

# Study Guide for the Australian Collaboration Fact and Issue Sheet

## REGULATION

### FOR REVIEW

#### 1. Definitions

**1a.** Do you know what the following words and phrases mean? Does the context help? If not, consult a dictionary or the web or ask your teacher:

- i) regulation
- ii) compliance burden
- iii) consumer confidence
- iv) disclosure
- v) self regulation
- vi) bureaucratic processes
- vii) arbitrary rules
- viii) sunset clauses

#### 2. The role of regulation

**2a.** In what way is regulation important for the operation of financial markets?

**2b.** What kinds of circumstances might necessitate changes in regulations? Give two examples.

**2c.** Are regulations only for businesses, or are customers and consumers also bound by regulations? Give two examples.

**2d.** How can regulations be used to bring about social change?

#### 3. The importance of regulators and other issues

**3a.** If regulatory agencies are doing their job properly, what two activities will they be engaged in?

**3b.** Name a perceived advantage of self regulation.

**3c.** Why does self regulation often fail in practice?

**3d.** What are the potential disadvantages of focussing on the processes of regulation only?

#### 4. What is needed for a high quality regulatory regime?

**4.** Consider the list of key questions that need to be addressed to achieve effective regulation. Can you put these questions into your own words?

### FOR DISCUSSION

**1.** Question for a Think/Pair/Share activity:

The Fact and Issue sheet mentions some regulations that have brought about social change, such as the wearing of seat belts and rules about drink driving. Can you think of any regulations of this nature that you would like to see introduced to bring about social change? Select one regulation and think about the following questions:

- i) Who would be affected by your regulation?
- ii) How would it bring about the social change you desire?
- ii) Does it protect or impinge on other people's rights?
- iii) How easy would it be to enforce your regulation?

Jot down your responses before sharing them with a partner. What does the rest of the class think?

**2.** Carbon emissions trading is often suggested as an innovative form of regulation that would force the businesses (the market) to act responsibly with regard to climate change. Find out what emissions trading involves. Why do you think economists support emissions trading?

Write down your response before discussing with a partner. Share your views with the class.

**3.** The deregulation of Australia's telecommunications industry since the 1980s has meant the end of Telecom Australia's monopoly of the market. There are now several telecommunications companies in the market, such as Optus, in addition to Telstra.

Look up the meaning of "privatise" and "monopoly"? What do you think were the reasons for wanting to privatise Telstra? Do you think that these were good reasons?

Write your answers down and then discuss them with your partner. Then share your conclusions with the class.

## FOR RESEARCH

**1.** Do some research on CHOICE campaigns. Firstly, find out how CHOICE campaigns on behalf of consumers. Then, select a particular campaign, such as "Misleading Green Claims" or "Children's Obesity", and prepare a short report for your class. What are the aims of the CHOICE campaign you have chosen? How do these aims compare to the six questions mentioned at the end of the Fact and Issue Sheet? You can start your research here:

**2.** Do some research on regulation in the international context. How do Australia's regulations compare with international standards? You can start your research with the following example. The first is a study by the Suzuki Foundation in Canada that compares pesticide regulation in Canada, Australia, the USA and Europe. What other examples can you find?

**3.** Question for advanced students:

This is a question that will challenge your internet research skills. Using the internet, do a research project on the regulations governing particular business activities. Use your imagination to dream up a scenario for research. For example, you are a property developer wanting to construct a block of apartments. What development regulations exist in the area in which you want to build? Are these regulations tough enough or too tough in your opinion? If you wanted to start up a small goat farm, what regulations would you be bound by? If you wanted to open a café, what set of regulations would you fall under? Etc.