

Annual Report 2013

Less

regulatory burden

More

competitiveness



# Inhoud

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# 1. Preface

**In their everyday routine, companies, citizens and professionals experience unnecessary hindrances because of legislation and regulations. This annual report concerns the opinions that Actal made to the government and the States General in 2013 as regards removing these hindrances and thus promoting social dynamism and economic growth in the Netherlands. In 2013, the Dutch economy had still not recovered. An attractive business environment benefits from the least possible unnecessary regulatory burden. Therefore, in 2013 we concentrated on 'less regulatory burden, more competitiveness'. Thus, our opinion 'Rules at work: sector scan for logistics' shows that companies in the sector can annually save a quarter of a billion euros if the regulations are better attuned to routine practice. The Cabinet is currently elaborating our opinion into an action plan for the benefit of the logistics sector.**

2013 was Actal's second full year in its new role. In this role, we scrutinize proposed legislation that has great consequences for the regulatory burden. In that context it involved, for example, the Cabinet's proposals relating to the Social Support Act and the Youth Act. When scrutinising legislative proposals, we always ask three questions: Is there a good substantiation of the utility and necessity

of the legislative proposal? Has the least burdensome alternative been chosen - and if not, why not? In the analysis of the regulatory burden, has explicit attention also been paid to implementation and supervision? In 2013, we issued twelve of these ex-ante opinions concerning proposed legislation. In nine cases, the shortcomings in the proposal and/or the explanatory notes were such that we issued negative opinions; that is to say, we advised against submitting the legislative proposals or advised submitting them only after substantial alterations. We find it worrisome that in 75% of the legislative proposals the attention paid to the regulatory burden was inadequate.

Aside from that, we issued various strategic opinions in 2013. The Cabinet is facing important challenges. It wishes to have the regulatory burden diminished by 2.5 billion euros. And it wishes to *noticeably* decrease the regulatory burden as well. In April 2013, we therefore issued our opinion 'Noticeably less regulatory burden'. The essence is that a noticeable decrease in the regulatory burden requires good attunement to the routine practices of entrepreneurs, citizens and professionals. The opinion contains concrete recommendations as to how the government can accomplish this. In 2013, Actal also endeavoured to reinforce the European approach on Smart Regulation. After all, Dutch companies, citizens and professionals also experience hindrance from legislation which

is decided on at EU-level. In December 2013, Actal chairman Jan ten Hoopen was appointed member to the High Level Group on Administrative Burdens. This group makes direct recommendations to the European Commission as to how they can decrease the administrative burdens for the business community, and as to how the Member States can more efficiently implement EU legislation. Moreover, Actal has begun cooperating more with the sister organisations from Germany, Sweden, the United Kingdom and the Czech Republic. Together, we form the network RegWatchEurope, which draws the attention of the respective governments to European legislation that can have great consequences for the regulatory burden.

In conclusion, we also advise on signals that we receive from society. In 2013, more signals concerning unnecessary regulatory burdens came in than was the case in the preceding years. We have investigated these. Some investigations formed the basis for an opinion. In general, these signals underline the necessity of not losing sight of the perspective of companies, citizens and professionals when making and altering legislation and regulations. In this way the regulatory burden can be effectively – and also noticeably – decreased.

**Jan ten Hoopen**      **Eric Helder**      **Lili Doude van Troostwijk**  
Chairman of the Board   Board member   Board member

