Keith Manch

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Risk-based regulation – what other sort could there be?

RISK NZ

JLT

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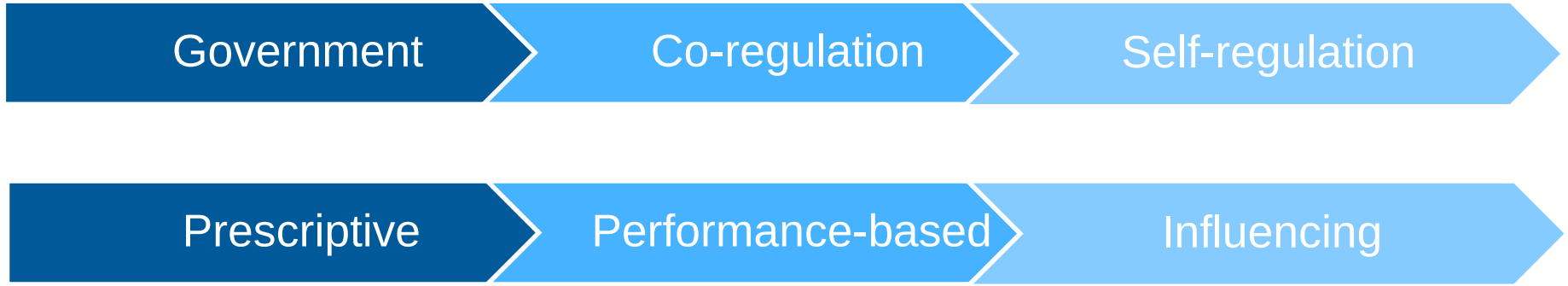
MARITIME NEWZEALAND

Keith Manch : October 2015

New Zealand Government

What is regulation?

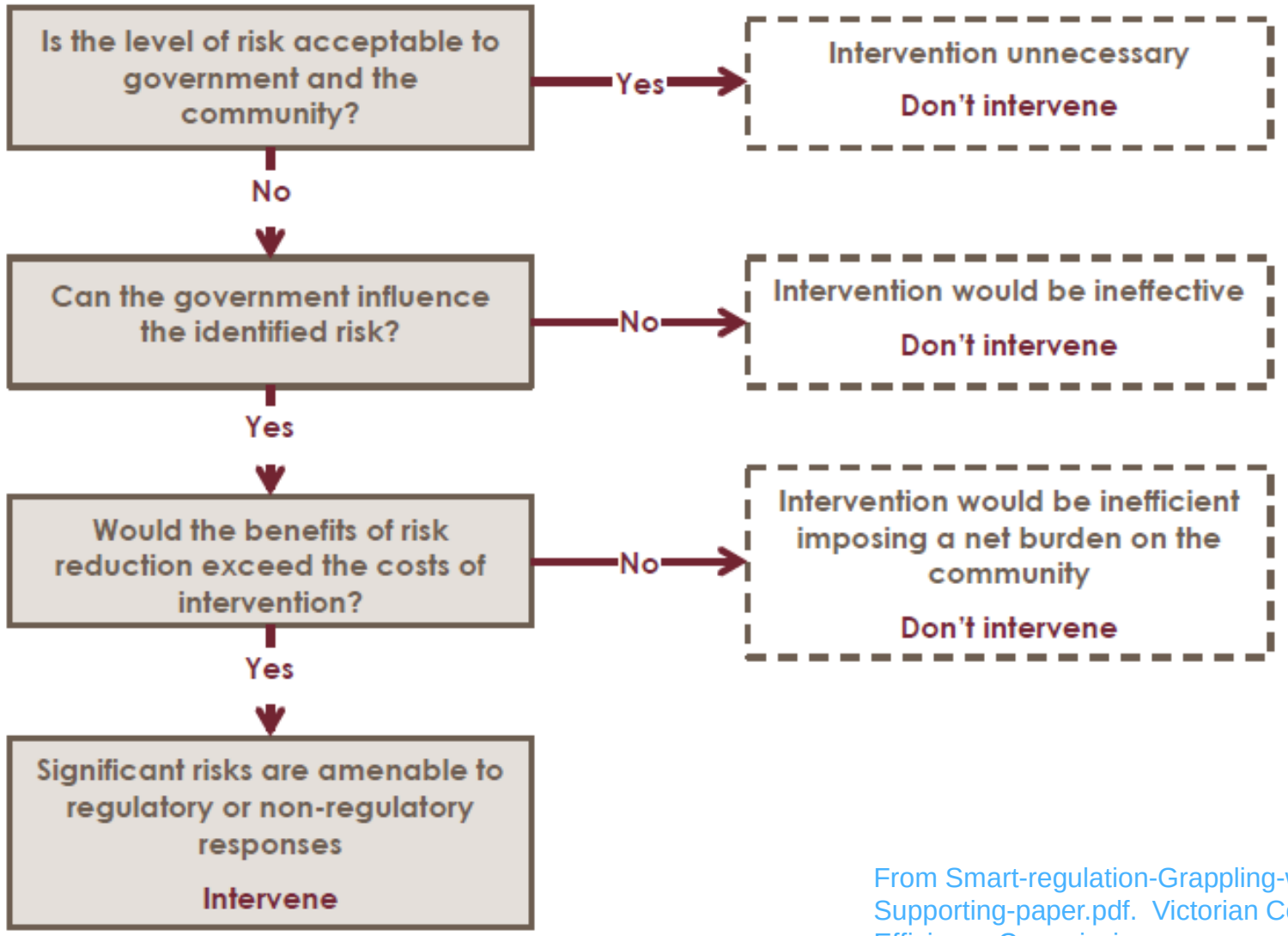
- Use of the coercive power (of the state) to influence behaviour



