



Mr Rob Reilly
A/g Executive Director
Office of Impact Analysis
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600
Email: Helpdesk-OIA@pmc.gov.au

Dear Mr Reilly,

Impact Analysis – Strengthening Australia’s Export Control Framework – Second Pass Final Assessment

I am writing in relation to the attached Impact Analysis (IA) prepared for Strengthening Australia’s Export Control Framework (OIA Reference 23-05246) at **Attachment A**.

I am satisfied that the IA addresses the feedback provided as part of the First Pass Assessment – Strengthening Australia’s Export Control Framework in your letter of 31 October 2023. Specifically, I confirm the analysis:

- Demonstrates the distributional impacts of the current problem and the proposed options. Question 1 has been strengthened by identifying how stakeholders are impacted by the problem; inclusion of international evidence to demonstrate the magnitude of the problem globally and how it is being addressed internationally; and increasing the depth of discussion on data used to underpin the IA. Question 4 was also strengthened to demonstrate the distributional impacts on different stakeholders across all options.
- Provides a higher level of detail on the proposed options and how they would function. Question 3 has been strengthened by including greater detail on the exceptions that would apply in Option 2A to assist in better delineation between Option 2A and Option 2B.
- Tests assumptions underlying the estimation of costs and benefits with stakeholders. Targeted consultation across Government and with four industry and three academic and research institutions was undertaken on the IA post the First Pass Assessment to test the assumptions and the costs and benefits outlined in Question 4. This included

providing copies of the First Pass IA and conducting briefings on the economic modelling.

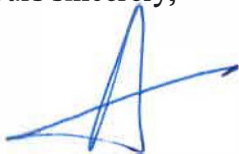
The quantified costs of introducing legislation with complementary exemptions (Option 2A) would have a net present value of AUD\$93 million on the Australian economy over a 10-year period. The quantified benefits of Option 2A would have a net present value of AUD\$614 million on the Australian economy over a 10-year period.

Accordingly, I am satisfied that the IA 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 IA to the Office of Impact Analysis for formal final assessment. I acknowledge OIA will publish this letter for transparency purposes.

I would like to thank the Office of Impact Analysis again for your assistance in the completion of the IA throughout the development of these important reforms.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'H. Jeffrey', with a long horizontal stroke extending to the right.

Hugh Jeffrey
Deputy Secretary
Strategy, Policy, and Industry
Department of Defence
20 November 2023