FIGURE 1

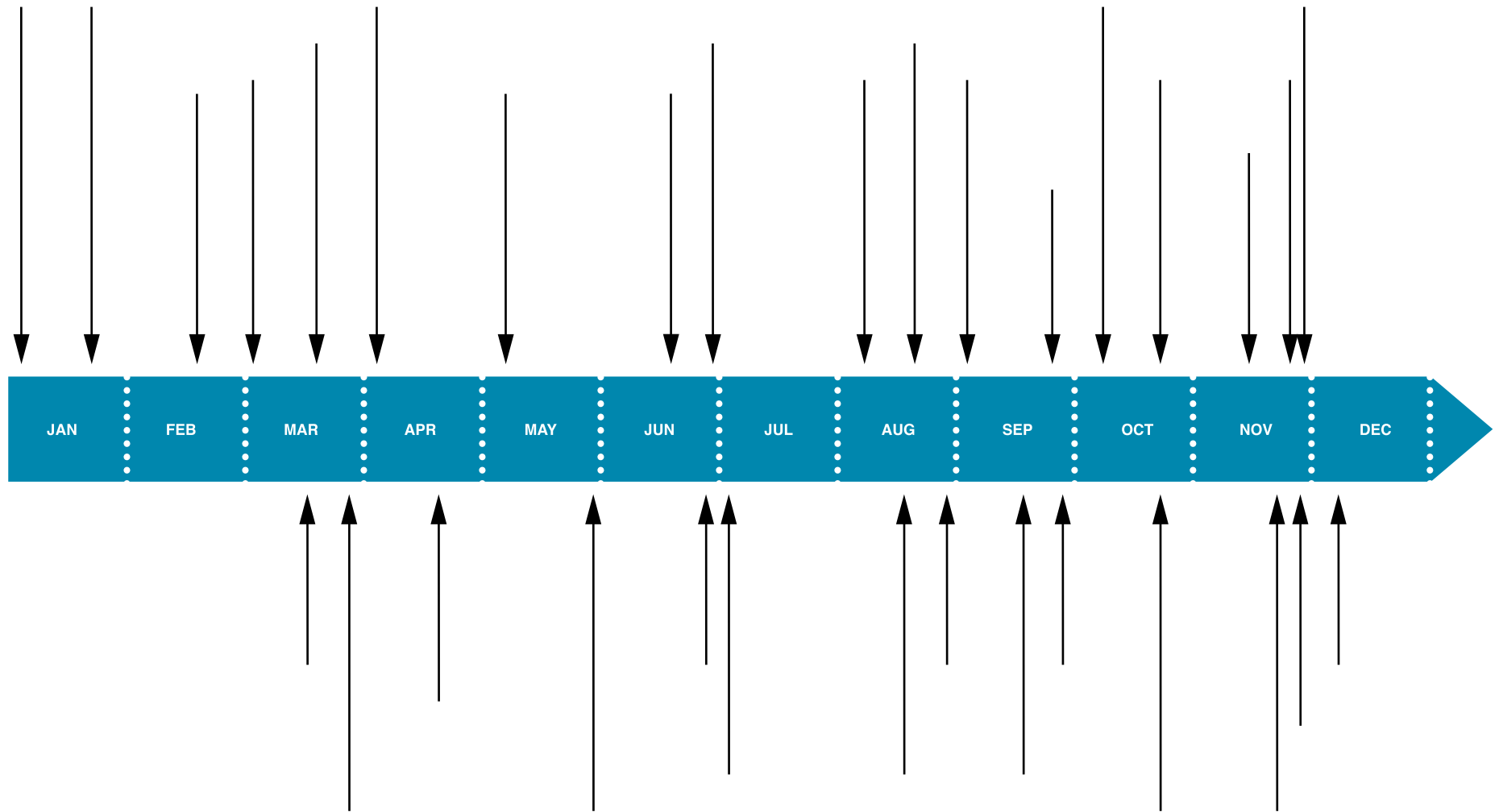
Opinions and developments 2013



Opinions



Development







## The citizen

# The citizen

## Social Support Act 2015

This legislative proposal aims at giving citizens greater personal responsibility when they are no longer self-reliant. In a meeting at home with the municipal authorities, citizens who make a claim for social support must first explore the possibilities of help from their immediate environment. Since this has consequences for the regulatory burden on citizens and professionals in particular, Actal was asked to make an opinion.

Actal recommended that it be made transparent what the 'obligations' of the social network are in the event of necessary support and supervision of citizens. This prevents irritations in the aforementioned meeting. Actal also finds it important that the consequences of regulatory burdens are clearly mapped out. Precisely because the decentralisation means an alteration to the existing distribution of responsibilities

for the reduction of regulatory burdens. With the decentralisation, the State becomes responsible for (the effects of) the system. The municipalities become responsible for (the effects of) the implementation and for the results to be achieved thereby.

Municipalities and health care providers must soon provide insight to citizens, municipal council and State - including the National Health Care Institute and the Health Care Inspectorate - as regards what results have been achieved. Actal recommended that this accountability regarding the results be made as uniform as possible.

It becomes the task of the municipalities to assess the need of support and supervision for citizens. Actal recommended the prevention of situations in which citizens have to undergo a reassessment unnecessarily. That prevents irritations.

In conclusion, Actal recommended opting for a single supervisor. It is unclear why the legislative proposal makes the assumption of multiple supervisors for health care providers.

## 2. Strategic opinions and sector scans

**Actal issues strategic opinions for the purposeful reduction of the regulatory burden within specific policy areas.**

**Strategic opinions take place either on our own initiative or in reaction to a request for an opinion from government or Parliament. After a review of the strategic opinions from 2013, there follows a preview of advisory programmes that were started in 2013 and will be completed in 2014.**

### **The Cabinet's regulatory burden programme**

The Cabinet wishes to noticeably reduce the regulatory burden for citizens, entrepreneurs and professionals by a net € 2.5 billion. But the Cabinet does not involve all regulatory burden in the calculation of this objective. As a result, a situation can arise in which the Cabinet does appear to be effective in combatting the regulatory burden, but for persons involved, the reduction is not noticeable.

Actal advised the Cabinet to provide insight into the effects of the measures that already form part of the regulatory burden reduction programme for citizens, companies and professionals. In the objective, the Cabinet does not count the one-off costs for the regulatory burden of alterations to legislation and regulations. Citizens and entrepreneurs experience the regulatory burden resulting from

frequent policy changes as very stressful. The advice is to pay more attention to these one-off costs. Furthermore, Actal advises the Cabinet to make it clear how it thinks it can compensate for the measures that result in an increase in the regulatory burden. The Cabinet should also calculate the time that is required to recoup the one-off costs of alterations. In the event of a recoupment period longer than 4 years, the necessity of the alteration must be demonstrated. In conclusion, Actal recommends including all relevant regulatory burden in the regulatory burden programme. Currently, regulatory burden that originates from 'causers' other than the State is often not taken into consideration. While for citizens, companies and professionals, it does not matter where the regulatory burden comes from. These recommendations are aimed at a noticeable reduction of the regulatory burden.

### **Flexibilisation of the labour market – pension**

From the flexible labour force and entrepreneurs, signals have been received about the increasing complexity of the pension regulations. The signals also concern the lack of insight into the accrued pension agreements. The applicable legislation and regulations derive from a timeframe of more fixed and lasting labour relations. For flexible labour forces, self-employed professionals and companies, it is too complex and opaque.



Actal recommended that the wage concepts from the fiscal domain and the pension domain be made uniform. Also, the system relating to levies and contributions can be made uniform. In this way, companies will deal with fewer implementing agencies. The sectors within the pension domain will be broadened, with the result that employers and employees will less frequently need to change over to other regulations and pension funds.

The administration of very small pensions is complicated and results in a lot of red tape. A less burdensome alternative to the current regulations is: obligatory value transfer and obligatory redemption. It was also recommended that all pension information and overviews be made accessible via a single portal, so that no-one has to read the same letters time after time. This makes the preservation of pension information and overviews less burdensome.

### Noticeably less regulatory burden

In the coalition agreement 'Building Bridges', the Cabinet states that it wishes to noticeably reduce the regulatory burden. Central to this is that policy – including implementation and supervision – must dovetail with the 'living' reality. This will only succeed if 'regulators' constantly realise exactly what the policy means for people.

Actal advised the Cabinet to also address the qualitative factors of the reduction of regulatory burden. The Cabinet should constantly realise exactly what regulations result in for citizens, companies

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*The [coalition] agreement contains only a limited policy base with regard to the volume of regulations: 'Do not give in to the reflex to react to every incident with new legislation'. The past has shown that it is extremely difficult to resist this reflex.*

*Prof. W.J.M. Voermans, "To measure is to know: the quantification of regulations" In: Noticeably less regulatory burden, Actal, 2013*

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and professionals. The Cabinet's policy is now aimed solely at a quantitative reduction.

