



Australian Government
**Department of Agriculture,
Water and the Environment**

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 – PATHWAY TO A NATIONAL BIODIVERSITY
STEWARDSHIP MARKET – SECOND PASS FINAL ASSESSMENT**

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the National Biodiversity Stewardship Market.

I am satisfied that the RIS addresses the concerns raised in your correspondence in January 2022. Specifically, a comprehensive review and edit was undertaken to ensure consistency and integrity of the messages being conveyed. Moreover, a revision of the impact analysis chapter was undertaken to clarify the net benefit of the options. Finally, consequential changes were made to the chapters about the Recommended Option and Implementation resulting from the revisions to the impact analysis chapter.

The regulatory burden measurement costs associated with the Biodiversity Stewardship Market are \$1,700,000 annually. There are likely to be options to reduce this in the longer term as the market establishes and new ways to administer the scheme emerge. The Department will also be considering cost recovery options in future funding decisions. I also note there is the potential for flow through benefits to other regulatory schemes, for example by broadening the national supply of environmental offsets.

Accordingly, I am satisfied that the RIS is now consistent with the six principles for Australian Government policy makers as specified in the *Australian Government Guide to Regulatory Impact Analysis*.

I submit the RIS to the Office of Best Practice Regulation for formal final assessment.

Yours sincerely

Rachel Connell
A/Deputy Secretary
Department of Agriculture, Water and the Environment
3 February 2022