Why does regulation happen?

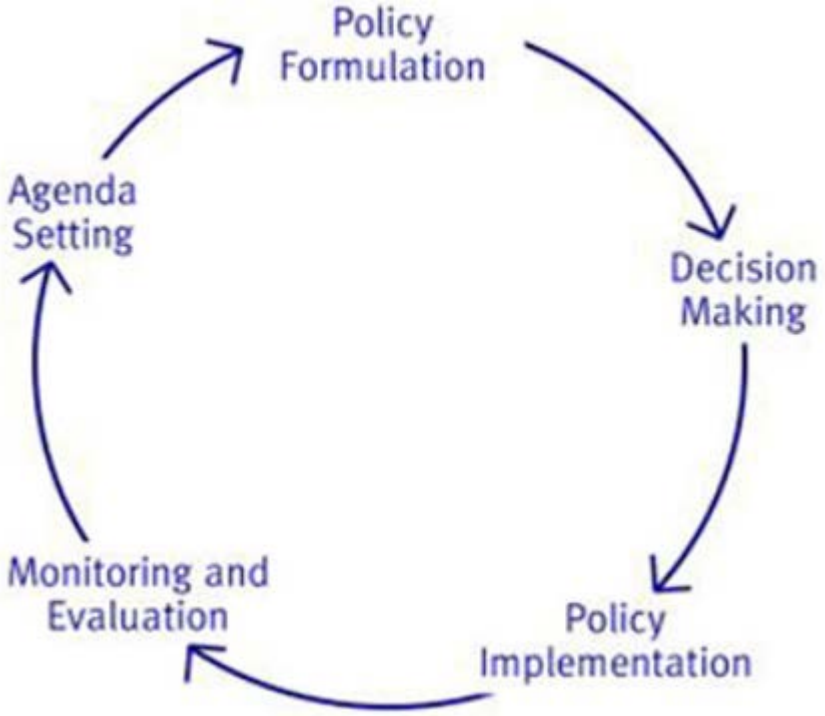
- To address the ***risk*** of bad things happening; or collectively desired good things not happening
- Political judgement (what's good and what's bad / what ***risks*** are acceptable and what ***risks*** aren't)
- Consideration of costs and benefits

