



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

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

Email: helpdesk-OBPR@pmc.gov.au


Dear Mr Lange

Regulation Impact Statement –final assessment second pass

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for examining franchise relationships between car manufacturers and new car dealers (OBPR ID 24236). The regulatory burden to business, community organisations and/or individuals has been quantified. A regulatory offset has not been identified, however, the Department of Industry, Innovation and Science is seeking to pursue net reductions in compliance costs and will work with affected stakeholders and across Government to identify regulatory burden reductions where appropriate. The regulatory burden has been agreed with your office.

I am satisfied that the RIS addresses the concerns raised in your letter of 15 March 2019. In response to the feedback we have included:

- additional clarification of the problem and justification for adjusting the Government intervention;
- a description of the Government's objectives in implementing the proposed regulatory reforms;
- an explanation of the RIS findings and how they correspond and differ with the recommendations made in the Parliamentary Joint Committee on Corporations and Financial Services' *Fairness in Franchising* report;
- analysis and justification regarding why the proposed multi-franchisee mediation process is voluntary and not mandatory for franchisors to attend; and
- further information regarding the collective bargaining amendments being reviewed by the Australian Competition and Consumer Commission.

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



Mike Lawson
Deputy Secretary
Department of Industry, Innovation and Science

9 October 2019