

25 August 2016

## **Auditor-General's Report to Parliament Red tape reduction**

Overall, NSW Government initiatives and processes to prevent and reduce red tape were not effective, according to a report released today by the NSW Auditor-General.

In 2015, the Government reported that its red tape reduction initiatives, implemented between 2011 and 2015, had resulted in \$896 million in savings. While these initiatives resulted in some savings, the total value of savings is unknown because estimates for some initiatives were based on unverified assumptions, cost transfers or unrealised projections.

In the absence of an accurate red tape savings figure and a stocktake of regulation, the NSW Government does not have a clear view of what impact its reported red tape savings has had on the overall net burden of red tape in New South Wales.

The 'one-on, two-off' initiative to reduce legislative regulatory burden achieved its numerical target – with approximately four legislative instruments removed for each one added. However, in cost terms, the value of total legislative burden increased by \$16.1 million over the same period despite a reduction in legislative instruments.

The Auditor-General recommends that the Department of Premier and Cabinet set a framework for reducing red tape and re-establish a program of targeted reductions of unnecessary regulations. The most transparent approach to doing this would be to start with a comprehensive stocktake of regulatory burden, so that progress can be accurately tracked and reported. The Department could also build on past work with targeted reviews of areas with more red tape, and better monitor performance against better regulation principles.

The audit also found that there is no effective, central oversight of whether red tape reduction principles are being applied by departments to prevent and reduce red tape. To deal with this, the Auditor-General recommends that clearer processes and responsibilities be established. This will improve the quality of regulatory assessments.

### **Further Information**

A full copy of the report is on the Audit Office website.

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