

Impact analysis (IA) process

Step 1: Preliminary analysis

Part A: Is the proposal in scope of the Australian Government Impact Analysis Framework?

- Is the proposal a regulatory policy proposal?
- Does the proposal have material competition impacts?

Regulatory policy proposals are any proposal to establish or reform government rules that set requirements. This includes quasi-regulations, such as industry-government agreements (co-regulation), which influence the behaviour of people, businesses, or community organisations.

Proposals with material competition impacts are those which are expected to have a material (positive or negative) impact on competition in a market. This includes impacting barriers to set-up (or exit) for businesses, organisations or workers, the ability or incentives for businesses to compete, or changes to the choices, information, goods or services available to consumers.

If the answer is **yes** to any of these questions, the proposal is in scope. **Proceed to Step 1, Part B.**

If the answer is **no** to all of these questions, the proposal is out of scope. **No IA required.**

Part B: Is the proposal above an IA framework threshold?

- Is the proposal likely to change regulatory burden by \$20 million or more in total over 10 years?
- Is the proposal likely to have indicative impacts of \$200 million or more annually on the economic and social outcomes for people, businesses, or community organisations?
- Is the proposal likely to disproportionately and significantly impact a cohort, including small businesses, where no other impact assessment applies?

If the answer is **yes** to any of these questions, the proposal is over an IA threshold. **Proceed to Step 2.**

If the answer is **no** to all of these questions, the proposal is not over an IA threshold. **No IA required.**

Step 2: Impact analysis

Part A: IA template

- Has the Prime Minister or the Cabinet called in or required a Detailed IA for the proposal?
- Is the proposal considering introducing a mandatory standard that deviates from existing international standards?

The Dashboard IA is the default requirement unless the proposal meets one of the two criteria listed in this step. Check with the Office of Impact Analysis (OIA) if unsure.

If the answer is **no** to any of these questions, use the Dashboard IA template. **Proceed to Step 2, Part B.**

If the answer is **yes** to any of these questions, use the Detailed IA template and please contact the OIA. **Proceed to Step 2, Part B.**

Part B: Develop the IA

- Fill out the Dashboard IA template, or Detailed IA template if needed.
- Estimate the regulatory burden.

The IA templates and Regulatory Burden Estimation Tool are available on the OIA website.

When completed, **proceed to Step 3.**

Step 3: Assess the IA

- Complete the Self-Assessment Tool.
- Complete the Statement of Sufficiency.

The Self-Assessment Tool is available on the OIA website. The tool can help agencies confirm all IA questions were addressed robustly and that a credible regulatory burden estimate is provided.

Your agency must provide a Statement of Sufficiency for an IA used to support a key decision. This statement must be endorsed by a deputy secretary or equivalent.

When completed, **proceed to Step 4.**

Step 4: Policy decision

- Confirm the decision-makers are considering a key decision.
- Inform the OIA that the IA is progressing to the decision-maker(s).

A key decision is a decision taken during policy development which is material to the policy parameters. This may include decisions which widen or narrow the scope of a policy response, change who is affected, alter the scale of the intervention, or change or authorise other core design features.

The final decision before a policy is announced, legislation is introduced to parliament, or the policy is otherwise implemented is also a key decision.

Prior to the decision, please inform the OIA that the IA is progressing to the decision-makers. Please provide copies of the IA and the regulatory burden analysis to the OIA.

When completed, the IA moves to the decision-maker who will consider the proposal. **Agencies wait on the announcement of the policy before proceeding to Step 5.**

Policy announcement

Step 5: Publication and reporting

- Review the IA to remove any confidential information (including strategic considerations, fiscal and revenue impact, or other sensitive information) as required.
- Provide the final IA and the Statement of Sufficiency to the OIA for publication. Documents must be final, complete and compliant with accessibility requirements. Please also provide final copies of regulatory burden calculations.

Publication on the OIA website should occur within 5 working days of the announcement.

Please reach out to the OIA as soon as possible after (or just ahead of) announcement to ensure that the reviewed IA is able to be published together with the Statement of Sufficiency and to confirm no other changes were required to be made.

The IA must also be included in any explanatory memorandum or statement giving effect to the policy proposal.

Note: the OIA will confirm with agencies every quarter whether any announcements were made which are required to be published.