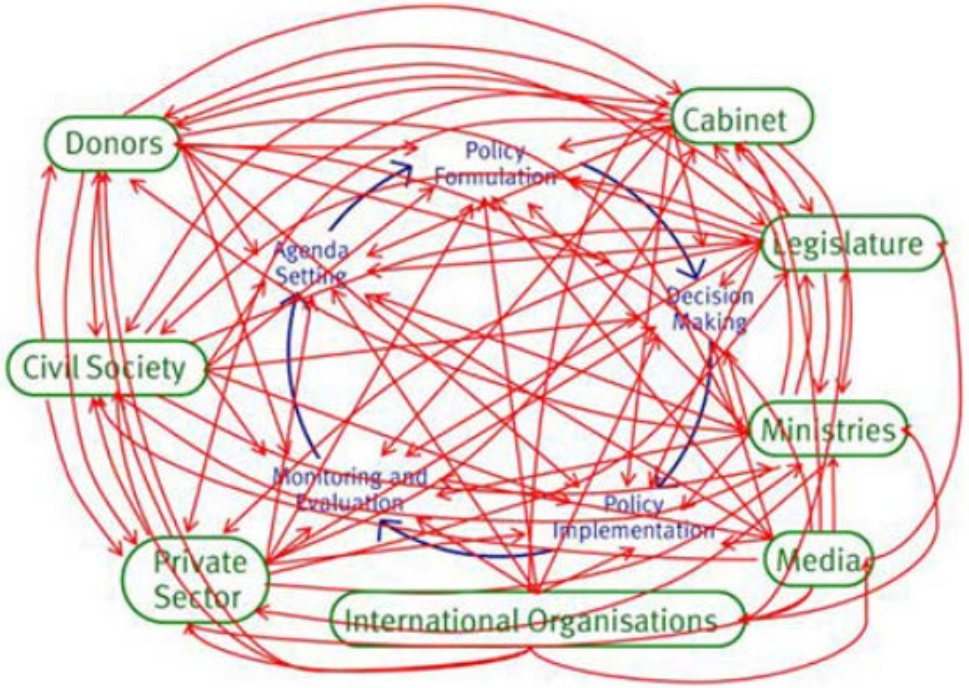
Figure 2.3 When should the government intervene?



From Smart-regulation-Grappling-with-risk-Supporting-paper.pdf. Victorian Competition and Efficiency Commission

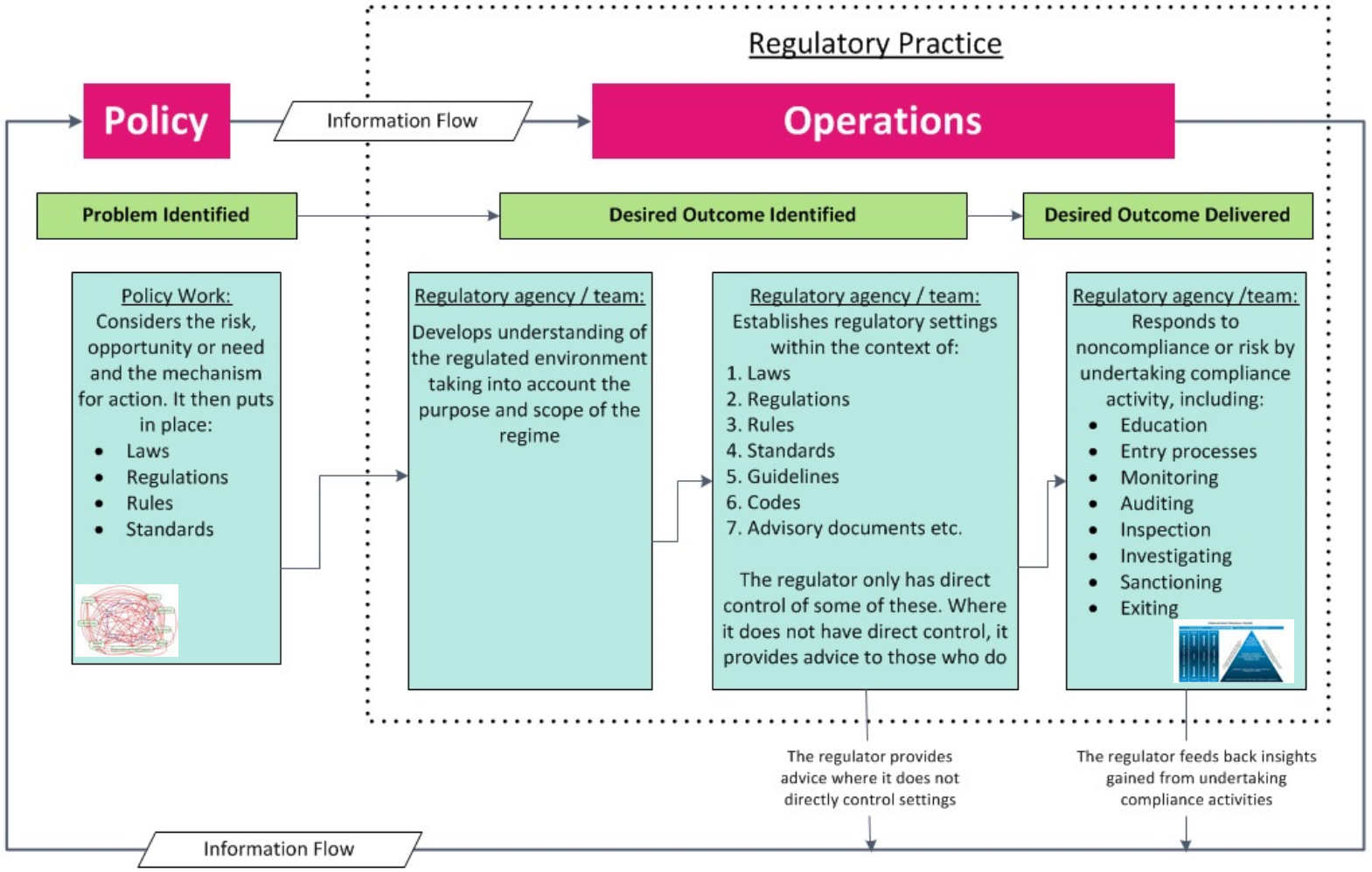
How does regulation happen?



