



Australian Government

Department of the Prime Minister and Cabinet

DRAFTER'S GUIDE

PREPARATION OF CABINET SUBMISSIONS AND MEMORANDA

Third Edition – July 2009

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PURPOSE OF THIS GUIDE

1. The Drafter's Guide: Preparation of Cabinet Submissions Third Edition ('this Guide') provides information and assistance to drafters preparing Cabinet submissions and memoranda ('submissions'). It should be read in conjunction with the Cabinet Handbook Sixth Edition ('the Cabinet Handbook') and other advice that may be issued from time to time by the Cabinet Secretariat in the Department of the Prime Minister and Cabinet (PM&C).
2. This Guide sets out the mandatory requirements for all submissions for consideration by the Cabinet and all its committees. Major changes since the last version include:
 - (a) significant revisions to the submission template;
 - (b) the mandatory requirement to circulate exposure drafts of submissions;
 - (c) the revised requirements for two-stage review and approval processes;
 - (d) the new requirements to address the scope of offsets where the proposal has regulatory impacts, in accordance with the Australian Government's ('the Government's') one-in one-out principle;
 - (e) the revised requirements for family impact statements;
 - (f) an expanded explanation of the handling arrangements for Cabinet documents; and
 - (g) the revised presentation of a range of sample recommendations and conclusions.
3. The Cabinet Secretariat maintains three similar but separate databases, which contain documents for the Cabinet and its committees, the National Security Committee of Cabinet (NSC) and the Secretaries' Committee on National Security (SCNS). The databases are stored on the secure CABNET network. Drafters gain access to the CABNET network through departmental or agency Cabinet liaison officers (CLOs) and NSC CLOs.
4. The Department of Finance and Deregulation (Finance) provides the secure communications network for the CABNET network using the Ministerial Communications Network and also provides a help desk for all users of the CABNET network (ph s 47E(d), fax s 47E(d)).
5. Further advice and assistance in drafting submissions is available from CLOs, NSC CLOs, or the Cabinet Secretariat (paragraphs 132 to 134 below refer). The Cabinet Handbook and this Guide are available on the Frequently Asked Questions database on the CABNET network. The Cabinet Handbook is also available at:
<http://www.pmc.gov.au/guidelines/index.cfm>.

CABINET BUSINESS

Forms of Cabinet business

6. The Cabinet receives business in the following forms: submissions, memoranda, matters without submission (sometimes referred to as ‘under-the-line’ items), audio-visual presentations and minutes from committees for endorsement. Most papers considered by the Cabinet are either submissions or memoranda.

7. **Submissions** are taken to the Cabinet by *ministers* seeking a decision on a proposed course of action. They contain the minister’s *recommendations*, couched in terms of *agreeing* to the preferred approach and, where absolutely necessary, *noting* critical contextual information.

8. Submissions which deal with matters involving more than one minister within a portfolio are brought forward by the portfolio minister, unless the portfolio minister has agreed that it may be brought forward by a junior minister. Only one minister per portfolio may bring forward a submission.

9. **Memoranda** are prepared by *departments* generally in response to requests by the Cabinet for information, including the development of options. They contain *conclusions*, couched in terms of *the Cabinet may wish to consider* possible approaches and *the Cabinet may wish to note* the information sought.

10. **Matters without submission** may be raised in the Cabinet by *ministers* with the agreement of the Cabinet Secretary. They are usually matters of genuine urgency requiring immediate Cabinet discussion (but not so complex as to require a submission) or appointments which the Prime Minister wishes to be considered by the Cabinet. They are raised by way of a letter to the Cabinet Secretary.

11. **Audio-visual presentations** may be used with the agreement of the Cabinet Secretary to facilitate discussion of a submission or to seek the Cabinet’s guidance.

12. **Minutes for Endorsement** from a Cabinet committee other than the Parliamentary Business Committee (PBC), NSC and the Strategic Priorities and Budget Committee (SPBC). Typically, after a committee considers a submission its decision is recorded in a minute and that minute requiring endorsement will be listed on the Cabinet agenda for endorsement at a later meeting;

Table 1 - Differences between a submission and memorandum

Submission	Memorandum
A document prepared by one or more ministers providing information and advocating a course of action requiring a decision by the Cabinet.	A document prepared by one or more departments providing information and options for consideration by the Cabinet.
States the minister's analysis and views and written from the minister's perspective in the first person (for example, 'I consider...'; 'In the 2009-10 Budget, I ...').	States the department's analysis and views and written from the department's perspective (for example, 'The Cabinet may wish to note/consider...'; 'The interdepartmental committee concluded that...').
Contains stand-alone recommendations seeking the Cabinet's authority to pursue the proposed course of action.	Contains stand-alone conclusions that summarise the information sought and options available.
In the minister's name.	In the department's name.

Authority to bring forward business

13. Ministers wanting to have matters raised in the Cabinet or one of its committees are required to write to the Cabinet Secretary in the first instance to seek authority. In their letter, ministers should clearly outline the purpose and scope of the proposal and identify any financial implications. The Treasurer and Minister for Finance and Deregulation should be copied into the letter when there are financial implications. If there is a critical date by which a decision is required, this should also be identified and supported by an explanation. The Cabinet Secretary will respond in writing, advising of whether authority has been granted for the matter to be brought forward to the Cabinet and the agreed scope of the proposal.

14. Submissions involving revenue measures may only be brought forward with the agreement of the Treasurer (in a joint submission from the Treasurer and the relevant portfolio minister) or by the portfolio minister if the Treasurer has agreed to this course of action.

15. Where the Cabinet or one of its committees has requested that a matter be brought forward for its consideration and this is recorded in a Cabinet minute, a letter to the Cabinet Secretary is not required (this is referred to as a 'comeback').

