



Australian Government

Department of the Prime Minister and Cabinet

Office of Best Practice Regulation

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Ms Maryanne Mrakovcic
Deputy Secretary
Revenue Group
The Treasury

Dear Ms Mrakovcic

Regulation Impact Statement – Second-Pass Final Assessment – Unlawful activity – changes to governance standards for registered charities

Thank you for your letter received on 14 May 2021 submitting a Regulation Impact Statement (RIS) on Unlawful activity – changes to governance standards for registered charities 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's constructive engagement on the RIS.

The Office of Best Practice Regulation's (OBPR's) assessment is that the RIS is adequate when considered in light of reasonable community expectations, however I note that more thorough impact analysis was limited by the Treasury's inability to provide evidence of suspected non-compliance with governance standard three, as explained in your certification letter.

To be considered 'good practice' as per the *Australian Government Guide to Regulatory Impact Analysis*, the RIS would have benefitted from:

- more evidence, by way of stakeholder feedback and relevant data, to support the identified problem that there is uncertainty and complexity for the ACNC, charities and the community more broadly in understanding the scope of unlawful activities due to jurisdictional differences in the law; and
- more robust impact analysis, as informed by stakeholder feedback and relevant data, to justify the preferred policy option.

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

We would appreciate you advising us 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 <https://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
18 May 2021