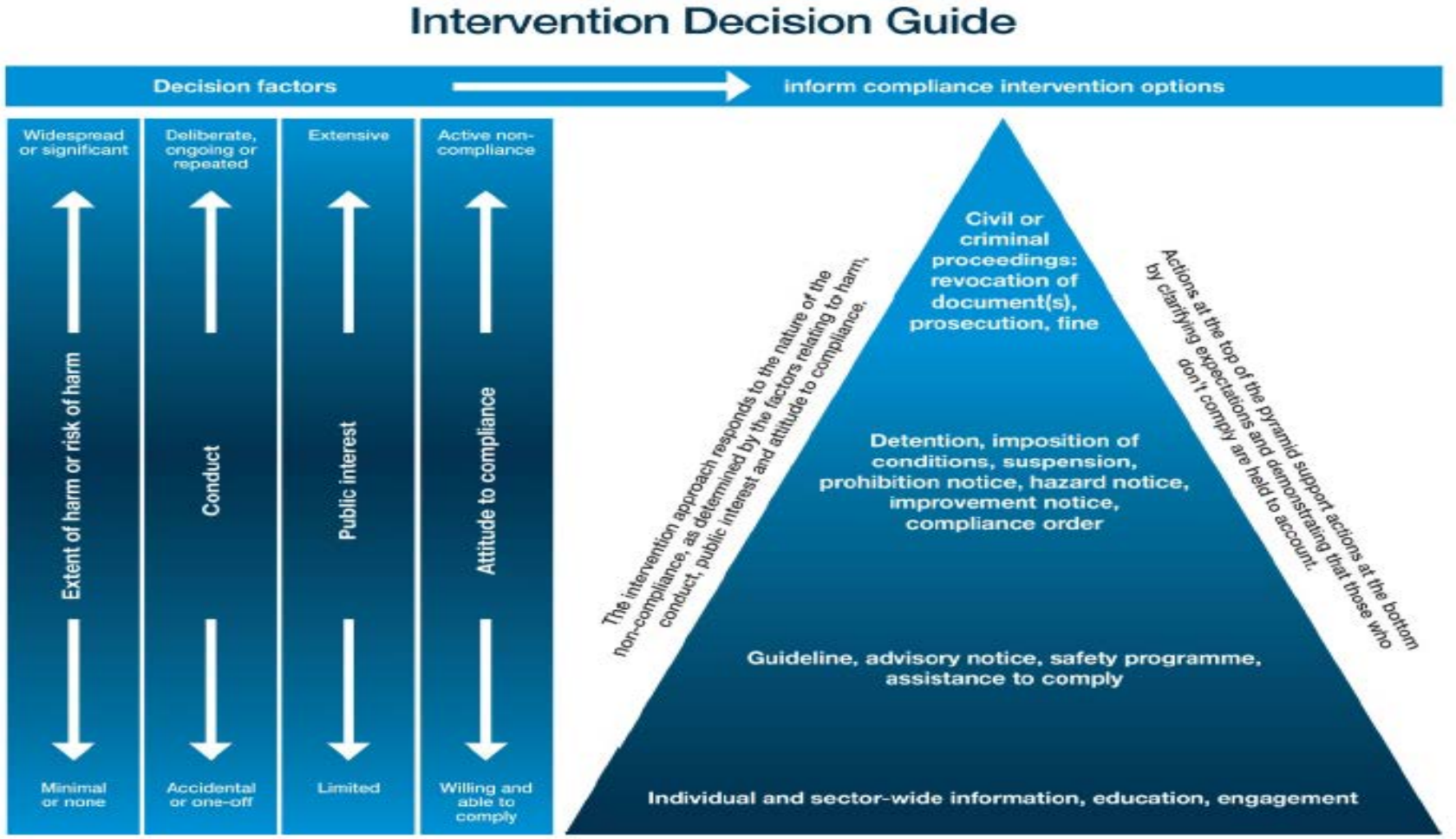


http://www.wellcome.ac.uk/Funding/Public-engagement/Engagement-with-your-research/Support-and-resources/Government-and-science-policy/WTS040421.htm

How is regulation implemented?



Risk focused and Responsive



- *Minister/Policy decision makers* – this is what we want
- *Policy Adviser* – here is how you can achieve it

(add political, stakeholder input, select committee consideration, stir)

- *Implementation team* – now we know clearly what is required, this is how we will design the organisation and its systems and processes to deliver it

(stir in assumptions about workload and acceptable costs, and sprinkle on the selection of a governing body)

- *Governing/Operational Decision makers*– this is interesting. What does the law say we should do?

(add a healthy dose of risk aversion, a close reading of the Act and a focus on process and outputs)

- *Operational people* – this is what the law says, so this is how we have to operate.

(garnish with a desire to operate within clear guidelines, and still have time for lunch)

- *Minister/Policy decision makers* – that's not what I wanted
- *Operational Decision makers*– well change the law then!

Emergency Management ‘Regulation’

- Emergency Management is also a ‘regulated’ activity
- Maritime Transport Act, for example, addresses…
  - Reduction
  - Readiness and
  - Response
- … as well as accountability where things go wrong

Reduction

- Ship Design
- Survey
- Seafarer Competency
- Safety Management Systems
- Pilotage
- Harbourmaster

Readiness

- Incident Response Strategies and Plans
- National Response Team
- Training
- Exercising
- Levies (risk based)

