



Australian Government
Department of Social Services

Ms Joanna Abhayaratna
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 Ms Abhayaratna

Impact Analysis – Resolution Approach to Income Apportionment – Second Pass Final Assessment

I am writing in relation to the attached Impact Analysis (IA) prepared for the resolution of income apportionment.

I am satisfied the IA addresses the concerns raised in your letters of 18 July 2025, concerning the First Pass drafts on this issue. Specifically, it:

- ensures the objectives of Government action established in question 2 of the IA match the criteria used to analyse the net benefit of the proposed options, and explains the extent to which the proposed options achieve these objectives
- methodically analyses the impacts of the options
- provides explicit evidence-based details of the consequences of income apportionment, including impacts on individuals' wellbeing
- provides a more detailed overview of the status quo, and the benefits of alternative policy options by comparison.

The regulatory burden to business, community organisations or individuals for the preferred approach is quantified using the Australian Government's Regulatory Burden Measurement framework and is provided below.

Regulatory burden estimate table -Retrospective validation

Average annual regulatory costs over 10 years (from business as usual)				
Change in costs (\$ million)	Individuals	Business	Community	Total change in costs
Total, by sector	0.08	-	0.20	0.28

Regulatory burden estimate table - Resolution Scheme

Average annual regulatory costs over 10 years (from business as usual)				
Change in costs (\$ million)	Individuals	Business	Community	Total change in costs
Total, by sector	5.13	-	0.46	5.59

Accordingly, I am satisfied that the IA is 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.

Yours sincerely



Matt Flavel

26 August 2025