



**Australian Government**  
**Department of Foreign Affairs and Trade**

**Deputy Secretary**

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5 March 2015

Mr Jason McNamara  
Executive Director  
Office of Best Practice Regulation  
Department of the Prime Minister and Cabinet  
1 National Circuit  
BARTON ACT 2600

Dear Mr McNamara

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the China-Australia Free Trade Agreement (ChAFTA).

Further to your letter of 19 February 2015 and discussions between DFAT and your office, the regulatory burden to business, community organisations and/or individuals has been quantified. These have been agreed with your office.

I am satisfied the revised RIS addresses to the extent necessary the issues raised in your letter of 19 February 2015. Specifically, the revised RIS includes more detailed analysis of the effect of tariff reductions on Australian producers, exporters, importers, and consumers, and the effects on trade in services between the two countries.

The revised RIS also includes updated regulatory burden estimates to take into account the expected increased number of businesses seeking certificates of origin under ChAFTA; and also the expected decrease in the number of investment proposals required to be notified by Chinese private investors under Australia's Foreign Investment Policy as a result of the raised foreign investment screening thresholds which apply to those investors. Taken together, we estimate that these changes result in a modest reduction in the regulatory burden for business.

DFAT is happy to work further with your office, as appropriate. I note DFAT will also release the full text of the agreement and a National Interest Analysis after signature of ChAFTA.

I am satisfied the RIS now meets best practice consistent with the *Australian Government Guide to Regulation*.

I submit the RIS to the Office of Best Practice Regulation for formal final assessment.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jan Adams". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jan Adams PSM