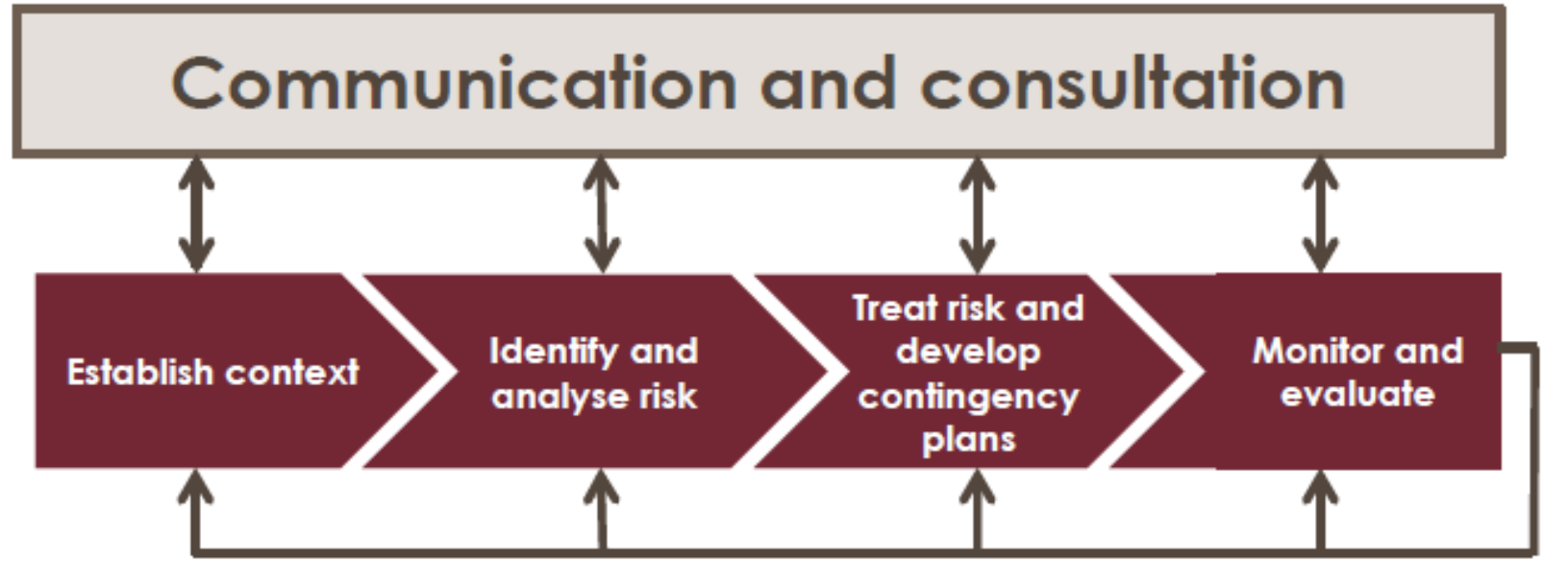
Response

Recovery

Powers of direction to masters, owners, salvors and agents;
and relating to oil spill response, salvage, independence

‘Explicit’ link to risk management

Figure 1.4 Risk management framework



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Similarities, and differences

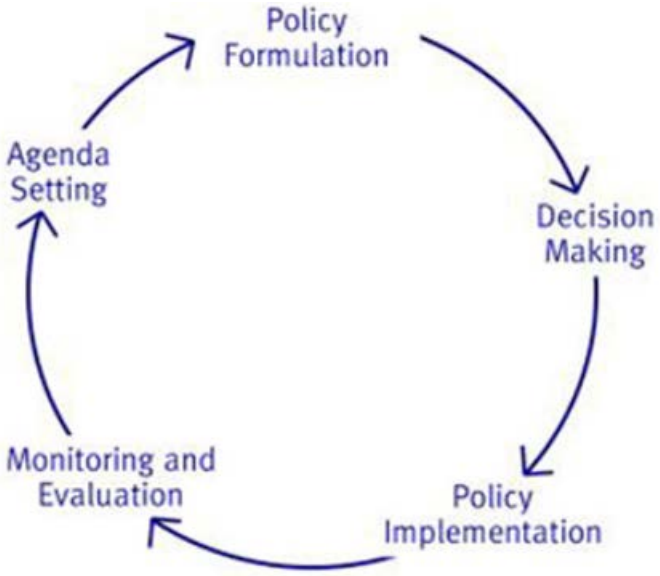
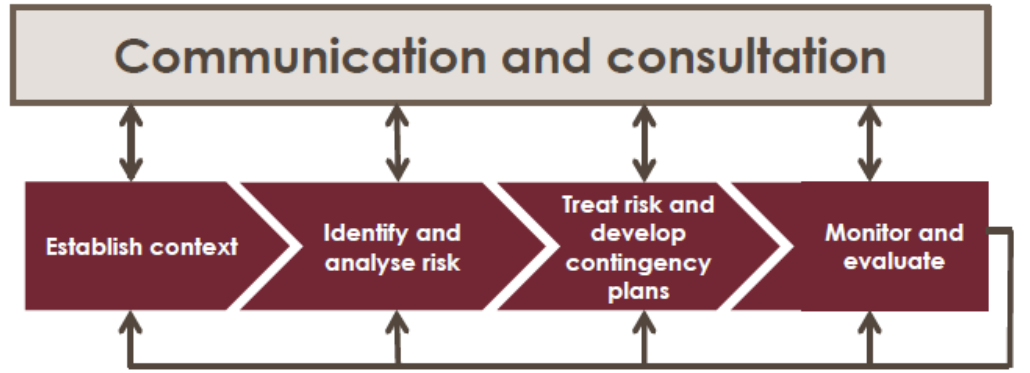


Figure 1.4 Risk management framework



Overall, we are focused on managing risks …

… in respect to people, the environment and property in respect to our seas and waterways

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Thank you for your attention.

I hope you enjoy the day.

Keith Manch