



Australian Government

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

Reference: 24692

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Ms Elisabeth Bowes
First Assistant Secretary
Regional Trade Agreements Division
Department of Foreign Affairs and Trade

Dear Ms Bowes

Regulation Impact Statement – Second Pass Final Assessment – Free Trade Agreement between Australia and the United Kingdom of Great Britain and Northern Ireland

Thank you for your letter received on 25 November 2021 submitting a Regulation Impact Statement (RIS) on a proposal for Australia to sign a Free Trade Agreement with the United Kingdom of Great Britain and Northern Ireland, for formal Second Pass Final Assessment. I note you have formally certified the RIS 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 quality of the regulatory impact analysis in the RIS is adequate and therefore sufficient to inform a decision.

I note your letter highlights the challenges in quantifying the costs and benefits of some aspects of the proposed agreement. To be considered 'good practice' as per the *Australian Government Guide to Regulatory Impact Analysis*, the RIS would need to have forecast the impact on trade resulting from the agreement, to provide a clearer comparison to the status quo and allow for a more definitive conclusion on whether signing the agreement will result in a net benefit for Australia.

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

We would appreciate you advising us when a final decision has been announced. The OBPR will publish the RIS, along with your certification and this assessment, on the OBPR's website <https://obpr.pmc.gov.au/>.

Given the RIS identifies potentially far-reaching impacts for Australian businesses, consumers, and the economy as a whole, a Post-Implementation Review of this agreement will be required within 5 years of the agreement being signed.

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', with a large, stylized initial 'J'.

Jason Lange
Executive Director
29 November 2021