Also, the net-reduction goal must be expanded local and regional authorities. This in order to prevent the reduction in the state regulatory burden resulting from the decentralisations backfiring in the form of extra municipal regulatory burdens.

Actal recommends placing stronger emphasis on society's self-regulating capacity. Not everything needs to be covered by laws and regulations. In addition, it is also important that the government adopts a solution-oriented attitude; this particularly applies to supervisors and those charged with enforcement. Also, the government

should produce tailor-made solutions, so that specific target groups are not saddled with obligations when these are not strictly necessary. Making greater use of consultation as an instrument can also contribute a great deal to the noticeable reduction in the regulatory burden. In conclusion, Actal recommended greater transparency concerning the reasons for altering legislation and regulations or newly introducing them. This in order to prevent laws and regulations coming into being in areas in which the government actually has no role.

### **Sector scan for the metal industries**

Actal has had research carried out into which laws and regulations cause a lot of hindrance to entrepreneurs in the metal sector. The essence is that the government can reduce the regulatory burden and irritation by taking account of the business operations of enterprises. This leads not only to more support for the regulations, but in particular, to better compliance as well.

Actal recommended that a brake be put on the high speed of changes in regulations, and that companies be given more time to adjust their business operations. Particularly in a sector with many small and micro-enterprises, the quantity and the complexity of the regulations weigh heavily. In addition, enforcement of the policy must dovetail better with the specific business operations of the entrepreneur. In particular, it emerges that many imperfections exist in the policy instruments employed; this causes much unnecessary regulatory burden among entrepreneurs. In conclusion, from the research follows the recommendation that entrepreneurs should no longer

be held to alteration instructions in the event that governments make contradictory demands.

These recommendations were handed over to the Minister of Economic Affairs in March 2013. The Cabinet has set about working with the recommendations.

### **Strategic advisory programmes that were started in 2013 but have not yet been completed**

In 2013, Actal started on strategic advisory programmes that will be completed in 2014.

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***Companies must comply with regulations that are so extensive that it is virtually impossible for them to map out all obligations and to interpret them in the correct manner. Smaller companies in particular have to bring in external advisors for this purpose.***

*Quote from Sector scan for the metal industries, Actal 2013*

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### Sector scan, innovative high-tech companies

In December 2013, Actal commenced an investigation into obstructing factors for innovative high-tech companies working in the sphere of medical technology. The purpose of the sector scan is to advise the government as to where it can reduce the regulatory burden and thus create more room for innovation. This sector scan illustrates which legislation and regulations or governmental service provision (EU, national, local and regional) obstructs the innovation of products (and semi-finished products). The scan also looks at how regulations unnecessarily complicate collaboration between companies (small, medium and large companies) and between companies and knowledge institutions, and whether the government has properly regulated the framework conditions for innovation (including, among other things, knowledge exchange, subsidy programmes).

### One-off costs

From previous research by Actal – ‘Noticeably Less Regulatory’ – it emerged that entrepreneurs experience frequent policy changes as very burdensome. In particular, the one-off costs that derive from changes to legislation and regulations are the cause of this. Every time that legislation and regulations change, the entrepreneur must inform himself about them. Such changes can have a great impact, for example on the setting up of operating processes. In November 2013, Actal started a study of the magnitude of these one-off costs. Within this framework, KPMG was asked to investigate how often regulations for entrepreneurs actually change, and how often there are consequences for the regulatory burden.

### Income-related thresholds

This study concerns the regulatory burden that citizens experience if they make use of State regulations and local regulations for benefits and (financial) provisions. This regulatory burden is sharply increased when governmental authorities apply income-related thresholds. Actal is investigating the bottlenecks that are associated with the use of these kinds of links.

### Regulatory burden effects involved in the growth of businesses

There are rules and obligations that begin applying to companies when the size of the company exceeds a certain – legally stipulated – threshold. One example of this is the obligation to set up a works council if there are more than 50 employees in service. These sorts of rules can hamper the growth (and perhaps also the shrinkage) of companies. In 2013, Actal started a study of these thresholds and the degree to which they produce obstacles for companies.

### Regulatory burden among small-scale entrepreneurs

The purpose of this recurrent study is to obtain insight into (the development of) the regulatory burden on small-scale entrepreneurs in different phases of a company, and their experiences relating to this. In addition, the study provides insight into the regulatory burden in 2013 as compared with that obtaining in 2007.



## The business community

# The business community

## Sector scan for logistics

The logistics sector has traditionally been one of the pillars of the Dutch economy, but it has to deal with many unnecessary regulatory burdens. On the basis of a request from the Ministers of Infrastructure & Environment and Economic Affairs, in November 2013 Actal made [recommendations](#) concerning the resolution of regulatory burden bottlenecks for entrepreneurs in the logistics sector.

Logistics entrepreneurs have to contend, among other things, with legislation that focuses rigidly on the means of transport and not on the goods to be transported. This restricts entrepreneurs' freedom of choice to provisionally switch over to a more effective means of transport. As well as that, the regulations are very complex, with the result that entrepreneurs often do not understand the rules. Furthermore, the quality of the supervision is frequently

inadequate as a result of a fragmented interpretation of them.

Actal recommended that a legal order be arrived at that gives centre place to the logistics network - which frequently consists of different logistical chains. To this end, the government should develop an integral perspective on this network. The legislative frameworks for road transport, rail transport and inland waterway shipping should be harmonised. This should also lead to a single (digital) transport document for all means of transport, with the result that greater flexibility for entrepreneurs arises.

In addition, a simpler system of supervision should come into being, in which Dutch and foreign supervisors collaborate more. Inspections should take place during rest periods that are 'intrinsic to the chain', in order to disturb companies' conduct of business as little as possible. Beyond that,

Actal recommends putting an end to the proliferation of customs permits.

In this study, Actal has scrutinised all relevant regulations. The recommendations are partly based on research that was carried out by TNO on Actal's behalf. The opinion was handed over to the Minister of Infrastructure & Environment in November 2013. If the Cabinet takes these recommendations to heart, a reduction of € 248 million a year is possible for entrepreneurs in the logistics sector.