16. The Cabinet Secretariat will not release submissions which do not have authority. Further, the Cabinet Secretariat will not release submissions which have insufficient authority. For example, if the authority does not include financial implications, the submission cannot be brought forward with expenditure or revenue measures. Ministers can seek additional authority from the Cabinet Secretary should a change in circumstances require alterations to the scope of the proposal(s) to be brought forward.

Matters for the Cabinet's consideration

17. Matters of the following kinds normally come before the Cabinet, often through its committees, as agreed by the Cabinet Secretary:

- (a) new policy proposals (NPPs) involving either expenditure or revenue measures are initially considered by the Expenditure Review Committee (ERC) of Cabinet unless the Prime Minister agrees otherwise;
- (b) expenditure proposals for major capital works and computer acquisitions are normally considered only in the Budget context (that is, when draft estimates of ongoing policies and programmes and NPPs are being considered);
- (c) major international security issues of strategic importance to Australia, national responses to developing situations (either domestic or international) and classified matters relating to aspects of operations and activities of the Australian Intelligence Community are considered by NSC;
- (d) strategic matters (such as whole-of-government issues, Council of Australian Government processes, Budget and fiscal strategies and the broad policy priorities for expenditure and revenue) are considered by the SPBC;
- (e) priorities for the Government's legislation program are considered by the PBC;
- (f) proposed significant variations to existing policies are initially considered by either the Social Policy Committee (SPC), Economic Policy Committee (EPC) or Climate Change, Water and Environment Committee (CCWEC) of Cabinet depending on the subject matter;
- (g) irregular migration and maritime people smuggling issues are considered by the Border Protection Committee (BPC);
- (h) proposals likely to have a significant effect on employment in either the public or private sector;
- (i) proposals requiring legislation (other than minor proposals which the Parliamentary Secretary to the Prime Minister has agreed need not be raised in the Cabinet);
- (j) proposals likely to have a significant impact upon relations between the Commonwealth and foreign, state, territory or local governments;
- (k) proposed responses to recommendations made in parliamentary committee reports, except for responses which the Prime Minister agrees raise no significant policy questions;
- (l) government negotiation of, or agreement to, international treaties, in accordance with the Department of Foreign Affairs and Trade guidelines and the Commonwealth's treaties procedures; and
- (m) requests from parliamentary committees for references, where the references proposed have significant policy or administrative implications.

18. Departments and agencies ('departments') should consult the relevant policy area or the Cabinet Secretariat if they are uncertain whether a particular issue warrants the Cabinet's consideration.

FORECAST OF POTENTIAL CABINET BUSINESS

Communicating with your CLO

19. It is essential that drafters inform their department's CLO of any potential items of Cabinet business as soon as possible. Maintaining communication with your CLO about your proposal's progress will assist in a smoother operation for all parties involved.

Forecast database

20. Within each of the databases on the secure CABNET network, there is a sub-database referred to as the 'forecast database'. The forecast database is a planning tool for managing potential Cabinet and Cabinet committee business. All items of potential Cabinet business are to be recorded in the forecast database. CLOs have access to the forecast database and can view their department's records. The Cabinet Secretariat also has access to the forecast database and uses the data to coordinate the lodgement of Cabinet business, alert stakeholders (such as the Cabinet Secretary) of potential Cabinet business and draft Business Lists.

21. Adding an item to the forecast database does not:

- (a) negate the need to seek the authority of the Cabinet Secretary to bring the matter forward to the Cabinet or one of its committees (unless the matter has existing authority); or
- (b) guarantee that the matter will be considered at the elected meeting date, as:
 - (i) circumstances may change; and
 - (ii) the Cabinet Secretary is the final decision maker in relation to the programming and management of Cabinet business.

INTERNAL CLEARANCE

Submissions

22. All submissions must be cleared by a senior executive (First Assistant Secretary or above) within the sponsoring department before they can be circulated as an exposure draft, a draft for coordination comments or submitted to the Cabinet Secretariat as a final document. Further guidance on the clearance of submissions is provided at paragraphs 61 to 63 below.

Exposure draft comments

23. At the exposure draft stage, all comments must be cleared by a senior executive (First Assistant Secretary or above) before they are sent to the department requesting comments.

Coordination comments

24. Coordination comments on draft submissions are to be cleared at the most senior levels within the department. For example, many departments have a practice of clearing all coordination comments at the Deputy Secretary level or above. Further guidance on coordination comments is provided at paragraphs 94 to 102 below.

MINISTERIAL CLEARANCE

25. Departments should consult their minister's office in relation to ministerial clearance arrangements, but the usual practice would be that ministers clear their submissions before lodgement as finals.

LODGE MENT TIMEFRAMES

26. The Cabinet Secretary sets the agenda for meetings of the Cabinet and its committees in the form of a Business List which is developed based on advice from his office, the Prime Minister's office and the Cabinet Secretariat.

27. CLOs hold copies of the Cabinet meeting schedule and associated lodgement deadlines. Lodgement deadlines are strictly enforced by the Cabinet Secretariat and documents that miss these deadlines are rescheduled for consideration at a later date. Importantly, the point at which a document is considered lodged is not when the final draft is provided to the Cabinet Secretariat for clearance, but when it is released to ministers.

28. In planning to meet lodgement deadlines, drafters should therefore take account of the fact the Cabinet Secretariat undertakes a final quality assurance process on all documents before they are formally released to ministers. Drafter(s) and their department's CLO are required to be contactable on the day that the final is to be lodged, until such time the Cabinet Secretariat advises that the submission is to be released to ministers.

29. Because 48 hours must be provided for the preparation of coordination comments and lodgement times are driven by the timing of the release of drafts, drafters should aim to circulate drafts for coordination comments before noon. It is essential for the smooth operation of the drafting and lodgement process that drafters keep their CLO fully informed of their progress on preparing documents for the Cabinet.

