



Australian Government

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

Reference: 19276
Telephone: 6271 6270
e-mail: helpdesk-obpr@pmc.gov.au

Mr Shane Carmody
Deputy Secretary
Department of Infrastructure and Regional Development

cc. Regulatory Reform Unit

Dear Mr Carmody

Regulation Impact Statement – Second Pass Assessment – Enhancing US-Bound Air Cargo Security

Thank you for submitting the Regulation Impact Statement (RIS) for the above proposal to the Office of Best Practice Regulation (OBPR) for second-pass final assessment which we received on 27 July 2016. I note that the RIS has been formally certified at the Deputy Secretary level, consistent with best practice requirements.

I note that the RIS addresses the four concerns raised in our letter of 23 December 2015. In particular, it now:

- more clearly explains how the proposed known consignor scheme will work in relation to the existing arrangements;
- includes more details about how exactly the scheme will affect participants;
- examines the benefits and costs of the proposal in a manner commensurate with the likely impacts; and
- includes information about the feedback received during consultation with stakeholders.

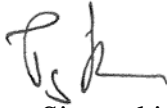
Accordingly, the RIS is compliant. However, the RIS is not yet consistent with best practice because it does not identify regulatory offsets for the net increase in regulatory burden associated with the proposed options, or, in the absence of regulatory offsets, does not warrant that the Department will meet its regulatory target over the relevant reporting period. This is a requirement under the Government's RIS system, which also stipulates that the OBPR needs to respond to a second pass RIS within five working days.

The OBPR will be able to assess the RIS as compliant and best practice, subject to the above Government requirements in regard to the identification of offsets/inclusion of a warranting statement being met.

An updated letter/RIS should be provided to the OBPR addressing this point as soon as possible.

Please retain this letter as a record of the OBPR's advice. Our reference number for this matter is 19276. If you have any further queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'T. Simovski', with a stylized flourish at the end.

Tony Simovski
A/g Deputy Executive Director
Office of Best Practice Regulation
3 August 2016