H4 Consulting Brief

Principled Regulation

Many people are intrinsically motivated to engage in pro-social activities, like volunteering, that benefit society and, especially, local communities. Sometimes, some people engaged in these activities behave in anti-social ways, prompting government regulation to prevent bad behaviour. Poorly designed regulation can create a compliance maze that drives out legitimate, pro-social actors, leaving governments to provide the displaced local activities.

A key role of governments is to help keep populations safe by making and enforcing rules to control dangerous activities and protect vulnerable people like children, people with disability, and the elderly.

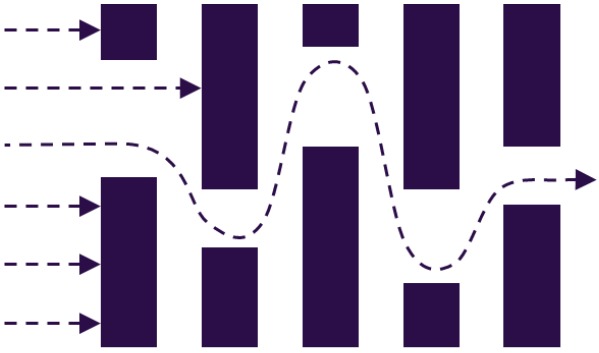
Governments need to balance demands to prevent harm with demands to protect individual liberties. Where the balance is drawn depends on community expectations and perceived danger. For example, children are perceived to be especially vulnerable, so we accept more restrictions to protect them.

Governments also try to regulate complex industries as efficiently as possible. This often leads to uniform, one-size-fits-all compliance obligations, each with a particular goal that may interact, or be misaligned, with other related obligations or regulatory frameworks.

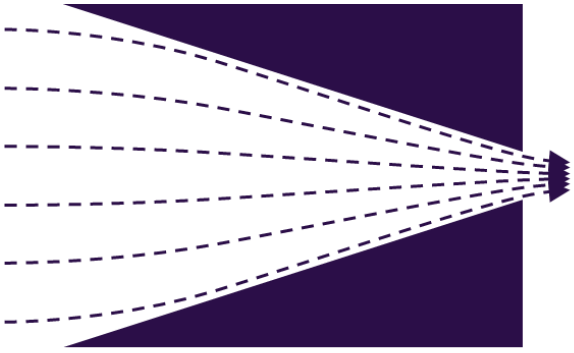
Multiple regulatory frameworks can create complicated and inconsistent obligations. The higher and less acceptable risks are perceived to be, the more likely it is that multiple significant obligations will be imposed.

Uniform regulatory obligations tend to have uniform costs of compliance that larger or commercial organisations can accept as a cost of doing business. For small and volunteer organisations, however, the complexity and costs of compliance can overwhelm the intrinsic motivation to contribute to society.

A voluntary provider of after-school activities, for example, may find that the rewards of helping local kids are not worth the hassle and cost of compliance. Regulation can unintentionally discourage local activities, reducing the community's self-sufficiency.



few organisations can navigate the compliance maze; the rest drop away



principled regulation can guide smaller providers to adopt safer practices

Adding compliance obligations is not the only, or best, way to make people safer. Intrinsic motivation can also be mobilised to improve safety. A principles-based appeal can be more effective and more efficient than rigid regulation that burdens volunteers with high costs. An after-school service that rejects mandatory supervision of volunteers who might put kids at risk, may easily understand the value of having another adult available to assist in case of accidental injury.

Conversations about making services safer are more likely to encourage, rather than deter, community providers when those conversations start from shared principles to design flexible responses. This is often more costly for regulators in the short term, but can be cheaper overall because self-sufficient communities have less need for government services.

Not all service providers that are able to comply with uniform regulatory obligations will provide high quality, safe services, and vice versa. But principles-based regulation does not need to be onerous. Focusing on intrinsic motivations can guide and encourage small community providers instead of driving them away with overwhelming compliance burdens.

Principles-based regulation helps small local providers to establish and sustain safety strategies that are relevant to their context and scale. Effort diverted from complex compliance obligations can be invested, instead, in thinking and acting to improve services. Supporting safe, thriving community providers can meet local needs at lower cost than private providers with big compliance overheads, or governments stepping in to take the place of lost local services.

To find out more about how you can use this approach in your organisation, contact us: info@h4consulting.com.au
Find additional resources at www.h4consulting.com.au/resources

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