



## Australian Government

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

Reference: OBPR21-01137  
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Ms Maryanne Mrakovcic  
Deputy Secretary  
Revenue Group  
Department of the Treasury

Dear Ms Mrakovcic,

#### **Regulation Impact Statement – Second Pass Final Assessment – Patent Box**

Thank you for your letter received on 19 January 2022 submitting a Regulation Impact Statement (RIS) 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* (the Guide).

I appreciate the Department of the Treasury's (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 adequate and therefore sufficient to make a decision.

To be considered 'good practice' as per the Guide, the RIS would have benefited from:

- further analysis of the problem to demonstrate that the lack of a 'patent box' in the medical and biotechnology sector is a significant deterrent for innovation and investment in Australia;
- greater development of the response to the second RIS question, "Why is government action needed?", in addition to analysing why non-government alternatives were not considered to be feasible; and
- more detailed explanation in the implementation section outlining proposed evaluation metrics to monitor the success of the regime against its policy objectives.

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

## Next steps

After a final decision has been announced, I ask that Treasury officials work with the OBPR to finalise this material for public release. This includes providing a copy of the RIS in Word and PDF formats for web accessibility purposes. The RIS must be included in any Explanatory Memorandum or Statement giving effect to the proposals in the RIS.

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  
24 January 2022