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16 OCT 2010

Reference no: 810/1179

Senator the Hon Penny Wong
Minister for Finance and Deregulation
Parliament House
CANBERRA ACT 2612

Dear Minister

I am writing in relation to the need to determine arrangements for the application of the Government's Best Practice Regulation Guidelines to undertakings made by the Government in relation to the Australian Greens (the Greens) and to the Independent members of the House of Representatives (the Independents).

The Government agreed to changes to the arrangements applying to Regulation Impact Statements earlier this year. Those changes came into effect on 1 July 2010 and our current requirements are set out in the Best Practice Regulation Handbook, issued by the Office of Best Practice Regulation, within the Department of Finance and Deregulation.

The arrangements require the preparation of Regulation Impact Assessments (RIS) for regulatory proposals likely to have an impact on the business or not-for-profit sector but recognise the different nature of proposals arising from election commitments.

For election commitments:

- a RIS is required for election commitments that are likely to have an impact on business or the not-for-profit sector, unless the impact is minor; and
- the RIS should focus on the impact of the commitment and the manner in which the commitment should be implemented — that is, the RIS does not need to revisit the initial regulatory decision or examine alternative options to the commitment.

The Best Practice Regulation requirements currently do not envisage the particular undertakings made to the Greens and the Independents. I consider that undertakings set out in *The Australian Greens & The Australian Labour Party (The Parties) – Agreement*; *The Australian Labour Party & the Independent Member (Mr Tony Windsor and Mr Rob Oakeshott) ('the Parties') - Agreement*; and *the Hon Julia Gillard & Mr Andrew Wilkie ('the Parties') - Agreement* should be treated consistent with the arrangements which apply to election commitments, for the purposes of the RIS arrangements.

I request that you ask the Office of Best Practice Regulation to adjust the Best Practice

Regulation requirements accordingly.

Yours sincerely



Mark Dreyfus

1/10/10

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