# 3. Ex-ante screening of legislation and regulations

**By providing opinions on proposed legislation, Actal's goal is to ensure that early on in the development of policy, attention is paid to the consequences for the regulatory burden. Alternatives involving less consequences for the regulatory burden must be systematically and seriously considered. In 2013, Actal issued 12 opinions on proposed legislation to the Cabinet and The Dutch House of Representatives.**

## **Strengthening Quality Assurance in the Higher Education Act**

In 2011, there appeared a report in which four educational courses at Inholland University were criticised as being 'very weak'. It also emerged that the level of education was worrisome at several other colleges. As a reaction to this news, the legislative proposal 'Strengthening Quality Assurance in Higher Education Act' was prepared. This proposal brought in extra rules for Higher Vocational Education (HBO) institutions and universities. At the end of December 2012, Actal received a request for an opinion concerning the legislative proposal.

Since the issuing of the report in 2011, in which the quality of the educational courses was tested, the Ministry of Education, Culture

and Science has introduced several changes aimed at better quality assurance. The institutions themselves have also taken far-reaching measures. Because the current legislation concerning accreditation was to be evaluated, Actal recommended against creating new legislation before the evaluation of the accreditation system has been completed. First, the effects of the measures already taken must be examined.

## **Participation Act**

With the Participation Act, the Cabinet has chosen to decentralise to the municipalities the promotion of labour participation by young handicapped persons. Only people who are no longer capable of any work can still make a claim on the government scheme Wajong. This is administered by the Employee Insurance Agency (UWV).

In March 2013, Actal issued a preliminary opinion on the draft bill on alteration of the Participation Act. In June 2013, an altered version of this bill was received, into which the agreements of the Social Accord have been incorporated. On the basis thereof, an opinion has again been issued.

Actal recommended arranging for a single examination and a once-only provision of personal details by citizens to municipalities and



the UWV. In the proposed plan, there exists the danger that citizens will have to provide the same information and data at different moments in time and several times over. And that they will have to undergo a medical examination more frequently than necessary. The labour cost subsidy, which employers receive for employees who are going to perform regular work, must, in accordance with the Participation Act, be assessed annually. The number of re-assessments for the labour cost subsidy will have to remain restricted to a minimum. That can be achieved by attuning the re-assessment period to the expected developments in the employee's functioning. In conclusion, Actal recommends describing the regulatory burden concerning the labour cost subsidy better, so that employers properly understand what the burden of the required actions is going to be. The inclusion of a net-reduction objective in the law can guarantee the reduction of the regulatory burden.

#### **Legislative proposal on revision of child benefits scheme**

The legislative proposal on the revision of the child benefits scheme was submitted to Actal for scrutiny in July 2013. The aim of this revision is to simplify the system, to increase labour participation and to offer income support where it is most sorely needed. The legislative proposal reduces the number of schemes from 11 to 4.

Actal recommended that the Cabinet provide insight regarding which less-burdensome alternatives were compared. Recommendations were also made to opt for a far-reaching simplification. For example, through taxation of child benefits. In addition, the explanation of

the legislative proposal should also contain the estimate of the one-off costs. As it happens, these have indeed already been calculated by the Ministry: the one-off costs amount to approximately 350,000 hours. The legislative proposal structurally reduces the regulatory burden by around 36,000 hours per year. This relatively limited structural decrease means that it would require a period of nearly 10 years in order to compensate for the one-off costs. Actal recommends that measures be taken to substantially shorten the recoupment period of nearly 10 years.

#### **Legislative proposal for revision of flexible labour, the law on termination of employment and the Unemployment Act**

The aim of this legislative proposal, together with other measures, is to make the labour market ready for the challenges and opportunities of the 21st century. Substantively, the legislative proposal changes the rules of play for entering into and extending temporary labour contracts. Thus, it will no longer be possible to work for longer than two years on the basis of temporary labour contracts (currently, this is still three years). Also, the minimum period before entering into a new temporary labour contract will be extended from three to six months. In special situations, a sector can indeed still deviate from this.

Actal recommended that, in the explanatory notes to the legislative proposal, the Cabinet should map out the initial and the structural regulatory burden not only qualitatively, but quantitatively too. This is necessary in order to be able to determine whether the legislative proposal succeeds in preventing and removing unnecessary

thresholds and irritations among citizens and companies. Also presented for consideration, as a less burdensome alternative, was the option of only one termination of employment procedure. The law on termination of employment has two procedures for termination of employment: via UWV and via the courts. This system is too complex, both for employers and employees. In conclusion, Actal recommends that as few situations as possible be created in which deviation from the standard obligations is permitted. Such exceptions lead to complexity and to less clarity, for both employees and employers.

### **Labour costs scheme**

The labour costs scheme went into effect as of 2011, and replaces all old fiscal rules for reimbursements and benefits in kind to staff. The labour costs scheme lays down that a maximum of 1.5% of the total amount of wages paid out may be reimbursed or paid in kind tax-free. The aim of this regulation was to simplify the wages administration. In place of the obligation on individual employees to separately keep track of what benefit they enjoyed from which provision, there came into being one administration for the company as a whole. In 2015 at the latest, all companies must be able to use this new regulation. In April 2013, Actal received the request to advise on the exploratory document 'Getting down to work with the labour costs scheme'.

Actal recommended providing transparent clarity as regards what is applicable as 'necessary labour costs'. For the labour costs that are counted as necessary for business operations, the regulatory burden

caused by this regulation will probably decrease. To this end, however, it is indeed important to explicitly provide this clarity in order to avoid extensive juridification. It remains possible, however, that the application of the criterion necessity will still give rise to 'fuss' as regards what should and what should not be counted as wages. Therefore it is recommended that close monitoring be conducted to see whether this criterion is properly workable in practice. In conclusion, Actal proposes the use of an unambiguous transition period of two years before the introduction of the necessity criterion. In this way, entrepreneurs can properly prepare themselves before moving over to the labour costs scheme.

