



Australian Government

Department of the Prime Minister and Cabinet Office of Best Practice Regulation

Reference:

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Mr Rob Heferen
Executive Director
Revenue Group
The Department of the Treasury

Dear Mr Heferen

Final Regulation Impact Statement – CPI indexation of fuel excise and excise-equivalent customs duty

Thank you for forwarding the Regulation Impact Statement (RIS) for the above proposal for final assessment on 16 June 2014. I note that you have formally certified the RIS as required by the best practice regulation requirements.

The Office of Best Practice Regulation (OBPR) assesses RISs for consistency and adequacy – consistency relates to following the prescribed process and adequacy relates to the quality of the analysis.

I note the agency has been consistent with the RIS guidelines, having provided a certified RIS (addressing all seven elements) to the OBPR for final assessment before the decision-maker considers the RIS.

The OBPR has assessed the proposal as having medium regulatory impacts with an appreciable impact on the wider economy. I note that the final RIS is compliant as it does not contain obvious errors and regulatory costs and cost offsets have been agreed with the OBPR. The OBPR agrees the RIS meets best practice requirements.

The proposal relates to a revenue measure and as such need only address the best means of implementing the proposed measure. The options identified relate largely to different means of implementing the proposed measure.

The RIS includes a high-level estimate of the revenue implications of the proposal, which is expected to generate \$2.2 billion in revenue over the forward estimates period. The RIS also provides an overview of the consultation process and the consultation responses of key industry stakeholders.

The RIS notes that the price impact of any increase in fuel excise and excise equivalent customs duty will fall most heavily on households and owners of light commercial vehicles used on-road.

For legislation which is tabled in the Parliament, a copy of the final, compliant 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 RISs be posted within 5 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 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. 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 17029. If you have any further queries, please do not hesitate to contact me.

Yours sincerely



Jason McNamara
Executive Director
Office of Best Practice Regulation
16 June 2014