Table 2 - Lodgement deadlines

<i>Submissions and memoranda</i>	<p>The final must be lodged <u>five working days</u> (not counting public holidays) prior to the day of the meeting at which the item is to be discussed. That is, if the Cabinet is meeting on a Wednesday, the final must be lodged on the preceding Wednesday.</p> <p>The five-day rule is extended when the Cabinet or one of its committees meets on a Friday or the week-end, in which case the final must be lodged on the preceding Thursday.</p> <p>The draft for coordination comments must be released no later than <u>48 hours</u> (two working days) before the final lodgement date. That is, if the final is to be lodged on a Wednesday, the draft must be circulated for coordination comments on a Monday. Drafters should aim to circulate drafts for coordination comments <u>before noon</u>.</p> <p>Exposure drafts are compulsory and must be circulated <u>at least two weeks</u> (10 working days) in advance of seeking coordination comments.</p> <p>The Cabinet Secretariat may vary lodgement deadlines, as necessary throughout the year, in order to stagger high volumes of submissions.</p> <p>Sufficient time must be allocated in departments' internal submission drafting processes for clearance by the minister, minister's office and departmental executive prior to circulation and/or lodgement.</p>
<i>Under-the-line items (other than appointments)</i>	The final must be lodged no later than close of business <u>five working days</u> (not counting public holidays) prior to the day of the meeting at which the item is to be discussed.
<i>Audio-visual presentations</i>	Drafts of the slides for proposed presentations and any other relevant papers are to be submitted to the Cabinet Secretary no later than close of business <u>five working days</u> (not counting public holidays) prior to the day of the meeting at which the item is to be discussed. This also enables the Cabinet Attendant to do trial run of the presentation.
<i>Appointments</i>	Must be lodged at least <u>10 working days</u> prior to the day of the meeting at which consideration is sought.

Submissions and memoranda requiring discussion

30. So that ministers may have adequate opportunity to consider proposals and to enable orderly programming of business, submissions are not normally listed for consideration by the Cabinet or a committee earlier than five working days after their lodgement, with and clearance by, the Cabinet Secretariat (noting that two working days are to be allowed prior to lodgement for the provision of coordination comments by the departments consulted). The five-day rule is extended when the Cabinet or a committee meets on a Friday or the week-end. This ensures that ministers receive their Cabinet papers prior to the preceding week-end. Exposure drafts are compulsory and must be circulated at least two weeks (10 working days) in advance of seeking coordination comments.

31. Attachment A illustrates how to calculate the lodgement deadlines for five-day rule submissions. A list of lodgement deadlines for the current calendar year is available from CLOs. The Cabinet Secretariat may vary lodgement deadlines, as necessary throughout the year, in order to stagger high volumes of submissions.

TWO-STAGE REVIEW AND APPROVAL PROCESSES

Major ICT enabled new policy proposals

32. Submissions relating to major non-defence information communication technology (ICT) enabled NPPs are subject to a two-pass (or ‘two-stage’) review process:

- (a) if the proposals involve high risks in relation to cost, technical complexity, workforce capacity or schedule and if the total project cost is estimated to be \$30 million or more, including ICT costs of at least \$10 million; or
- (b) where the total cost is estimated to be less than \$30 million, but the SPBC considers a proposal would benefit from a review based on advice from the Secretaries’ Committee on ICT.

33. During the first-pass, departments must canvass realistic ICT options to deliver the intended outcomes of the NPP. Accurate costing, risk assessment and a schedule must be prepared. If the proposal is agreed in principle by the Cabinet, departments will receive sufficient funding to develop the second-pass business case. At second-pass, the business case should include detailed costs assessments and risk mitigation strategies. If the Cabinet agrees to the proposal at the second pass, funding will be allocated to cover the full through-life cost of the project.

34. The Budget Process Operational Rules issued each year provide guidance on two-stage review and approval processes.

Gateway Reviews

35. Prior to seeking the Cabinet’s consideration, agencies subject to the *Financial Management Act 1997* are required to agree a Gateway risk assessment (GRA) with the Gateway Unit in Finance for NPPs which include:

- (a) ICT projects costed at \$10 million or more; or
- (b) infrastructure projects costed at \$20 million or more.

36. Projects that are agreed as high-risk based on the GRA are required to undertake the Gateway Review Process (GRP), commencing with a Gate 0 Business Need Review and a Gate 1 Business Case Review (BCR). If the Cabinet agrees to the proposal, the Gate 1 BCR is to be completed within six weeks.

37. The Cabinet Secretariat and Finance will, as each Budget period approaches, circulate guidelines for the preparation and formatting of portfolio budget submissions and associated papers.

Defence procurement

38. All proposals for the acquisition of new and enhanced defence capabilities are generally considered by NSC rather than the Cabinet and are subject to a two-pass process (Attachment G refers). Defence Capability Plan, facilities and ICT projects in the Defence portfolio, assessed by NSC under the two-pass approval process are excluded from the GRP (paragraphs 35 and 36 above refer).

THINGS TO NOTE BEFORE YOU START DRAFTING

Cabinet circulars

39. From time to time, the Cabinet Secretariat issues Cabinet circulars on a variety of topics such as the structure of submissions and Budget-related processes and requirements. These circulars may supersede the information in this Guide. CLOs can provide copies of all recent Cabinet circulars.

Scope of Authority

40. Drafters need to ensure that the proposal does not go beyond the scope of the authority to bring the matter forward to the Cabinet or one of its committees (paragraph 16 above refers). Exposure drafts can be circulated in parallel with authority being sought by the sponsoring minister from the Cabinet Secretary. Drafts must not be circulated for coordination comments until authority has been obtained. The Cabinet Secretariat and relevant policy branches in PM&C are able to advise drafters on the status and scope of authority for proposals.

Consideration by Cabinet Committees

41. The Cabinet Secretary is responsible for managing the flow of business to Cabinet committees, in consultation with the relevant Cabinet committee chair. A list of Cabinet committees is available from CLOs and the Cabinet Secretariat.

