

DEPUTY SECRETARY

Mr Jason Lange Executive Director

Office of Best Practice Regulation Department of the Prime Minister and Cabinet 1 National Circuit

BARTON ACT 2600

Dear Mr Lange

**Regulation Impact Statement – Measurement Law Review – First Pass Final Assessment**

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the Measurement Law Review.

I consider the RIS meets the requirements set out in the *Australian Government Guide to Regulatory Impact Analysis* and is consistent with the six principles for Australian Government policy makers.

In particular, I note the RIS addresses the seven RIS questions:

* **What is the policy problem you are trying to solve?** – Australia’s measurement legislation underpins significant economic and social outcomes. The current legislation is outdated, imposes unnecessary regulatory burden and does not adequately support future industry or government needs. Modern legislation will minimise burden on industry, ensure continued confidence in measurement and adapt to evolving measurement needs.
* **Why is government action needed?** – The Australian Government has constitutional responsibility for weights and measures. Without change, the measurement legislation will become increasingly outdated, limit innovation and growth, and impact Australia’s ability to maintain its international standing and obligations. The Government is best placed to ensure a level playing field for industry and consumers to operate within.
* **What policy options are you considering?** – The RIS offers three options for regulatory reform compared alongside the status quo.
  + Option 1 (streamline with minimal change) simplifies the legislation and reduces prescription by taking a principles-based approach with minimal change in scope.
  + Option 2 (flexible and future-focused) proposes option 1’s changes, plus further reform by significantly increasing flexibility and support for innovation.
  + Option 3 (flexible with additional regulatory powers) extends option 2 with appropriate powers to regulate measurements relied upon by other policy owners.
* **What is the likely net benefit of each option?**
  + Option 1 provides an overall positive impact on stakeholders but only partially delivers key policy principles. It has the lowest quantifiable reduction in regulatory burden ($8.4m per year) and has limited ability to support future innovation.
  + Option 2 has the greatest net benefit to stakeholders and best delivers key policy principles. It provides a strong overall combination of changes to reform the measurement framework and maintain it into the future. Option 2 provides the equal highest quantifiable reduction in regulatory burden ($8.5m per year).
  + Option 3 provides many of the same benefits as option 2, including equal highest quantifiable reduction in regulatory burden ($8.5m per year). However, it comes at additional cost to government and has the potential to increase regulatory burden.
* **Who did you consult and how did you incorporate their feedback?** – The department raised stakeholder awareness of the Consultation RIS through activities such as news articles, email updates and a media release. Feedback was obtained from industry, peak industry bodies, consumers, consumer associations and government stakeholder groups through public submissions, virtual town hall discussions and targeted one-on-one meetings. The options were adjusted to incorporate some minor changes following stakeholder feedback, but did not require substantial changes from the draft reform options presented for consultation.
* **What is the best option from those you have considered?** – Analysis and consultation confirm option 2 (flexible and future-focused) remains the recommended option as it:
  + Provides the equal highest quantifiable reduction in annual regulatory burden of $8.5 million.
  + Offers the greatest alignment with policy objectives, ensuring industry is best positioned to develop and adopt new technologies under modern regulation.
  + Balances flexibility for industry with ensuring continued confidence in the measurement system both domestically and internationally.
  + Provides the greatest net benefit to affected stakeholders.
* **How will you implement and evaluate your chosen option?** – The new legislation will be introduced before the current regulations sunset (1 April 2024). The RIS presents a three phase implementation plan to establish and administer the new legislation:
  + Initial phase (2022-2024): legislative drafting commences and may involve consultation on specific issues.
  + Second phase (2024-2026): education campaigns and transitional arrangements (such as grace periods) to help stakeholders transition to the new laws.
  + Final phase (2026 onwards): evaluation of reforms and review of exemptions.

I note that the RIS includes a description of the status of the RIS at each major decision point in the proposal’s development.

I confirm the RIS identifies the regulatory costs of each option, and identifies offsets.

I submit the RIS to the Office of Best Practice Regulation for formal First Pass Assessment. If you have any further queries, please do not hesitate to contact me on 02 6102 8830.

Yours sincerely



Mary Wiley-Smith Deputy Secretary 24 September 2021