



Mr Dean Knudson  
Deputy Secretary  
The Department of Climate Change, Energy, the Environment and Water

Dear Mr Knudson,

### **Impact Analysis – Second Pass Final Assessment – Environmentally Sustainable Procurement Policy**

Thank you for your letter of 16 February 2024 submitting an Impact Analysis (IA) for formal Second Pass Final Assessment. I note the IA has been formally certified at the Deputy Secretary level consistent with the Australian Government Guide to Policy Impact Analysis.

I appreciate the Department's constructive engagement on the IA.

The Office of Impact Analysis' (OIA) assessment is that the quality of the analysis in the IA is 'Good Practice'.

The IA addresses the seven IA questions and follows an appropriate policy development process commensurate with the significance of the problem and magnitude of the proposed intervention. In particular, the IA presented very useful detail on the genuine and viable policy options, demonstrated significant effort to incorporate stakeholder views, offered a very clear decision-making framework and illustrated the extent to which the policy would meet the stated objectives.

To be considered 'Exemplary', the IA would have included a more detailed description of the various stakeholder cohorts as part of the problem definition and also provided information on the lessons from international experiences in the delivery of comparable policies. The IA would also have been improved through the inclusion of a clearer rationale for the treatment of resource transfers and more detailed results - and associated interpretation - of sensitivity analysis.

## Next steps

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

If you have any further queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads "DCraig". The letters are cursive and fluid, with the "D" and "C" being particularly prominent.

Daniel Craig  
A/g Executive Director  
Office of Impact Analysis  
26 February 2024