42. As the majority of Cabinet business is filtered through its committees, drafters will need to take account of the lodgement deadlines for the relevant committee meeting rather than the deadlines for the Cabinet meeting at which the committee minute is to be endorsed. For example, if a submission is to be considered by SPC prior to being considered by the Cabinet, the submission is to be circulated in accordance with the lodgement deadlines for the SPC meeting. Following SPC's consideration, the submission and SPC minute will be listed for endorsement by the Cabinet.

43. Drafters should liaise with the Cabinet Secretariat at an early stage as to whether the submission will be considered by a committee prior to Cabinet and if so, which committee.

Use of Exposure Drafts

44. Departments **must** circulate at least one exposure draft. Early circulation of exposure drafts facilitates consultation between interested departments and can significantly improve the quality of the final submission or memorandum. It also allows for the areas of disagreement between departments to be minimised, thus reducing the areas of disagreement in coordination comments. Exposure drafts also provide an opportunity for the Cabinet Secretariat to provide advice on the construction of

recommendations or conclusions and ensure compliance with the mandatory requirements set out in this Guide. Documents cannot initially be submitted only for coordination comments. Exposure drafts must be circulated at least **two weeks before** (10 working days) the due date for circulation of the draft for coordination comments. For NSC items, exposure drafts should be circulated before the deadline for lodgement for SCNS. Departments are encouraged to lodge as many exposure drafts as are necessary, particularly in instances where the policy settings for complex matters are still being finalised or in cases of significant redrafting.

45. At the exposure draft stage, drafters must ensure that consideration is given to the need for impact statements to be prepared as part of the submission. As part of this process, relevant departments must be consulted (paragraph 92 below refers). When submitting documents, drafters must provide an assurance to the Cabinet Secretariat that the positions indicated in the Analysis of Specific Impacts section have been agreed with the relevant departments.

Agreeing financial implications

46. It is essential that drafters consult Finance early in the development of proposals and when drafting a submission where a proposal has a financial non-tax revenue implication or the Department of the Treasury ('the Treasury') on revenue proposals. As it can take some time to settle and agree financial implications, early engagement with and the provision of costing information to Finance and/or the Treasury is essential. Agreement is to be reached in advance of seeking ministerial clearance of the draft submission to be circulated for coordination comments.

Security of Cabinet documents

47. Cabinet documents, including 'pre-exposure drafts, exposure drafts, drafts for coordination comments, final submissions, and drafting comments (including coordination comments), must only be circulated via the CABNET network (paragraphs 52 to 55 below refer).

48. The CABNET network is security rated to the Secret level and provide a means of circulating classified documents and messages between departments and agencies. Only officers with Secret or Top Secret security clearances are permitted to access the Cabinet database and only officers with Top Secret clearance are permitted to access the NSC and SCNS databases. In addition to access restrictions (including biometric identification of users), document security features include: watermarks, standardised copy numbering, printing restrictions and full audit trails for printing and viewing of documents.

49. Cabinet documents, including drafts, must be circulated strictly in accordance with the 'need-to-know' principle. The circulation of documents must be no wider than is required for the proper and efficient conduct of the business at hand. It must be restricted to those officials who have a role in contributing to the issues in the document and who hold an appropriate security clearance. Departmental officials are not entitled to access merely because it would be convenient for them to know or by virtue of their status or level of authorised access.

50. Information and details on the handling of Cabinet documents is also provided in the Handbook and the Commonwealth Protective Security Manual ('the PSM'), which is available from the Attorney-General's Department (AGD). Although the PSM is not

classified, its availability is restricted to government departments and, as such, the full document is not posted on the internet, although it may be available on departmental intranet sites. A summary of the PSM is available at: <http://www.ag.gov.au/www/agd/agd.nsf/Page/RWPE30AA68A4D5313EACA2571EE000AAF9F> Further information on security matters can be sought from departments' security advisers.

CABNET templates

51. Drafters must construct submissions in the current templates. The databases on the CABNET network will reject any document that is not properly formatted and on the correct template. Drafters should seek the detailed advice of their department's CLO in this regard. In particular, drafters should not attempt to 'cut and paste' new text into existing Cabinet documents which may be stored on their local networks, as experience has shown that this invariably creates last-minute lodgement problems (including corruption of documents). Care needs to be taken to ensure that bookmarks are not deleted from the template during the drafting process.

Circulation of submissions

52. Cabinet submissions must be locked down and distributed via the CABNET network. It is not acceptable to circulate exposure drafts, drafts or finals, either in the template or in a document which looks like a Cabinet submission (that is, uses similar headings) in any of the following ways:

- (a) over unsecured email, in any format (including PDF documents or 'zipped' files);
- (b) over the Fedlink email system, in any format (including PDF documents or 'zipped' files);
- (c) by secure fax; or
- (d) via CABNET email to a single department or relatively few recipients (unless they are co-authoring the submission as described in paragraph 54 below) as 'pre-exposure drafts' or additional iterations.

53. Similarly, comments or messages about submissions should only be transmitted via the CABNET network. Complying with these document handling arrangements ensures that the appropriate security procedures are being applied and protects you in the event of an unauthorised disclosure.

54. Only in the very limited circumstance of drafting a joint submission may submissions be transmitted as an attachment to a CABNET email. Co-authoring departments may circulate early drafts between themselves via CABNET email to enable the inclusion of relevant material from each of those departments. Alternatively, one department could assume drafting control and make all the changes to the submission in close consultation with the co-authoring department. In no other circumstances are submissions to be circulated unless they are locked down and distributed via the CABNET network.

55. If you become aware of the circulation of a submission by any means other than as a locked down version on the CABNET network, please notify the Cabinet Secretariat as soon as possible. The Cabinet Secretariat will identify any breach of Cabinet document protocols and breaches of security will be notified to the relevant department's security adviser. However, in notifying the Cabinet Secretariat, please do not compound the original error and commit a further breach by forwarding any emails which have submissions attached.