### **Law on approach to fraud involving bonuses and taxation**

The Cabinet is striving to reduce fraud relating to bonuses and taxation. Within this framework, possible imperfections or peculiarities in the registrations carried out by the government must be checked. In view of the fact that these control measures can also affect citizens who do not perpetrate fraud, it is important that the measures be in proportion to the intended aim. In October 2013, the legislative proposal regarding law on the approach to fraud involving bonuses and taxation was submitted to Actal, with the request that we examine the consequences for the regulatory burden.

Actal advised that the consequences for the regulatory burden which are included in the explanatory notes to the legislative proposal be calculated more realistically. And that this calculation be tested in 2014 by asking citizens how much time it took them to satisfy

the control questions of the Tax Authority. The legislative proposal recognises a maximum period of three weeks within which citizens must satisfy the control questions of the Tax Authority. Actal recommends offering citizens the possibility of extending the reaction period by another three weeks. It was also proposed that the Tax Authority actively warn citizens if they do not react on time. They must be kept well informed and be given the opportunity to satisfy the control questions. Also, citizens must be properly informed as regards which documents are necessary: these may only be documents from other government agencies that the Tax Authority cannot itself obtain. In this way, unnecessary regulatory burdens for citizens are limited as far as possible.

### **The Youth Act**

With the Youth Act, the Cabinet has opted to decentralise youth care to the municipalities. Actal recommended the formulation of a net-reduction target for this law. The State, the municipalities and the inspection services should make unambiguous agreements about this objective. Also, the consequences for the regulatory burden of this law should be (better) illustrated. Actal recommends coming to uniform and clear definitions for the accountability information that the youth care agencies must provide to State and municipalities. This information should remain restricted to the results of the efforts made by youth assistance. In the transition period, the State should provide clarity, in good time, about the future alterations and obligations. In this way, the regulatory burden for citizens, agencies and professionals can be minimized.

The information- and data-exchange within the chain must be anchored in law. One single dossier should come into being, containing all relevant information about the family. The certification of agencies can take place in a less burdensome manner. There does not need to be more than a single certificate, with a period of validity of 5 years. It should also be possible for certificates to be extended automatically. The use of provisional certificates should be abandoned. In conclusion, Actal recommends dispensing with paper logbook obligations. This saddles professionals with unnecessary activities.

At the end of 2013, Actal received a second request for an opinion concerning the developments in youth care, this time as regards the Youth Act Implementation Decree. This decree contains the specific rules regarding the certification of organisations and the accountability information. Actal recommended that supervision and accountability be given a less bureaucratic form. The message given was that only those details should be provided to the State which are appropriate to system accountability. The supervisory tasks should belong to the municipality; the State should only inspect the operation of the system. In conclusion, Actal recommended that insight should be provided into the regulatory burden that arises from the decree. It should be possible to achieve that by developing an experience monitor, in order to periodically gauge the regulatory burden experienced.

### Opinions not yet made public

In addition to the opinions mentioned above, Actal issued another six opinions concerning ex-ante scrutinised legislation and regulations in 2013. At the time of writing, these opinions have not yet been made public as the proposed legislation and regulations have not yet been submitted to the Parliament. For that reason, these opinions have not been included at length in this annual report. They involve opinions on:

1. Approval- and Implementation Act relating to UN Convention on the Rights of Persons with Disabilities
2. Participation Act – Quota regulation
3. Environment & Planning Act
4. Long-term intensive care Act
5. Games of Chance Act
6. Law on Licencing, Oversight and Enforcement Tasks

## The professional



# The professional

## Perception of bureaucracy by teachers

In 2012, the Ministry of Education, Culture and Science commenced a study into the perception of regulatory burden by, and the professionalism of, teachers. Supplementary to that study, Actal has collected feedback from approximately 40 teachers. Feedback has been received from teachers that the regulatory burden obstructs them in the proper performance of their activities.

Actal advised that the professional freedom of teachers be increased. This can be achieved through controlling the content less and replacing this control with peer review. It is also necessary to properly investigate the utility and necessity of administratively-intensive matters - such as the teachers' registry. In order to increase the professionalism of teachers, Actal recommends properly attuning the tasks and roles with those involved, and making the schools and teachers responsible for that

degree of professionalism. Also, the teacher him/herself should become responsible for the choice of educational resources.

Through reduction in task-load and through task differentiation, it must be possible to give the teacher more time to be actually engaged in teaching. In conclusion, Actal proposes a moratorium on rules, so that rules do not change much and teachers experience calm and continuity in that sphere.

In July 2013, the minister responded to these recommendations with concrete measures for reducing the regulatory burden on teachers. In so doing, the Ministry has taken the direction of giving teachers more opportunities to pursue their passion.



# 4. Signals

**Actal makes opinions on the basis of signals from society. Signals about situations in which people experience an unnecessary level of regulatory burden. We carefully investigate which laws and regulations lie behind the problem, and who experiences this regulatory burden. Where possible, Actal makes recommendations on how situations can be improved through the application of less burdensome alternatives. Signals which do not lead to opinions are the subject of feedback to the person(s) who issued the signal to Actal or are included in other ongoing investigations.**

On the website, Actal publishes information about new signals and ongoing investigations. Actal invites citizens, companies and professionals to provide feedback on signals that are being dealt with. Depending on the subject, Actal directs its opinions to the National Government, municipalities or implementation agencies.

## **VAT liability, minor supervisory directorships**

Actal received the signal that people with a minor supervisory directorship in an enterprise and members of supervisory boards experience unnecessary administrative burdens in the application of the so-called 'Small entrepreneurs regulation'. Commencing

on 1st January 2013, this group of people is liable for payment of VAT, because the Netherlands was obliged to bring its regulations into alignment with the European VAT regulations. If the remuneration for these 'minor supervisory directorships' does not amount to more than about € 6,000 per year – corresponding to the threshold amount of € 1,345 in VAT – then they become eligible for exemption from all administrative VAT liabilities. This possibility is laid down in the 'Small entrepreneurs regulation'.

