

**EXAMINATION OF THE AUDITOR-GENERAL'S  
PERFORMANCE AUDIT REPORTS FEBRUARY 2016  
– SEPTEMBER 2016**

**Organisation:** Department of Finance, Services and Innovation

**Name:** Mr Martin Hoffman

**Date Received:** 11 October 2017



Our reference: FTMIN17/638  
Your reference: D17/23565

Mr Bruce Notley-Smith MP  
Chair  
NSW Legislative Assembly Public Accounts Committee

Via email: [pac@parliament.nsw.gov.au](mailto:pac@parliament.nsw.gov.au)

Dear Mr Notley-Smith

**Auditor-General's performance audit report – *Red Tape Reduction***

Thank you for your letter dated 18 August 2017 requesting a submission outlining the Department of Finance Services and Innovation (DFSI)'s response to the Auditor-General's report ***Red Tape Reduction*** (the Report) tabled on 25 August 2016.

In response to the majority of the recommendations in the Report, the Government commissioned an independent panel chaired by the Hon Nick Greiner AC to conduct a review of the NSW regulatory policy framework (the Greiner Review).

The Greiner Review's final report was delivered to the Minister for Innovation and Better Regulation on 25 August 2017. The Government will shortly consider the recommendations contained in the final report.

The Department's full response to the Public Accounts Committee's request is contained in the table at **Attachment A**.

I trust this information is of assistance. If you have any further queries in relation to this response, please contact Gabrielle Mangos, Director Regulatory and National Reform, on [gabrielle.mangos@finance.nsw.gov.au](mailto:gabrielle.mangos@finance.nsw.gov.au) or 02 9338 8949.

Yours sincerely

Martin Hoffman  
Secretary

10/10/17.

**DFSI Response to the Auditor-General's Performance Audit Report – *Red Tape Reduction***

RECOMMENDATION	SUPPORTED OR NOT SUPPORTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS AND COMMENT	RESPONSIBILITY
<b>1.</b> Set a framework for reducing red tape which includes:					
<b>1.a</b> Allocating responsibility for the development and oversight of red tape and regulatory reform programs to a dedicated unit within a central agency.	Supported	N/A	August - 2017	Complete.  In July 2016 the progressive transfer of responsibilities for better regulation in NSW from the NSW Department of Premier and Cabinet (DPC) to a dedicated unit within the Better Regulation Division of the Department of Finance, Services and Innovation was finalised. DPC has retained the responsibility for assessing compliance with the Guide to Better Regulation.	Better Regulation Division, Department of Finance, Services & Innovation (DFSI) and;  Economic Policy Group, NSW Department of Premier and Cabinet (DPC)
<b>1.b</b> Setting departments' outcomes-based performance indicators for reducing red tape and reporting on departments' performance against these indicators	Under consideration	Consideration of the recommendations in the Final Report of the Review of the NSW Regulatory Policy Framework (Greiner Review)	August - 2017	On track  This recommendation was considered as part of the independent review of the NSW Regulatory Policy Framework undertaken by an independent panel led by former Premier, the Hon Nick Greiner AC (Greiner	Better Regulation Division, DFSI

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				Review). The final report of the review was delivered to the Minister for Innovation and Better Regulation on 25 August 2017. The Government is currently considering its response to the Review.	
<b>1.c</b> Conducting a comprehensive stock take of the number and cost of existing regulation with a review every five years.	Not supported	N/A	August - 2017	N/A  This recommendation was not supported due to the complexity and cost of undertaking such a stocktake, which would have to be repeated regularly to remain relevant.	Better Regulation Division, DFSI
<b>1.d</b> Reporting the annual net change in regulatory burden using costs reported in regulatory impact assessments and departmental performance reports	Under consideration	Consideration of the recommendations in the Final Report of the Greiner Review	August - 2017	On Track  This recommendation was considered as part of the Greiner Review. The Government is currently considering its response to the Review.	Better Regulation Division, DFSI
<b>2.</b> Re-establish a program of targeted reductions of unnecessary regulatory instruments, including non-	Under consideration	Consideration of the recommendations in the Final	August - 2017	On Track  This recommendation was considered as part of the Greiner Review. The Government is	Better Regulation Division, DFSI

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legislative instruments, informed by reviews of areas of disproportionate regulatory burden		Report of the Greiner Review		currently considering its response to the Review. The NSW Government has also worked towards the reduction of unnecessary regulation through the <i>Regulatory and Other Legislation (Amendments and Repeals) Act 2016</i> ('Spring Clean Act').	
<b>3.</b> Amend the Guide to Better Regulation so that it:					
<b>3.a</b> Establishes more clearly the roles and responsibilities for DPC and line agencies in assessing new and amended regulatory proposals	Under consideration	Consideration of the recommendations in the Final Report of the Greiner Review	August - 2017	On Track  This recommendation was considered as part of the Greiner Review. The Government is currently considering its response to the Review.	Better Regulation Division, DFSI
<b>3.b</b> Requires that regulatory proposals include an assessment of the overall change in regulatory burden	Under consideration	Consideration of the recommendations in the Final Report of the Greiner Review	August - 2017	On Track  This recommendation was considered as part of the Greiner Review. The Government is currently considering its response to the Review.	Better Regulation Division, DFSI

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<b>3.c</b> Requires non-compliant proposals to be subject to a post-implementation review	Under consideration	Consideration of the recommendations in the Final Report of the Greiner Review	August - 2017	On Track  This recommendation was considered as part of the Greiner Review. The Government is currently considering its response to the Review.	Better Regulation Division, DFSI
<b>3.d</b> Sets minimum requirements for regulatory assessment and review of expedited regulatory proposals, such as for government commitments and sensitive and urgent matters, where these proposals otherwise would not have been exempt	Under consideration	Consideration of the recommendations in the Final Report of the Greiner Review	August - 2017	On Track  This recommendation was considered as part of the Greiner Review. The Government is currently considering its response to the Review.	Better Regulation Division, DFSI
<b>3.e</b> Establishes more clearly the processes and requirements specific to low, medium and high significance proposals, and in doing so minimises overlap and inconsistency with requirements in the <i>Subordinate Legislation Act 1989</i> .	Under consideration	Consideration of the recommendations in the Final Report of the Greiner Review	August - 2017	On Track  This recommendation was considered as part of the Greiner Review. The Government is currently considering its response to the Review.	Better Regulation Division, DFSI

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<b>4.</b> Maintain a central public repository for all final regulatory decisions and regulatory impact assessments	Supported	Complete	August - 2017	Complete  In May 2017, the Better Regulation Division within DFSI created a publically accessible online central repository for all final regulatory decisions and regulatory impact assessments published since July 2015. The Central Repository is maintained on the DFSI Better Regulation webpage at: <a href="http://www.finance.nsw.gov.au/better-regulation/regulatory-impact-assessments/central-repository">www.finance.nsw.gov.au/better-regulation/regulatory-impact-assessments/central-repository</a> .  The repository currently contains documents from DFSI, Health, Industry, Justice, Land and Property Information, Planning and Environment and Transport and Infrastructure.	Better Regulation Division, DFSI
<b>5.</b> Report on completed regulatory assessments, exemptions and non-compliant proposals in an annual report.	Supported	Consideration of the recommendations in the Final Report of the Greiner Review	August - 2017	On Track  DFSI has been examining how to report annually on regulatory assessments. However, the draft Report of the Greiner Review, released in May 2016 made recommendations about annual	Better Regulation Division, DFSI

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				reporting and therefore further implementation of this recommendation has been postponed until the Government considers the Panel's final recommendations.	