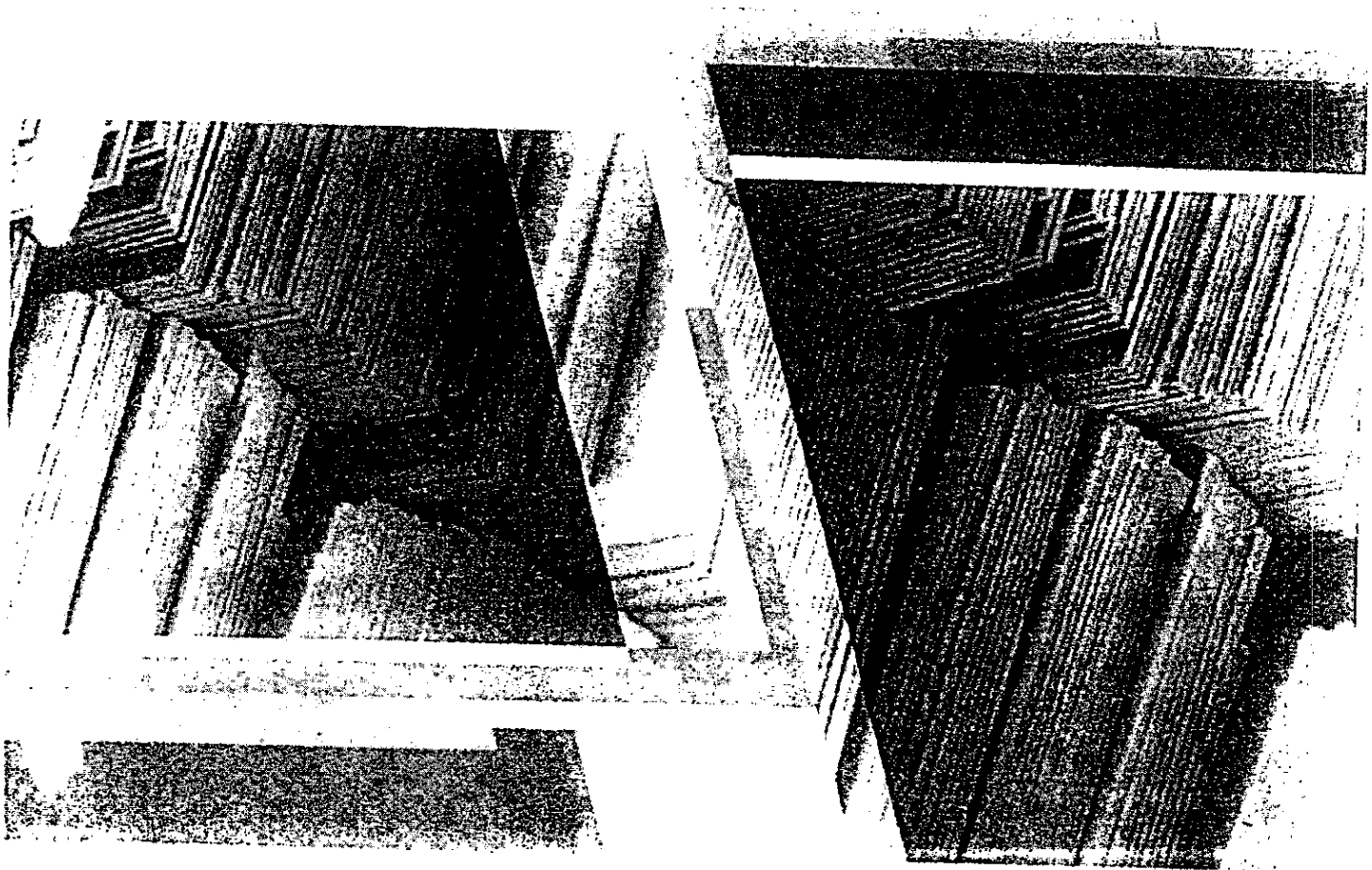




Australian Government



BEST PRACTICE REGULATION PRELIMINARY ASSESSMENT

Best Practice Regulation – Preliminary Assessment

This preliminary assessment form will help you assess whether a regulatory proposal will have a potential impact on business and individuals or the economy, and whether further analysis may be required. This form will guide you through the compliance cost impacts and other impacts of your proposal. You should consult the *Best Practice Regulation Handbook* for more information about the requirements for developing regulatory proposals. All regulatory and quasi-regulatory proposals are subject to these requirements, which are mandated by the Australian Government.

While self-assessment is an option at this stage of the policy development process, you are strongly encouraged to contact the Office of Best Practice Regulation (OBPR) to confirm your preliminary assessment and for advice and support. If you incorrectly assess the impact of your proposal, it may not be allowed to proceed to the decision maker. Contacting the OBPR early in the policy development process will help departments and agencies progress the proposal through decision-making forums, such as Cabinet, in a timely manner; ensure full compliance with the Government's requirements; and avoid the need for post-implementation reviews within one to two years. Note that the preliminary assessment should be informed by consultation with stakeholders.

Department of Health and Ageing

Plain packaging for tobacco products

Consideration of options to prevent tobacco advertising and/or promotion on tobacco product packaging through restricting or prohibiting the use of tobacco industry logos, colours, brand imagery or promotional text.

Section 1: Compliance Costs

The following checklist will help you identify if the proposal has the potential to increase compliance costs.

