

Appendix C Common Regulatory Costs and Benefits

Box 1: Examples of Common Regulatory Costs

Affected group	Examples of costs
Citizens	Reduced net income of the individual or household
	Reduced access or unequal access to government programs and services
	Increased time required to provide information or fill out forms
	Increased wait times for application approvals or funding
	Distributional costs (e.g., if some of the above costs are disproportionately borne by the poor, or some vulnerable group)
	Increased prices for consumer products or services
	Reduced range of products available
	Delays in the introduction of new products (e.g. due to the need for producers to meet regulated product testing requirements)
Business	Job losses as a direct result of regulatory change
	Increased cost of labour
	Reduced labour supply
	Costs of familiarizing with the regulations and planning how to comply (may include purchase of external advice)
	Higher input costs due to regulatory impacts on the costs of materials
	Higher production costs due to changes to production, transport or marketing processes required by the regulations
	Costs of lost sales due to owner or employee time used to meet regulatory needs
	Costs of lost sales due to restricted access to markets
	Licence fees or other charges imposed by the regulations

	Cost of meeting reporting or record-keeping requirements imposed by the regulations
	Cost of internal inspections, audit fees, etc. to ensure compliance is being achieved
	Costs of reduced competition (<i>e.g.</i> , by favouring existing producers and making entry to a market more difficult) which can lead to both efficiency losses and transfers from producers to consumers due to higher prices
	Restrictions on innovation & the ability to develop and market new products and services
Government	Time and cost of administering the regulations including but not limited to: <ul style="list-style-type: none"> • providing services and programs to the public and information to business • recruiting and training government staff • processing licence or product approval applications • tracking and evaluating programs and services
	Cost of new technologies for service delivery, including initial cost and maintenance costs
	Cost of verifying compliance: includes conducting inspections and audits, monitoring outputs (<i>e.g.</i> air quality)
	Cost of enforcement including investigating possible non-compliance and conducting prosecutions
Other	Detrimental to the environment (<i>e.g.</i> , air, land, water, natural resources, wildlife)

Box 2: Examples of Common Regulatory Benefits

Affected group	Examples of benefits
Citizens	Enhanced social inclusion and protection of particular societal groups
	Helps promote equal access to goods and services of vulnerable groups
	Distributional benefits such as regulation that benefits poorer groups or groups in regional/rural areas disproportionately
	Increased access or more equal access to government programs and services
	Helps better protect the health, well-being, safety or security of the public without onerous requirements
	Reduced prices for consumer products or services (<i>e.g.</i> through regulatory restrictions on anti-competitive behaviours)
	Improved safety of goods and services
	Provision of better information about goods and services, leading to better

	choices being made
	Increased minimum quality standards for goods or services
	Reduced travel time and cost to secure signatures, attend face to face meetings and apply in person
	Reduced paper burden and costs associated with paper applications and forms through improved service delivery, such as online service access.
Business	New job creation as a direct result of regulatory change
	Decreased cost of labour
	Expanded labour supply
	Reductions in workplace accidents and injuries and associated productivity gains
	Reduced wait times to receive approved applications, licences and permits
	Reduced wait times for service delivery, including new service delivery methods such as online applications and assistance
	Benefits of improved competition (<i>e.g.</i> , by regulating to restrict or prohibit anti-competitive behaviour)
Government	Improved public health, resulting in reduced health care costs
	Improved availability of information to government, allowing for better decision-making
Other	Improved protection or management of the environment (<i>e.g.</i> , air, land, water, natural resources, wildlife)

Source: OECD Introductory Handbook for Undertaking Regulatory Impact Analysis (p 11-13).