



## Australian Government

### Department of the Prime Minister and Cabinet

#### Office of Best Practice Regulation

Reference: OBPR22-01687

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Ms Frances Lisson  
First Assistant Secretary  
Department of Foreign Affairs and Trade

Dear Ms Lisson,

### **Regulation Impact Statement – Second Pass Final Assessment – Australia-India Economic Cooperation and Trade Agreement**

Thank you for your letter received on 28 March 2022 submitting a Regulation Impact Statement (RIS) on the Australia-India Economic Cooperation and Trade Agreement for formal Second Pass Final Assessment. I note the RIS has been formally certified at the First Assistant Secretary level consistent with the Department's delegated authority.

The Office of Best Practice Regulation's assessment is that the quality of the regulatory impact analysis in the RIS is adequate and therefore sufficient to inform a decision.

That said, the RIS does not clearly demonstrate that the agreement achieves a net benefit for the Australian economy. The analysis is not commensurate with the claimed magnitude of benefits from entering the agreement, and does not forecast the anticipated changes in trade volumes as a result.

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

- Providing economic modelling and updated GDP figures to forecast the anticipated benefits to be achieved, indicating the value of trade creation and impacts on Australia's macroeconomic indicators, or indicating that the anticipated benefits are not large enough to justify this depth of analysis;
- Clarifying what proportion of trade in the agreement is analysed in the case studies in the RIS to ensure the majority of the agreement is captured in the analysis; and
- Considering any regulatory burden accruing to Australian importers of products from India in the regulatory burden estimate.

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 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://obpr.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 'Rob Reilly', with a stylized flourish at the end.

Rob Reilly  
Acting Executive Director  
28 March 2022