Actal recommended that it be laid down in this regulation that people with a small supervisory directorship and members of supervisory boards be exempted from all administrative VAT liabilities. They would then no longer need to register as – VAT liable entrepreneurs. And thus they would also no longer need to submit an application for exemption. That offers advantages for all parties involved.

In response to this opinion, the Secretary of State for Finance created the possibility of allowing exemption from administrative VAT liabilities with retrospective effect as of 1 January 2013. It was decided against including in the law automatic exemption from administrative obligations.

### **Safety and quality assurance in children's centres**

Actal received signals about the regulatory burden experienced in children's centres, particularly from entrepreneurs in this sector. This regulatory burden not only affects these entrepreneurs themselves, but also the parents. As a result, the functioning of an important social facility is unnecessarily burdened.

Actal recommended that the application procedure for starting up a children's centre be simplified and accelerated. The obligatory registration in the National Register of Children's Centres and Preschool Play Centres (LRKP) does not currently dovetail well with the registration at the Chamber of Commerce. As a result, there is an unnecessary, double request for details.

In addition, the legal requirements concerning the ratio of qualified professionals to children could be a good deal simpler. These requirements and calculations are needlessly complicated. In conclusion, Actal recommends converting the annual inspection of all children's centres into one inspection based on a risk-estimate.

### **Electronic forms in municipalities**

In response to the Actal study 'Noticeably less regulatory burden' came the signal that the use of electronic forms by the municipalities is still far from optimal. Research into ten frequently-used forms in 25 municipalities shows that only 56% of these forms are on the municipal websites. Also, almost 40% of the forms still ask for data

which the municipality itself already has at its disposal. With relatively little effort, many improvements can be realised.

Actal recommended that not just a few, but all forms should be made available online. In addition, the forms that are available in PDF format should, as far as possible, be converted into real web forms. Then it is no longer necessary first to print them out and subsequently to fill them in by hand or to sign them. Another message that we passed on is to make more use of 'intelligent' forms, and to give citizens the possibility of provisionally saving them. Forms should also no longer ask for attachments that are not relevant, nor for details that the municipality itself can retrieve. If municipalities – in collaboration with the VNG (Association of Dutch Municipalities) – take these recommendations to heart, then, from the national perspective, much unnecessary regulatory burden can disappear.

### **Regulatory burden involved in firework events**

From the business community, Actal received signals that the firing list that is required for an ignition permit in connection with firework events leads to an unnecessarily high regulatory burden and irritation for entrepreneurs. They lose much time when applying for that permit, and informing the authorities about alterations is also very difficult.

Actal recommended the scrapping of the double request for data during the application for the ignition permit, including the copies of the application licence and the certificate of competence.

It regularly occurs during firework events that something has to change precisely at the last moment; for example, because of local weather conditions or because of delivery of fireworks of a different kind. Therefore, an entrepreneur still has to be able to inform the authorities of changes in the firing list, even if this alteration does not require that the public be kept further away for reasons of safety. In conclusion, Actal recommends investigating whether a substantial simplification of the firing list is possible, by requesting fewer data concerning consumer fireworks, among other things. In this way, many irritations that are caused by the regulatory burden can be removed for these entrepreneurs.

#### **Dentists must send in their quality report twice**

From dentists, signals have been received that they are required to send in their quality report in a tedious, time-consuming and thus also expensive manner. They have to submit the report to several organisations. Among these are two governmental authorities. The basis for this obligation lies in the Health-care Institutions Quality Act. The annoyance increases because sending this report to the Ministry of Health, Welfare and Sport can only be done by post. The annoyance increases because sending this report to the Ministry of Health, Welfare and Sport can only be done by post, while digital transmission of information is standard practice for dentists. The annual costs of sending the quality report to the authorities is estimated as being approximately € 135,000.

Actal recommended the scrapping of the legal obligation to send the report to three authorities, and to replace it with a requirement to send the report to just a single authority. That could, for example, be the Health Care Inspectorate. If the current legal obligation continues to exist, the Ministry can resolve the problem quickly and simply by opening an e-mail address for this purpose.

#### **Obligatory extract from GBA when objecting to income-dependent rent increase**

Signals have been received from society that citizens have to provide unnecessary information when they file an objection to the income-dependent rent increase. Specifically, this concerns the obligation to provide an extract from the Municipal Personal Records Database (GBA) in the event of an alteration to the household income in the preceding year. With an income-dependent rent increase as of 1st July 2013, what is decisive is who is living in the dwelling at that moment. Those people are then included in the calculation of the collective income for 2011. If the collective income in 2012 has decreased, then the tenant can make an objection to the income-dependent rent increase. The requirements regarding the submission of this objection are the income statements of all residents and a GBA extract, from which is apparent how many people are registered at the address.

By means of a letter to the Minister for Housing and the Central Government Sector, Actal requested that the freedom of policy be emphasised to all parties in the communications. Actal also requested the chairman of the Rent Tribunal to emphasise this,

and to scrap from the specimen letter the requirements as regards submission. Since citizens would no longer be asked to send these data once again, these unnecessary irritations would be removed.

### **Obligatory supervision, bathing water**

Recreation entrepreneurs warned Actal that the Ministry of Infrastructure & Environment is considering making the supervision of swimmers in surface water obligatory. The government is hereby aiming at increasing the safety of swimmers.

Actal advised the Minister of Infrastructure & Environment to forgo extra legislation and regulations. Figures from the Statistics Netherlands (CBS) show no structural increase in the number of deaths by drowning. A strengthening of the supervisory regime is thus not necessary. Moreover, it is not clear whether the presence of supervisors also actually reduces the risks of swimming. It cannot be excluded that swimmers themselves (and those who accompany them) take fewer precautionary measures if they know that official supervision is present. Actal recommends applying the lightest supervisory regime to all locations where people swim in surface water. If necessary, the local government authorities can place warnings on their websites and a notice board at the location, in order to increase awareness of the risks among citizens.

### **Voluntary traffic controllers**

It has been learned from voluntary associations that the Regulation on traffic controllers 2009 causes a considerable regulatory burden. This regulatory burden is the consequence of the administrative actions involved in the appointment of voluntary traffic controllers for events. In the present situation the mayor appoints the volunteers for a maximum of 1 year, and they receive a pass. If, after the expiration of that year, a volunteer once again becomes active as a traffic controller for events, then the entire process must be gone through again.

