



Australian Government

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

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Ms Roxanne Kelley
Deputy Secretary
Corporate and Foreign Investment Group
Treasury

Dear Ms Kelley

Regulation Impact Statement – Second-Pass Final Assessment – Foreign Investment Reform Package 2020

Thank you for your letter received on 8 October 2020 submitting a Regulation Impact Statement (RIS) on Foreign Investment Reforms for formal second-pass Final Assessment. I note the RIS has been formally certified at the Deputy Secretary level consistent with the *Australian Government Guide to Regulatory Impact Analysis*.

I appreciate the Treasury's constructive engagement on the RIS. The Office of Best Practice Regulation's (OBPR's) assessment is that the quality of the regulatory impact analysis in the RIS is good practice.

The RIS addresses the seven RIS questions and follows an appropriate policy development process commensurate with the significance of the problem and magnitude of the proposed intervention. However, the RIS contains a small number of elements that could have been improved. In particular, given the importance of foreign investment in Australia, the RIS itself could have provided a more fulsome picture of the total costs and benefits for each of the explored options using quantitative and/or qualitative analysis as appropriate.

Nonetheless, the analysis in the RIS is good quality overall, and it may now be provided to the decision-maker to inform a final decision.

I note the Treasury will undertake a post-implementation review (PIR) of these reforms by 2025, in recognition of the fact that foreign investment is vital to Australia's economic growth and prosperity.

I would appreciate the Treasury advising the OBPR when a final decision has been announced, and forwarding a copy of the RIS in a form meeting the Government's accessibility requirements. The OBPR will then publish the RIS along with your certification, this assessment, and details of the PIR on the OBPR's website at www.ris.pmc.gov.au.

If you have any further queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jason Lange'. The signature is fluid and cursive, with the first letter 'J' being particularly large and stylized.

Jason Lange
Executive Director
12 October 2020