



Mr Jason Lange
Executive Director
Office of Impact Analysis
Department of the Prime Minister and Cabinet
1 National Circuit BARTON ACT 2600

Dear Mr Lange

Impact Analysis – Modernising the agricultural levies legislation – Second Pass Final Assessment

I am writing in relation to the attached Impact Analysis prepared for ‘Modernising the agricultural levies legislation’.

I am satisfied that the Impact Analysis (IA) addresses the concerns raised in your letter of 27 June 2023. Specifically, additional detail has been included in the IA in relation to:

- Estimating the overall regulatory burden attributable to agricultural levies legislation: The IA now explains that an assessment of overall regulatory burden associated with the agricultural levies legislation has not been undertaken, due to the effort and imposition on stakeholders that would be required to develop a comprehensive estimate. Instead, the CBA focused on measuring the impact of modernising the agricultural levies legislation against the status quo. The department is aware of the value placed on the levy system by industry stakeholders, and the importance of supporting it with an effective legislative framework that imposes minimum regulatory burden. The changes proposed in the modernised levies legislation intend to deliver this outcome.
- Clarifying objectives and why the non-regulatory option is not being progressed.
- A structured approach to risk management: Additional detail has been added to 6.2 (Implementation) to expand on the discussion of risks.
- Detailed plan for evaluation: A preliminary evaluation plan has been added to Chapter 7 outlining key metrics and monitoring, reporting and evaluation activities.

The Department determined only two options as feasible for consideration in the IA. A non-regulatory option would not meet the fundamental requirement that industry can request levies to be imposed through legislation. It would pose an unacceptable risk to agricultural industries and would adversely impact on Australia's economy.

The regulatory cost to the economy from modernising the agricultural levies legislation is \$1.82 million (net present value over 10 years). Of these costs approximately \$570,000 is likely to be borne by industry for compliance and \$1.25 million borne by government for administration. The costs are likely to break-even if the proposed changes are effective in reducing regulatory burden by as little as 1%.

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

I submit the Impact Analysis to the Office of Impact Analysis for formal final assessment.

Yours sincerely



Rosemary Deininger
Deputy Secretary
Department of Agriculture, Fisheries and Forestry

5 July 2023