosophy & Approach

The regulator's ability to clearly articulate and apply the theory that acts as a guiding principle for the way it regulates; how it will approach its role as a regulator and use its powers to regulate, and the factors that the regulator takes into consideration when responding to any identified non-compliance or harm.

#### Culture and Leadership Focus

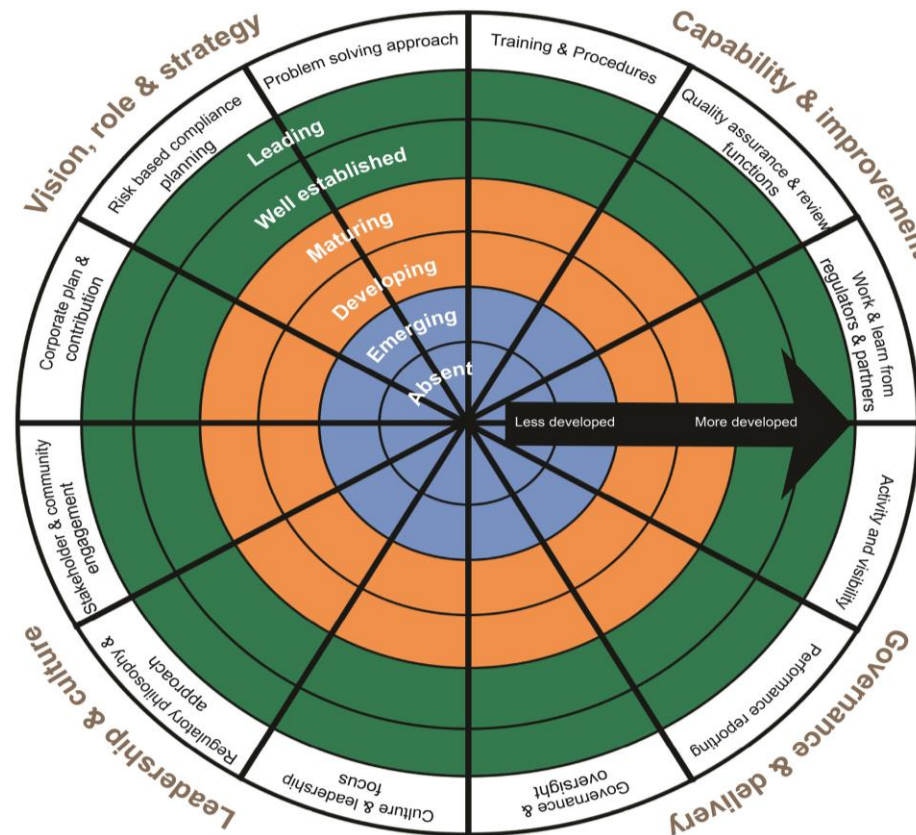
The regulator's expectations, experiences, philosophy, and values that hold it together (culture) and the regulator's ability to establish a clear vision, share that vision with others and coordinate and balance the conflicting interests of all members and stakeholders (leadership).

#### You can find the complete tool in the AELERT Resource Library: [AELERT.NET/RESOURCES](http://AELERT.NET/RESOURCES)

The MRIT is a tool that is intended to allow AELERT members to identify their strengths and areas for improvement against the qualities of a modern regulator as identified in the statement of better regulatory practice. It is not intended to be a precise tool (it is qualitative rather than quantitative). Rather, it is designed to provide a useful way for regulators to assess where they are on their journey towards being a modern regulator.

Members can use the tool to assess those areas where they can celebrate success, and to identify areas on which they may wish to focus their future development activities.

Members are also encouraged to submit their assessments to AELERT, so that we can identify leading agencies in each of the attributes and link them up with other agencies that wish to develop in that attribute.



#### Training and Procedures

How the regulator ensures that it has the requisite combination of skills and competencies to achieve its regulatory role and organisational priorities (training).

The procedures and policies used to reinforce expected behaviours and to support staff to achieve the organisation's objectives (procedures).

#### Quality assurance & review functions

Initiatives that support operational consistency, fair and unbiased decision making and continuous improvement; including internal and external mechanisms such as structured assessments and reviews, and multiple avenues within and outside the regulator for duty holders to review decisions or lodge complaints.

#### Learning with others

The regulator's role in learning from, and sharing information and experiences with, other regulators as part of the broader regulatory profession.

#### Activity and Visibility

How active the regulator is in administering its legislation/regulatory scheme, including whether it is proactive or mostly reactive, and whether it uses all measures available to it (activity).

How much the regulated and wider community are aware of the regulator's role, function and achievements.

#### Performance Reporting

The collection and use of information to determine whether the regulator is effective in its regulatory mission and to inform organisational decisions, and to inform the public and stakeholders about the regulator's effectiveness.

#### Governance & Oversight

The systems and institutions for ensuring that the regulator is well-managed, accountable, ethical and transparent.