Format and style

56. Adherence to the format set out in the Cabinet templates is mandatory. Detailed instructions on the format, style and grammar of Cabinet documents are provided in paragraphs 58 and 84 below and Attachments E and F.

57. A mock-up of a submission is at Attachment B and a memorandum is at Attachment C. Drafters should use the sample recommendations or conclusions ('recommendations') to assist in preparing appropriate, clear and succinct recommendations, and, where recommendations have financial impacts, the standard recommendation form must be used. Further advice and assistance is available from CLOs and the Cabinet Secretariat.

Page limits

58. There are strict page limits on Cabinet documents. The Executive Summary is limited to one page; followed by the recommendations, which are to be focused on matters which require agreement and must be as concise as possible and an analysis of the proposal. The total page limit for the submission is 15 pages.

59. The page limit for attachments to the submission is 50 pages (excluding the one page media release and coordination comments which are to be as short as possible). Information may be attached only if it is essential to the key outcomes sought. In most cases, an executive summary of relevant reports or discussion papers is more appropriate for the Cabinet's consideration than the full text of lengthy documents. NPPs must be included as attachments for any proposal which has financial implications. Attachments to submissions must be presented in the current CABNET attachment template.

60. Similarly, the use of maps, charts, photographs, images, PDF documents or other diagrams in attachments to submissions frequently present technical difficulties and should be avoided where possible. Any proposed use of graphics and other objects must be discussed at an early stage with the Cabinet Secretariat. All text and graphics must be in greyscale as, at the time of publication, there are no colour printers connected to the CABNET network.

Clearance

61. Senior management should ensure that all drafts are closely scrutinised for strict compliance with this Guide and cleared at an appropriately high level within the organisation prior to an exposure draft being circulated to other departments and to the Cabinet Secretariat. Failure to check drafts thoroughly before lodgement with the Cabinet Secretariat may result in the need for extensive corrections and revisions, subsequent delays and possible preclusion from a particular Cabinet meeting. In that context, it needs to be emphasised that, first and foremost, departments are responsible and accountable to

their ministers and the Cabinet for the accuracy and completeness of the documentation put forward, both in terms of content and in terms of presentation. Clearance by the Cabinet Secretariat does not absolve departments from that responsibility. Where the matter is complex or impacts on several portfolios, it may be necessary to circulate a number of exposure drafts. This avoids coordination comments addressing issues which could otherwise have been negotiated and settled by officials.

62. Before a Cabinet document is circulated for coordination comments, financial implications must be agreed with Finance and the Treasury and must be cleared by the minister(s) (for submissions) or the departmental secretary/senior executive (for memoranda). Any regulation impact statements (RIS) must be assessed as adequate by the Office of Best Practice (OBPR). Drafters must also allow time for departmental executive and ministers or their offices to clear documents before they are released for coordination comment. Notwithstanding that memoranda are prepared by officials, ministers are responsible for their carriage in the Cabinet room.

63. It is the responsibility of the lead drafting department to ensure that all co-sponsoring ministers have cleared the submission before it is lodged with the Cabinet Secretariat. Similarly, the lead drafting department of a memorandum is responsible for ensuring that it has been cleared by all co-sponsoring departments for circulation. Where several ministers or departments are to clear a document, this should be done in parallel rather than sequentially.

DRAFTING A SUBMISSION OR MEMORANDUM

Structure of the documents

64. Cabinet submissions are made up of the following elements: the Executive Summary, detailed recommendations, an analysis of the proposal and other attachments, including coordination comments from relevant departments. There must be absolute consistency of content across all elements, reinforced as appropriate by cross-referencing. If acronyms or shortened forms (such as the Department of the Prime Minister and Cabinet (PM&C) or the *Copyright Act 1968* ('the Act')) are used, they must be defined the first time they are used in that element of the document (such as the recommendations).

65. A submission comprises the following elements:

- (a) the body, comprising no more than 15 pages:
 - (i) a one-page executive summary which includes advice on:
 - (A) the strategic priority;
 - (B) purpose;
 - (C) outcomes/key decisions sought;
 - (D) the difference the proposal will make;
 - (E) whether an announcement strategy is planned;
 - (F) implementation risks;

- (G) any sensitivities/criticisms or implications;
 - (H) the financial impact of the proposal;
 - (I) whether other impacts, such as regulatory impacts, apply;
 - (J) whether there is agreement to the submission; and
 - (K) a summary recommendation;
- (ii) detailed ‘action oriented’ and concise recommendations; and
 - (iii) an analysis of the proposal, including advice under the headings of background, discussion, key outcomes sought, need for Commonwealth intervention, difference the proposal will make, options, evidence for proposed action, sensitivities/implications, implementation/timing, risks, legislation, financial implications (including cost recovery and gateway assessments), announcement strategy, analyses of specific impacts and departmental consultations; and
- (b) attachments, which include:
 - (i) coordination comments, which are to be as concise as possible;
 - (ii) a media release (if any) of not more than one page; and
 - (iii) other supporting factual information (including any NPPs and impact statements) only if it is essential to the key outcomes(s) sought (paragraph 84 below refers).