- | | | |
|--|---|--|
| Will businesses incur extra costs when they are required to <u>report certain events</u> ? | Yes | <input checked="" type="checkbox"/> No |
| Will businesses incur extra costs in <u>keeping abreast of regulatory requirements</u> ? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are costs incurred in <u>seeking permission</u> to conduct an activity? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Will businesses need to <u>purchase materials, equipment or external services</u> ? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will businesses need to <u>keep records</u> ? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Will businesses incur costs when <u>cooperating with audits or inspections</u> ? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will businesses incur costs when <u>producing documents</u> ? | Yes | <input checked="" type="checkbox"/> No |
| Will businesses incur <u>costs from other changes to their procedures or practices</u> ? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are there any <u>other compliance costs</u> including indirect costs or impacts on intermediaries such as accountants, lawyers, banks or financial advisers? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

- ◆ If you have answered 'no' to each of these questions, there would appear to be no compliance costs to business.
You will need to include an explanation of the reason for this assessment at the end of this form.
You can now proceed to section 2.
- ◆ If you have answered 'yes' to any of these questions, you will need to determine if business compliance costs are low.
In general, compliance costs to business would be low when only a few businesses are affected and the costs are negligible or trivial.

For example:

- changes to regulation that are machinery in nature, involving technical changes which will not have an appreciable impact on business and are consistent with existing policy (such as indexation); or
- there would be a very small initial one-off cost to business and no ongoing costs.

Proposals that have a broad impact (that is, affect a large number of businesses), or involve a cost per business that is not negligible (in relation to the size of businesses involved), would not be considered to generate low compliance cost impacts. In these cases, departments and agencies should contact the OBPR, which will determine the level of regulatory impact analysis required.

Will this proposal have low compliance costs on business?

Yes No

- ◆ If you answered 'yes' to this question, you will need to include an explanation of the reason for this assessment at the end of this form. You can now proceed to section 2. If you are unsure, contact the OBPR.
- ◆ If you answered 'no' to this question or are uncertain, please contact the OBPR for advice on the appropriate level of analysis and further information.

Section 2: Other impacts on business and individuals or the economy

You should also identify any other potential impacts on business and individuals or the economy that require or encourage businesses to alter their behaviour.

Regulation has an impact on business and individuals or the economy if it imposes a cost or confers a benefit. This includes proposals that restrict or promote competition. These impacts may be positive or negative, financial or non-financial, direct or indirect, or market or non-market impacts.

The following checklist will help you assess whether a proposal has a potential impact on business and individuals or the economy.

Will the proposal:

Potentially affect the number and range of businesses in an industry?

Yes No

For example:

- change the ability of businesses to provide a good or service;
- change the requirements for a licence, permit or authorisation process as a condition of operation;
- affect the ability of some types of firms to participate in public procurement;
- significantly alter costs of entry to or exit from an industry; or
- change geographic barriers for businesses.

Potentially change the ability of businesses to compete?

Yes No

For example:

- control or substantially influence the price at which a good or service is sold;
- alter the ability of businesses to advertise or market their products;
ban certain types of products or business practices;
- set significantly different standards for product/service quality; or
- significantly alter the competitiveness of some industry sectors

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Potentially affect a business's ability to compete?

Yes No

For example:

- create a self-regulatory or co-regulatory regime;
- impact on the mobility of customers between businesses;
- require/encourage the publishing of data on company outputs/price, sales/cost; or
- exempt an activity from general competition law.

Potentially impact on consumers?

Yes No

For example:

- alter the choices available to consumers;
- affect the quality of consumer products or services;
- create or remove restrictions on access to a product;
- promote or restrict information dissemination to consumers; or
- add to or reduce the complexity of consumer products or services.

Potentially have any other impacts on business and individuals or the economy?

Yes No

For example:

- mandate payments from one party to another (excluding taxes);
- have environmental or social impacts (including distribution of resources);
- create or amend government cost recovery arrangements;
- impact on Australia's international capital flows or trade;
- impact on mobility of labour;
- impact on resource allocation, saving or investment;
- transfer risk between business, individuals and government; or
- impose any other financial costs.

⚡ If you have answered 'no' to each of these questions, you will need to include an explanation of the reason for this assessment at the end of this form.

⚡ If you have answered 'yes' to any of these questions, you will need to determine if other impacts are low. In general, impacts would be low when only a few businesses are affected and the impacts are negligible or trivial.

11. Will this proposal have low other impacts on business and individuals or the economy? Yes No

⚡ If you answered 'yes' to this question, you will need to include an explanation of the reason for this assessment at the end of this form. You can now proceed to section 3. If you are unsure, contact the OBPR.

⚡ If you answered 'no' to this question or are uncertain, please contact the OBPR for advice on the appropriate level of analysis and further information.

Section 10

You should provide an explanation for why you have assessed business and individual costs as low or if you have assessed other impacts on business and individuals or the economy as low or trivial.

1. Explanation:

Section 4: Next steps

If you are uncertain about the impact of a proposal, you should forward a copy of this preliminary assessment, along with a clear outline of the proposal and its possible impacts, to the OBPR, which will determine the level of analysis required.

You should keep this form and any supporting documents, including a clear outline of the proposal to which it relates and its impacts, on file and send a copy to the Best Practice Regulation Coordinator in your department or agency.

Signature

Simon Cotterell

(Note that this preliminary assessment should be signed by the person who has responsibility for the proposal on behalf of the department or agency)

Name:

Simon Cotterell

Date:

7/4/10