



## Australian Government

### Department of the Prime Minister and Cabinet

#### Office of Best Practice Regulation

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Ms Jan Adams  
Deputy Secretary  
Department of Foreign Affairs and Trade  
John McEwen Crescent  
BARTON ACT 0221

Dear Ms Adams

### **Regulation Impact Statement – Korea-Australia Free Trade Agreement**

Thank you for forwarding the Regulation Impact Statement (RIS) for the Korea-Australia Free Trade Agreement (KAFTA) on 23 January 2014. I note that you have formally certified the RIS as required by the best practice regulation requirements.

The OBPR assesses 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 14 January 2014 on the initial draft have been appropriately addressed, as you confirmed in your letter certifying the final version of the RIS.

I note the agency has been consistent with the RIS guidelines, having twice provided a certified RIS to the OBPR for the two-pass assessment before the decision-maker considers the RIS.

I note that the 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.

I note that the regulatory costs have been agreed with the OBPR.

The RIS notes that KAFTA is expected to deliver significant market access improvement and significant tariff liberalisation for Australia’s merchandise exports to Korea. The RIS notes further that economic modelling predicts that Australian exports to Korea would be 25 per cent higher after 15 years of KAFTA’s entry into force than a scenario in which Australia does not enter a FTA with Korea. However, I note that the implications of KAFTA on domestic manufacturing will be mixed.

The Government’s *Best Practice Regulation Handbook* (July 2013), at paragraph 6.4, requires that a copy of the RIS is tabled in Parliament alongside the National Interest

Analysis (NIA) for the Korea-Australia Free Trade Agreement. To ensure this requirement is met, would your officers please provide the OBPR with a link to the Joint Standing Committee on Treaties web page when the text, NIA and RIS have been published?

Additionally, the Office of Best Practice Regulation (OBPR) maintains a RIS website and the Government requires that RISs for treaties be posted within 5 business days of a decision to sign the treaty being publicly announced. We would appreciate you advising us when this occurs, and forwarding a final copy of the 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 RIS is amended before being made public. It is the agency preparing the RIS, not the OBPR, which is responsible for the content of the published 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 16339. If you have any further queries, please do not hesitate to contact me.

Yours sincerely

Jason McNamara  
Executive Director  
Office of Best Practice Regulation  
15 April 2014