Actal recommended using the underlying database of the e-learning instruction course as a national register of traffic controllers for events. Included in this database are the volunteers who have successfully completed the instruction course. It would be very nice if the term of validity of the declaration of instruction - and thus of the appointment - could be longer than 1 year. And if, when a repeat application is made, it would suffice for volunteers to undergo a refresher course or additional training. The individual appointment of traffic controllers for events by mayors can then be discontinued. Also, the system of appointment passes is then no longer necessary.

### Double registration of manure transporters

From the business community, signals have been received concerning the double registration for manure transporters with both the Regulations Service (DR), currently the Netherlands Enterprise Agency (RVO), and the Netherlands Food and Consumer Product Safety Authority (NVWA). Entrepreneurs experience the double registration as an unnecessary regulatory burden. In view of the executive tasks of the DR, it seems obvious to use the registration of the DR as a basis. However, included in the current registration of the NVWA are several elements which are not registered with the DR and which relate to the obligations concerning manure transport (among other things), that are imposed by the European registrations. Actal has established that both organisations are working with the Ministry of Economic Affairs on a joint solution. It would be best to make energetic efforts to arrive at a solution. The urgency derives from the fact that the NVWA is currently obliged to effect enforcement as soon as it emerges that a company does not comply with the registration (with the NVWA). Against this background, Actal has requested the Secretary of State to take a decision before the end of 2013. So that the double registration is ended as soon as possible.

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*The government should no longer -hide behind procedures and -office counters. A society thrives due to reciprocity and empathy and due to connections being made between people, organisations and developments.*

*Quote from Noticeably less regulatory burden Actal, 2013*

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# 5. Key themes for reducing the regulatory burden

**2013 was the second full year in which Actal worked on the basis of its new mandate. In 2011, the mission was modified and the range of tasks was expanded.**

At the end of August 2013, Actal published the plans for the coming years in its work programme for 2014: 'Less regulatory burden, more results'. Actal continues to focus on four broad themes that are crucial for forcing a breakthrough in the reduction of the regulatory burden. In the coming years, these themes will form the common thread for the (strategic) opinions concerning the ways in which the Cabinet can noticeably reduce the regulatory burden from the existing and proposed regulations:

1. Roles, duties and responsibilities of government and society
2. Decentralisations within the government
3. Accountability, registration and monitoring
4. Room for development, innovation and growth



# 6. Playing field: Nationally

## Conference and bundle 'Noticeably less regulatory burden'

In April 2013, Actal organised the conference 'Less regulatory burden, more results'. Many key figures were present at this event. The bundle of the same name illustrates the fact that reduction of the regulatory burden is the essential lubricant for economic growth and dynamism in the Netherlands. Prominent authors shed light on new perspectives for de-bureaucratisation. They write about the acceptance of tragedy, about the importance of trust and informal rules and about the measurability of regulation. Research into people's experiences concerning the regulatory burden and long-term care shows that the hindrance involved in the regulatory burden decreases with an increasing trust in the government on the part of citizens and companies. The legitimacy of government actions is further reinforced by empathy and providing insight into the 'why'. During the conference, Actal chairman Jan ten Hoopen presented the first copy of the bundle to the Minister of Interior and Kingdom Relations.

## Decentralised local authorities

At the request of the Minister of Economic Affairs, in 2013 Actal was involved as an observer in 'Better and more concrete: good rules - goal-oriented service' (Beter en concreter). This is a joint programme of the Association of Dutch Municipalities (VNG) and the Ministries of the Interior and Kingdom Relations and

Economic Affairs, for the purpose of tackling the regulatory burden and improving the (juridical) quality of regulations. 'Beter en concreter' is under the leadership of an inter-administrative taskforce which consists of local administrators, representatives of the VNG and the Ministries of the Interior and Kingdom Relations and Economic Affairs. The taskforce places on the agenda bottlenecks that arise in municipal practice as a result of (state-) regulations. Actal and 'Beter en concreter' have agreed to inform one another, informally and at an early stage, of signals concerning the regulatory burden. Also, they gear ongoing matters and case studies to one another. In order to communicate this collaboration to all municipalities, in December 2013 a double interview was conducted with Eric Helder, a member of Actal's Board of Directors, and the Chair of the inter-administrative taskforce 'Beter en concreter', Arno Brok.

## Columns by Jan ten Hoopen in the SC

Jan ten Hoopen writes a monthly column in the SC and on SC Online, concerning subjects that touch on the regulatory burden. In 2013, ten of his columns were published.

## Advisory Board

Within the Advisory Board, Actal periodically reflects on social developments in relation to Actal's mission and tasks. This Advisory Board offers Actal the opportunity to make use of the expertise and experience of people in different positions in society. In 2013, the Advisory Board met twice, on 4 April and on 25 November.

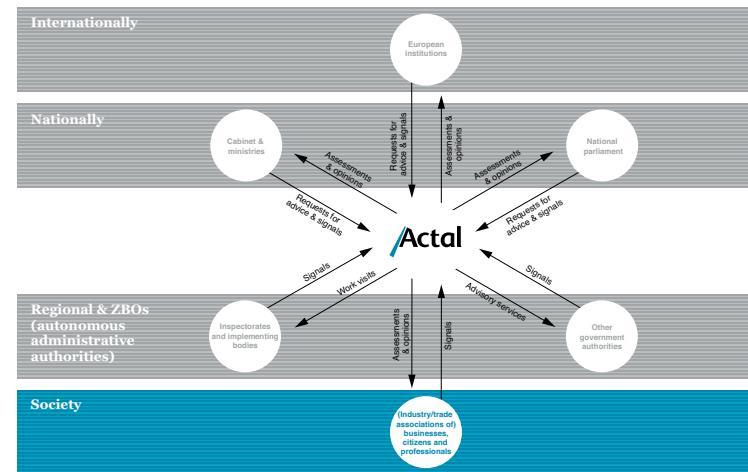
In 2013, Actal's Advisory Board consisted of:

