



**The Hon. Dominic Perrottet MP**

Treasurer

Mr David Blunt  
Clerk of the Parliaments  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Mr Blunt

I am writing in response to the recommendation made by the Regulation Committee of the Legislative Council (the Committee) in its inquiry on the Impact and implementation of the Water Management (General) Amendment (Exemptions for Floodplain Harvesting) Regulation 2020.

The Committee recommended that the NSW Government commit to complying with the Guide to Better Regulation for all future regulatory change.

In December 2017 the Treasurer was assigned responsibility for regulatory policy, in response to the recommendations of the Independent Review of the New South Wales Regulatory Policy Framework (Greiner Review). The NSW Productivity Commission was established in early 2018, with a mandate to shape the government's productivity agenda and oversee its regulatory framework.

In February 2019, a Treasury Circular (TC19-02) was issued, advising agencies must demonstrate that all new and amending regulatory proposals meet the better regulation requirements outlined in the Guide to Better Regulation, and noting that this circular replaces Premier's Memorandum M2009-20 Guide to Better Regulation.

The Circular clearly states that a regulatory proposal is any policy proposal with an option to implement, remove or transfer any rule that has an expectation of compliance, either statutory or non-statutory. When developing regulatory proposals, agencies are encouraged to engage early with Treasury's Regulatory Improvement Branch to discuss the better regulation requirements and ensure compliance with the Better Regulation Principles.

At the same time, a revised Guide to Better Regulation (the Guide) was published on the Better Regulation page of the NSW Productivity Commission's website ([www.productivity.nsw.gov.au/better-regulation](http://www.productivity.nsw.gov.au/better-regulation)).

The Guide advises agencies on how to apply the seven Better Regulation Principles when designing and developing regulatory proposals and explains what is expected in terms of good regulatory practice. A range of additional guidance for policy makers, including a repository of Regulatory Impact Statements, is also available on the Better Regulation page to support evidence-based, outcomes focused regulation.

The Government remains committed to ensuring that regulatory proposals meet the requirements of the Guide, and to continuously improving the regulatory policy framework to support New South Wales' economic recovery from the COVID-19 pandemic, and to identify opportunities for improved productivity.

Yours sincerely,



**The Hon. Dominic Perrottet MP**  
**Treasurer**

22 MAR 2021

*Received at 2:20pm*

*Monday 22 March 2021*