Executive/Departmental Summary

66. The executive summary has been designed so that all the essential issues on which ministers are being asked to make a decision are set out clearly and succinctly. The CABNET templates contain fields for inserting the following mandatory information:

- (a) **Title** – identifies the issue for consideration;
- (b) **Minister(s)/Department(s)** – lists, in precedence order, each sponsoring minister’s name and title (for example, the Hon Wayne Swan MP, Treasurer) or the name of each contributing department or agency. Submissions which deal with matters involving more than one minister within a portfolio are brought forward by the portfolio minister, unless the portfolio minister has agreed that it may be brought forward by a junior minister. Only one minister per portfolio may bring forward a submission;
- (c) **Strategic Priority** – this must identify the signature reform, major reform or ministerial priority to be met in the Australian Government Strategic Policy Plan (an extract relevant to your portfolio is available from your departmental executive);

- (d) **Purpose** – a succinct summary (two to three lines) of what the Cabinet is being asked to consider – that is, the key outcomes or reasons why the proposal is being brought forward, including any timing constraints (use full sentences);
- (e) **Outcomes/Key Decisions Sought** – sets out clearly and briefly the major decisions upon which the Cabinet is being requested to decide and should paraphrase the recommendations/conclusions to ensure that ministers can quickly see and understand the decisions they are being asked to make. These may be presented in list form by using dot points;
- (f) **Difference proposal will make** – this section is to focus succinctly on practical outcomes;
- (g) **Announcement strategy** – identifies, with a yes or no, whether or not an announcement is proposed;
- (h) **Implementation risks** – states any risks to timing, costs or other risks;
- (i) **Sensitivities/criticism/implications** – this section should highlight if there are benefits, key political sensitivities and possible criticisms of the proposal;
- (j) **Financial Impact** – identifies the direct financial impact (that is, of fiscal balance and underlying cash balance) of the recommendations in the submission (as agreed by Finance and/or the Treasury). The financial implications table must contain financial information for five years – that is, the current financial year and the following four financial years (including if there are no implications, in which case ‘0.0’, not dashes, are entered in each cell);
- (k) **Other impacts** – highlights whether there are any regulatory impacts (including business compliance costs) and identifies any opportunities for regulatory offsets through the reduction or streamlining of existing regulation or through the use of processes offering lower compliance costs, in accordance with the Government’s one-in one-out principle. This section also highlights impacts on regional Australia, small business and families and cross-references relevant attachments (paragraphs 112 to 124 below refer);
- (l) **Agreement** – indicates whether departments agree/disagree with the proposals, with full coordination comments set out in an attachment (Yes/No Attachment X refers);
- (m) **Summary recommendation** – provides an overall recommendation for action (for example, requesting that the Cabinet agree to the proposals on [whatever topic]).

Recommendations or conclusions

67. The recommendations commence at page two of the submission and must be self-contained in order for them to be converted to a draft Cabinet minute. It must be clear from reading the recommendations in isolation of what is being proposed. They should be ‘action oriented’ and capture every aspect of the submission that requires the Cabinet’s authority.

68. Each recommendation must form a grammatically correct sentence that can sensibly commence with ‘the Cabinet agreed ...’ or ‘the Cabinet noted ...’ and should:

- (a) address ‘what’, ‘who’, ‘when’, ‘how’ and occasionally ‘where’ an activity is to be conducted, for example:

I recommend that the Cabinet agree that I, in consultation with the Minister for [portfolio] bring forward to the Cabinet by the end of 2009 a further submission on [topic], including the outcomes of consultations with stakeholders and options to address [what].

- (b) not include advice as to ‘why’ an action is required (this information is to be included in the analysis of the proposal as background information or as the justification for the proposed action being taken).

69. Recommendations for noting:

- (a) are not appropriate if they merely:

- (i) repeat factual information contained in the submission; or
- (ii) highlight factors bearing on a decision, whatever their significance, that need not be recorded to guide implementation; and

- (b) may only be included in the following very limited circumstances:

- (i) recording that the Cabinet saw a document (for example, ‘noted the report at Attachment X to the Submission’);
- (ii) indicating forthcoming action that the Cabinet would not wish to, or could not direct (for example, ‘noted that the Minister for [portfolio] proposed to exercise his/her power under the [title] Act [year]’ or ‘noted that the Minister for [portfolio] proposed to bring forward [a proposal] in the 2009-10 Budget’);
- (iii) recording the Cabinet’s awareness of a significant impact or risk; or
- (iv) recording significant factors for which the Cabinet had regard in making a decision or an element of it if that is required to provide guidance for the implementation of the decision.

70. Where a submission contains a draft media release, there should be a separate recommendation (usually the final recommendation) as follows:

I recommend that the Cabinet agree that I issue a media release along the lines of that at Attachment X to the Submission.

71. Where agreement is sought to a government response to a report (whether a Parliamentary committee or other significant report), it should be clear to the Cabinet how many recommendations are proposed to be accepted, not accepted or accepted with qualification. Particular sensitivities associated with accepting or not accepting reports’ recommendations must be articulated. Examples of recommendations for government responses are set out in Attachment B.

72. Where a submission contains, and has the authority to contain, financial implications (that is, expenditure, resourcing, revenue or capital increases or decreases expressed in underlying cash terms), each recommendation (measure) with financial implications must contain a financial table and make reference to a NPP, which must be included as an attachment to the submission in the standard NPP template. This is a requirement for all submissions whether they are brought forward during the annual budget process or otherwise. Examples of recommendation with financial implications are set out in Attachment B.

73. Where there is more than one recommendation, the following sequence is to be followed:

1. I/We recommend that the Cabinet **agree** that ...
2. I/We recommend that the Cabinet **also** agree that ...
3. I/We recommend that the Cabinet **further** agree that ...
4. I/We recommend that the Cabinet **further** agree that ...

74. The same sequence should be followed for the initial and subsequent ‘note’ recommendations (for example, agree; also agree; further agree; further agree; note; also note; further agree; further note et cetera.).

75. Sub-paragraphs should be used as necessary, but must make sense when read with the introductory words of the initial paragraph and any other higher level of sub-paragraph. Recommendations must use sequential paragraph numbers in the order of 1., 2., 3.; then (a), (b), (c); then (i), (ii), (iii); and then (A), (B), (C). It is not permitted to number and indent sub-paragraphs where there is not more than one. For example, where only sub-paragraph (a) remains after redrafting, it should run on after the ‘I recommend that the Cabinet agree ...’. Sub-paragraphs must not contain more than one sentence and must not contain a semi-colon within the text of any paragraph or subparagraph. If a paragraph needs to be broken up by using a colon and semi-colons then it must be split into sub-paragraphs.

