



Australian Government

Department of the Prime Minister and Cabinet

Office of Best Practice Regulation

Reference:

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Mr Michael Lye
A/g Deputy Secretary
Department of Social Services

Dear Mr Lye

Single-stage Details Regulation Impact Statement – Paid Parental Leave: Remove Mandatory Employer Role

Thank you for forwarding the details-stage Regulation Impact Statement (RIS) for the above proposal for final assessment on 22 November 2013. I note that you have formally certified the details-stage RIS as required by the best practice regulation requirements.

The OBPR assesses detail-stage RISs for consistency and adequacy—consistency relate to following the prescribed process and adequacy relates to the quality of the analysis. I note our comments of 19 November 2013 on the initial draft have been appropriately addressed, as you confirmed in your letter certifying the final version of the RIS.

I note the department has been consistent with the RIS guidelines, having twice provided a certified details-stage RIS (addressing all seven elements) to the OBPR for the two-pass assessment before the decision-maker considers the RIS.

I note that the details-stage RIS is adequate as it does not contain obvious errors and has a degree of detail and depth of analysis that is commensurate with the magnitude of the problem and the size of the potential impact of the proposal – the Office of Best Practice Regulation (OBPR) considers that the RIS is a category ‘C’ RIS, reflecting that the issue is of medium significance in the broader economy with no material competition impacts.

I note that the regulatory cost savings have been agreed with the OBPR.

I note that the proposal seeks to give effect to one of Coalition’s election commitments on red tape reduction, and is estimated to save employers around \$44 million each year.

The RIS acknowledges that, while employers were not specifically consulted on the proposed start date of 1 March 2014, the feedback from consultation was that the change should occur as soon as practicable as a matter of priority. I note that 1 March 2014 is the earliest date on which the measure could proceed, due to administrative practicalities.

I note that employers can 'opt in' to make payments to employees, should they wish to do so, and providing employees agree to this arrangement.

I note that as no decision has been previously announced an options-stage RIS was not required, and that this was flagged in the RIS.

The Government's *Best Practice Regulation Handbook* (July 2013), at paragraph 6.4, requires that for legislation which is tabled in the Parliament, a copy of the details stage RIS must be included in the explanatory memorandum (for primary legislation) or the explanatory statement (for legislative instruments). Please ensure that your officers provide the OBPR with a copy of (or link to) the explanatory memorandum or explanatory statement when these are made public.

Additionally, the OBPR maintains a RIS website and the Government requires that details stage RISs be posted within five business days of a regulatory decision being publicly announced. We would appreciate you advising us when a decision on this proposal is announced, and forwarding a final copy of the details-stage RIS in *Microsoft Word .doc* format in a form meeting the Australian Government's *Web Content Accessibility Guidelines*. We suggest liaising with your web services team to ensure these guidelines are met. The OBPR should be consulted if the details-stage RIS is amended. It is the agency preparing the RIS, not the OBPR, which is responsible for the content of the published details stage RIS.

The website provides a public comment facility on RISs posted on the site. The OBPR moderates this facility for offensive content but does not moderate debate.

Please retain this letter as a record of the OBPR's advice. Our reference number for this issue is 16192. If you have any further queries, please do not hesitate to contact me on 6215 3859.

Yours sincerely



Jason McNamara
Executive Director
Office of Best Practice Regulation
28 November 2013