



Your Ref: 16169

Mr Jason McNamara
Executive Director
Office of Best Practice Regulation
Department of Prime Minister and Cabinet

Dear Mr McNamara

Single-stage Regulation Impact Statement – Shortage of some species of synthetic greenhouse gases

I am writing in relation to the attached final details-stage Regulation Impact Statement (RIS) prepared by the Department of the Environment concerning transitional exemption provisions for bulk synthetic greenhouse gas importers in advance of the repeal of the equivalent carbon tax.

I am satisfied that the final details-stage RIS addresses the matters raised in your letter of 12 November 2013.

Compliance Cost Estimates

The RIS currently states that no mandatory compliance costs will be imposed on industry by the preferred option. Further explanation has been provided to support this assessment including a summary of stakeholder feedback and a table outlining the expected compliance costs.

RIS Adequacy

The RIS outlines why the grant or rebate option provides less financial or legal certainty for industry. Discussion on why uncertainty makes this option less appropriate than the preferred option has also been included.

The RIS now provides a critical assessment of the claim that the legislation option may result in a \$10.0 million loss to revenue in 2013-2014. The RIS explains what assumptions support this estimate. The revenue loss was agreed by the Treasury.

The Department notes that the revenue loss through a legislative or rebate option may be less than \$10.0 million, as without such an option business might change behaviour and delay importing some bulk synthetic greenhouse gases until after 1 July 2014 in anticipation of non-equivalent carbon tax gas supplies. This is discussed further in the RIS.

I am satisfied that the final details-stage RIS meets the Government's best practice regulation requirements and submit the attached certified final details-stage RIS for assessment against the Australian Government's RIS requirements.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S. Kennedy', written in a cursive style.

Dr Steven Kennedy
Deputy Secretary
Department of the Environment
12 November 2013