



Australian Government
**Department of Agriculture
and Water Resources**

Ms Tanja Cvijanovic
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Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
One National Circuit
BARTON ACT 2600

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Dear Ms Cvijanovic

REGULATION IMPACT STATEMENT FOR EARLY ASSESSMENT

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for Export tariff rate quota regulatory streamlining (OBPR ID 20350).

I believe the RIS meets best practice requirements and is consistent with the ten principles for Australian Government policy makers.

At this stage the Department of Agriculture and Water Resources has analysed previous reviews of quota administration alongside historical statistics and experience. From this the department has been able to illustrate the primary problems currently being faced in the administration of quota. In late 2015 the department met with relevant industry bodies to discuss the management of quotas, during which it was agreed that the best option was for continued government regulation. As such, government action is necessary to address the issues.

From the above analysis the department was able to identify possible options for resolving the issues being faced, including the likely benefits of each. The RIS includes the plan for consultation with the affected industry bodies and stakeholders.

In particular, the RIS addresses the first four RIS questions:

- What is the problem? – There are significant differences in the regulation between quotas which has resulted in complex, inequitable and inconsistent outcomes.
- Why is government action needed? - Changes to the regulations are necessary to correct the inconsistencies in quota administration and to improve the outcomes in relation to the quota principles, to the benefit of Australian exports.
- What policy options are you considering? - the department is considering three viable options;
 - Option 1- remaining with the status quo.
 - Option 2 - adopting a first come, first served system, representing the non-regulatory option.
 - Option 3 - streamlining of certification and entitlement processes to reduce the number of allocation mechanism.

Each option represents a genuine proposal that can be posed to stakeholders.

- What is the likely net benefit of each option? –
 - Option 1, being the status quo, is net neutral.
 - Option 2 is estimated to reduce regulatory costs by \$26 000 per annum.
 - Option 3 is estimated to increase regulatory costs by \$8 000 per annum but is expected to deliver a range of system improvements and efficiencies to the benefit of exporters.

In addition:

- the change in regulatory burden on business, community organisations and/or individuals has been quantified using the Regulatory Burden Measurement framework. Offsets have not been identified for this measure. The department warrants that the portfolio will meet the objective of the government's regulatory reform agenda in 2017 and will identify an offset for this measure and report it at a later date.
- an appropriate consultation plan is described.

I submit the certified RIS to the Office of Best Practice Regulation for early assessment, consistent with best practice.

Yours sincerely



David Parker
Deputy Secretary
Department of Agriculture and Water Resources

3 March 2017