76. Cross-references in recommendations to the body of the submission should be avoided. Cross-references in recommendations would generally be used to refer to an attachment (for example, an NPP).

77. The name and date at the end of the recommendations:

- (a) in a submission, should be the date on which the minister(s) authorised the final submission to be lodged with the Cabinet Secretariat (in most cases this will be the same as the lodgement date), noting that:
 - (i) ministers’ names and the signing date should not be included in exposure drafts or draft submissions; and
 - (ii) ministers must be listed in precedence order regardless of whether they are the ‘lead’ or ‘co-sponsoring’ minister; and

- (b) in a memorandum, must be the date on which the departmental executive authorised the memorandum to be lodged, which will in most cases be the same as the lodgement date. The name of the sponsoring department(s) should not be added at the end of the recommendations.

Analysis of Proposal

78. This section must address and be consistent with all matters that are summarised in the executive summary and all issues contained in the recommendations. The structure of the analysis must provide a succinct, logical and clear progression through the background, discussion, evidence, sensitivities and options to the preferred approach.

79. The **background section** is to be no longer than two-thirds of a page and should provide a brief account of the relevant policy context of the submission, including: references to earlier Cabinet decisions and/or ministerial correspondence (particularly where that decision or letter commissioned the submission); government policy priority and commitment; and recent developments.

80. The **discussion section** should provide an overview of the policy proposal, justification for the proposed policy direction (including the canvassing of options and the pros and cons of the proposed course of action), assess its alignment with government policy priorities and identify particular policy sensitivities or implementation risks. Matters to be addressed include:

- (a) **key outcomes sought** – in a few paragraphs provide a clear statement of intended outcomes and indicate what problem the proposal is designed to overcome;
- (b) **need for Commonwealth intervention** – this section is to provide advice as to why the Commonwealth is the most appropriate jurisdiction to address the identified problem as opposed to other sectors (including the states, private sector or non-government/not-for-profit organisations);
- (c) **difference the proposal will make** – a brief summary of how implementing the proposal will make a difference, including addressing who will benefit and what would happen if no action was taken;
- (d) **options** – what are the possible options that could achieve the desired outcome;
- (e) **evidence for the proposed action(s)** – evidence obtained from reputable and recognised sources, including experiences of other jurisdictions or countries, as justification for the proposed course of action; and
- (f) **sensitivities/implications** – any sensitivities arising from the proposal, including any state issues or potential criticisms from affected (or other) stakeholders.

81. The **implementation** and **impacts sections** should address the following, as applicable to the proposal(s):

- (a) implementation statement (paragraphs 108 to 111 below refer);

- (b) financial implications (paragraphs 85 to 88 below refer);
- (c) small business impact (paragraphs 112 and 113 below refer);
- (d) regulation impact analysis, including a summary of any RIS and/or a business cost calculator (BCC) report or equivalent. This section should also address the availability of regulatory offsets through the reduction or streamlining of existing regulation or through the use of processes offering lower compliance costs, in accordance with the Government's one-in one-out principle (paragraphs 114 to 119 below refer);
- (e) regional Australia impact statement (paragraphs 120 and 121 below refer);
- (f) cost recovery impact statement (paragraph 122 below refers); and
- (g) family impact statement (paragraphs 123 and 124 below refer).

82. The **announcement strategy section** should identify whether any public announcements are proposed, including communication strategies or media releases. Attachments may also be used to set out the timeframes for communication activities and the text of draft media releases.

83. The **agreement/departmental consultation section** should identify whether or not there is agreement to the submission and provide a list of the departments consulted, with the full coordination comments set out in an attachment.

84. **Other factual information** may be included in the Analysis of the Proposal only if it is essential to the key decisions sought. Any attachments to the submission must be referred to in the Analysis of the Proposal (including a reference to any media release). Attachments would be included only where they are:

- (a) factual in nature, such as the full text of a proposed government response to a parliamentary committee, the Productivity Commission, or other report;
- (b) NPPs in the standard template format for any measures with financial implications; and proposed government policy papers which require approval; and
- (c) impact statements.

Where a lot of detailed and technical information is to be included for the Cabinet's consideration (for example, Defence capability submissions as outlined in Attachment G), it would also be appropriately included in attachments.

Financial considerations and costings

85. All financial implications arising from the proposals in a submission must be explicitly discussed in the Analysis of the Proposal under the heading 'Financial Implications' and should be presented to one decimal place in \$ million. Where it is necessary (for example, where several currencies are being referred to), AUD should be used to indicate Australian dollars (as distinct from USD for example).

86. Proposals involving variations in expenses and non-tax revenue should have their costings agreed by Finance before the submission is circulated for coordination comments (even where they are none – in which case ‘0.0’ should be entered into all of the financial implications boxes on the summary table). Similarly, costings of other revenue proposals should be agreed by the Treasury before circulation. Where drafters are in doubt as to the template to be used, they should seek advice from the relevant Agency Advice Unit (AAU) in Finance or the Cabinet Secretariat.

87. Proposals with a financial impact may only be brought forward outside the Budget context within the Cabinet-endorsed Budget Process Operational Rules. At the time of publication, submissions containing measures with a financial impact of \$10 million or more in any one year must be brought forward to ERC prior to being considered by the Cabinet. If departments are contemplating making such bids, they should discuss the issues and the Cabinet-mandated process requirements with the Cabinet Secretariat, the relevant policy area in PM&C and the relevant AAU in Finance at the earliest opportunity.

88. The Cabinet Secretariat and Finance will, as each Budget period approaches, circulate guidelines for the preparation and formatting of portfolio budget submissions and associated papers.

