



Australian Government
**Department of Industry,
Innovation and Science**

Wayne Poels
Deputy Executive Director
Office of Best Practice Regulation
1 National Circuit
BARTON ACT 2600

Dear Mr Poels

Regulation Impact Statement for final assessment (second pass)

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the Australian Domestic Gas Security Mechanism (OBPR ID 22290). The regulatory burden to industry has been quantified using the Regulatory Burden Measurement framework with estimates agreed by your office, and I am confident these will be offset by other measures within the portfolio.

I am satisfied the RIS addresses the comments raised in your letter of 8 June 2017. Specifically, the RIS now:

- Clarifies the definition of a shortfall, how long term export contracts have affected domestic gas supply and how a shortfall in gas supply can affect gas prices;
- Specifies the impact of possible solutions to the current gas supply shortfall and the implications that these options have on industry, both internationally and domestically;
- Details how government intervention in the gas market results in net economic benefit to Australia;
- Explains that regulatory costs will be offset in future years.

Accordingly, I am satisfied that 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 blue ink, appearing to read 'Mike Lawson', with a long, sweeping flourish extending to the right.

Mike Lawson
Deputy Secretary
Department of Industry, Innovation and Science

13 June 2017

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Industry House - 10 Binara Street, Canberra City, ACT 2601
GPO Box 9839 Canberra ACT 2601 ABN: 74 599 608 295