



Australian Government

Department of the Prime Minister and Cabinet

Office of Best Practice Regulation

Reference: 25694

Telephone: 6271 6270

e-mail: helpdesk-obpr@pmc.gov.au

Ms Meghan Quinn
Deputy Secretary
Markets Group
Department of the Treasury

Dear Ms Quinn

Regulation Impact Statement – Second-Pass Final Assessment – Insolvency reforms to support small business

Thank you for your letter received on 27 November 2020 submitting a Regulation Impact Statement (RIS) on insolvency reforms to support small business 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 Department of the Treasury's (the Treasury's) constructive engagement on this RIS, and the effort invested in addressing the Office of Best Practice Regulation's (OBPR's) first-pass Final Assessment comments.

The OBPR's assessment is the quality of the regulatory impact analysis in the RIS, and the process that underpinned it, is adequate.

While the RIS addresses the seven RIS questions, it contains some elements which could have been improved. To achieve good practice, the RIS would have benefitted from an appropriate level of consultation on all of the options. For example:

- a less-compressed consultation timeframe would have provided stakeholders with more opportunity to provide considered feedback to better influence the development of the proposal; and
- releasing the RIS for consultation would have demonstrated genuine consultation on Option 3, and provided the necessary validation of the costs and benefits which would help provide certainty that the preferred option (Option 2) will deliver the highest net benefit, particularly as the preferred option delivers lower estimated regulatory cost savings while achieving similar total costs and benefits as Option 3.

The RIS may now be provided to the decision maker to inform their final decision.

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 publish the RIS, along with your certification and this assessment, on the OBPR's website 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', written in a cursive style.

Jason Lange
Executive Director
3 December 2020