- Mr J.P. (Jean Paul) Gebben
- Mr G.J. (Geert) Jansen
- Mr F.J.H. (Ferdinand) Mertens
- Ms L. (Lobke) van der Meulen
- Ms P.E. (Pauline) Smeets
- Mr M.A. (Michaël) van Straalen
- Mr C.W. (Kees) van der Waaij
- Ms W. (Wilna) Wind

## Best practices meetings

In June 2012, Actal recommended promoting the reduction in the regulatory burden through an exchange of Best Practices between the various ministries (regulatory burden audit 'Less The Hague bureaucracy, more social effect'). A search commenced for inspiring examples of how ministries succeed in reducing the regulatory burden. In 2013, Actal organised three meetings, on 27 March, 27 June and 25 September. During these best practices sessions, staff members of virtually all ministries presented specific

FIGURE 2  
Playing field



experiences to each other, and discussed them together. During one of the sessions, the programme manager of 'Beter en concreter' also gave a presentation.

# 7. Playing field: EU and International affairs

Companies and citizens also experience hindrance from legislation which is decided on at the EU-level. Actal is therefore also making efforts at the EU-level to strengthen the European approach on Smart Regulation. To this end, Actal collaborates with, among others, the European sister organisations: the British Regulatory Policy Committee, the Swedish Regelrådet, the German Nationaler Normenkontrollrat and the Czech Regulatory Impact Assessment Board.

## **Appointment of Actal's chairman to the High Level Group on Administrative Burdens**

On 6 December 2013, the chairman of the European Commission, Jose Manuel Barroso, appointed the chairman of Actal, Jan ten Hoopen, as a member of the High Level Group on Administrative Burdens (HLG). The chairpersons of our German and British sister-organisations are also members of the HLG.

The HLG advises the European Commission on the reduction of administrative burdens for the business community. On the one hand, its focus lies on the simplification of existing European regulations. On the other hand, the HLG investigates ways in which national governments can implement EU-regulations more efficiently in order to avoid unnecessary costs.

Within the HLG, the members are appointed as rapporteurs and co-rapporteurs, focusing on various policy themes of the individual directorates within the European Commission. The chairman of Actal was appointed as rapporteur on 'pharmaceutical legislation' and on 'taxation and customs'. In addition, Jan ten Hoopen is co-rapporteur on the subjects: 'taxation and statistics', 'public procurement' and 'development'.

## **Drawing attention to EU priorities in the Dutch House of Representatives**

In October 2013, the European Commission issued the Work Programme for 2014. This work programme provides insight into proposed European legislation and regulations. Actal studied the work programme and collected input from stakeholders from Dutch society. In November 2013, Actal informed the Parliament about the European proposals that may have significant consequences for the regulatory burden in the Netherlands, so that members of Parliament can take account of this in the selection of the European priorities. In addition, Actal recommended that the Netherlands intervene at an early stage in these proposals, so that there is still sufficient room for realising less-burdensome alternatives within the legislative proposal.

## Burden light implementation

Research has been conducted into the way in which the Netherlands has implemented 25 European regulations. This study was conducted on behalf of the Ministry of Economic Affairs, with reference to Actal's opinion: 'Tougher approach to reducing the regulatory burden'. It was published in August 2013 and shows that in the implementation of 16 of the 25 directives and regulations, the Netherlands did not choose the option with the least regulatory burden. In addition, the Netherlands does not always bring these extra burdens into sharp focus. There thus emerges a European leak in the current Cabinet's net-reduction objective of decreasing the regulatory burden by € 2.5 billion. With reference to this study, Actal recommended bringing the regulatory burden caused by non-low-burden implementation of European legislation into the net-reduction objective. Also, criteria must be drawn up to give content to the Cabinet's objective of burden light implementation, linked to periodic assessments as to whether these agreements are being complied with. Besides that, Actal recommends that in the case of proposals by the European Commission that may have substantial consequences on the regulatory burden for companies, less-burdensome alternatives be brought to the attention of the European Commission in a timely manner.

The Cabinet has indicated that it is going to strengthen the process of burden light EU-implementation and make the considerations more transparent.

# Organisation

Actal has three Board members: Mr J. (Jan) ten Hoopen (Chairman), Ms L.L. (Lili) Doude van Troostwijk and Mr E. (Eric) Helder. The Board is supported by a director, Mr R.W. (Rudy) van Zijp, and the following staff members.

<b>Staff member</b>	<b>Departement</b>
Ms R.P.M. (Renate) Ham	Interior and Kingdom Relations (BZK)
Mr P.T. (Tim) van der Hofstede	Infrastructure and Environment (I&M)
Mr M.J.P.M. (Marcel) Kieviet	Social Affairs and Employment (SZW), Health, Welfare and Sport (VWS)
Mr P.B. (Patrick) Lut	Infrastructure and Environment (I&M)
Ms C. (Claire) Mesman	Health, Welfare and Sport (VWS)
Ms P. (Paulien) Officier	Economic Affairs (EZ), EU and international affairs
Mr H. (Herman) Schippers	Finance (FIN) and Foreign Affairs (BZ)
Mr J.A. (Jaap) Sleifer	Education, Culture and Science (OCW)
Mr J.A.M.N. (Jos) Tonk	Security and Justice (V&J), Local and regional authorities and other government authorities
Mr J (John) Galinsky	Communications Advisor
Mr A.A. (Ahmed) Moaty	Policy Support officer
Ms P.C. (Paulina) Sterling	Secretary
Ms B. (Birgul) Samburkan	Secretary



# Colophon

## **Text and editing**

Actal, The Hague

## **Concept and realisation**

VormVijf, The Hague

## **Photography**

Inge van Mill, The Hague

## **Actal**

Wijnhaven 26

The Hague

P.O. box 16228

2500 BE The Hague, The Netherlands

T +31 70 310 86 66

F +31 70 310 86 79

E [info@actal.nl](mailto:info@actal.nl)

I [www.actal.nl](http://www.actal.nl)

 [@Actal\\_info](https://twitter.com/Actal_info)

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# Appendix



**FIGURE 2**  
Playing field