Consultation between departments

89. Exposure drafts are the primary means for consulting affected agencies during the preparation of a submission and they are often prepared as part of discussion at an interdepartmental committee. The preparation and distribution of an exposure draft is compulsory and greatly assists in refining the document and focusing the resultant Cabinet consideration.

90. Drafters should ensure that all departments and agencies with an interest in the subject matter are consulted during the preparation of submissions. Agencies or authorities which do not have access to the CABNET network are to arrange receipt and circulation of their Cabinet documents via CABNET with their portfolio department. Where a proposal addresses a response to a report or impacts on matters administered by several portfolios, one submission providing a whole-of-government approach should be prepared.

91. Drafters are encouraged to discuss proposed departmental or agency consultation with the relevant policy area in PM&C in the first instance and, if there is any doubt about whether a department should be consulted, advice should be sought from the Cabinet Secretariat.

92. The following matters must also be observed in seeking formal coordination comments, as well as in consultation on exposure drafts (and preferably consultation at an early stage of development of a submission):

- (a) PM&C, the Treasury and Finance (‘the central agencies’) **must** be consulted on **all submissions** and in particular:
 - (i) the Cabinet Implementation Unit (CIU) in PM&C must be consulted on NPPs that may require significant implementation effort (see paragraphs 108 to 111 below for more information);

- (ii) the Gateway Unit in Finance must be consulted on impacts to information and communication technology measures (an outline of the Gateway review process can be found at <http://www.finance.gov.au/gateway/index.html>); and
 - (iii) Finance (OBPR and the Deregulation Division) must be consulted on all submissions involving new or amended regulations likely to impact on business and individuals, the not-for-profit sector or the economy (see paragraphs 114 to 119 below for more information);
- (b) AGD must be consulted on all submissions and in particular:
 - (i) on constitutional issues or changes to legislation – early consultation with AGD is essential to allow sufficient time for alternatives to be considered (for further guidance see the Legislation Handbook available at <http://www.pmc.gov.au/guidelines/index.cfm>);
 - (ii) the Legal Assistance Branch must be consulted on all submissions proposing changes which may, or are likely to, impact on the provision of legal assistance services (legal aid, community legal services and financial assistance schemes); and
 - (iii) the Office of International Law must be consulted on all matters which address human rights and international treaties;
- (c) the Department of Infrastructure, Transport, Regional Development and Local Government (DITRD LG) must be consulted on proposals that impact on regional Australia (see paragraphs 120 and 121 below for more information);
- (d) the Department of Families, Housing, Community Services and Indigenous Affairs (the Office of Indigenous Policy Coordination) must be consulted on Indigenous proposals;
- (e) the Department of Innovation, Industry, Science and Research (DIISR) must be consulted on proposals that impact on small business (see paragraphs 112 and 113 below for more information);
- (f) the Development Effectiveness Steering Committee supported by Australian Agency for International Development (AusAID) must be consulted on all NPPs which have an impact on the Overseas Development Aid budget;
- (g) the Department of Education, Employment and Workplace Relations must be consulted on proposals involving corporatisation, privatisation or rearrangement of government functions (for example, movement of Australian Public Service (APS) employees to government authorities); and
- (h) specialist agencies should be consulted on any submission proposing matters directly relevant to their specialist functions, for example:
 - (i) the Administrative Review Council for administrative review implications;

- (ii) the Commonwealth Ombudsman, for implications for the work and/or resources of the Ombudsman's office;
- (iii) the Privacy Commissioner for privacy implications, including with respect to legislative proposals;
- (iv) the Information Commissioner for Freedom of Information matters; and
- (v) the APS Commission for matters affecting the APS as a whole.

93. A list of the matters dealt with by each portfolio is set out in the Administrative Arrangements Order (<http://www.pmc.gov.au/parliamentary/index.cfm> refers).

Coordination comments

94. It is for departments to settle with their ministers the extent to which ministers may wish to clear their department's coordination comments or otherwise be drawn into the consultation process. Coordination comments are recorded as the views of the departments providing them, are intended to add to the information available to the Cabinet in its deliberative processes and should not be seen as binding ministers nor necessarily reflecting their views. Frequently ministers may prefer to reserve their contributions for Cabinet discussion. Ministers may need to be more involved when coordination comments focus on policy rather than administration. In many cases it may be sufficient for the minister's office to be consulted on the proposed coordination comment rather than requiring agreement.

95. Submissions must adequately reflect and record the results of consultation. Initiating ministers and departments should be prepared to amend the text of a draft in response to suggestions that are made. If the draft submission is changed significantly, or if the recommendations have been altered, after departments have been given an opportunity to comment, the revised document (referred to as a 'corrigendum') should be re-circulated for coordination comments. Corrigenda of submissions are to be marked as such (for example, 'first amended'), with the areas of revised text sidelined for ease of reference. The authoring department must consult the Cabinet Secretariat before circulating any corrigenda for coordination comments. The Cabinet Secretariat will check that the corrigendum adheres to the guidelines set out in this Handbook and the Drafter's Guide and will also advise on the deadline for coordination comments.

96. If differences of view in relation to a submission emerge after it has been lodged with the Cabinet Secretariat, or if it is considered that consultation has been inadequate or that the submission does not adequately reflect the views of those consulted, it is for the dissenting minister(s) or officer(s) to raise these matters with the minister originating the submission, or his or her department and to draw them to the attention of the Cabinet Secretary or the Cabinet Secretariat.

97. If a coordination comment raises matters not addressed in the submission, this may reflect an inadequacy in the submission and the originating department should consider taking account of the comment in the text of the submission. No rebuttal is to be attempted in the submission. Ministers may take up points that concern them in discussion in the Cabinet Room.

98. The Cabinet Secretariat will not release submissions (unless there are persuasive mitigating reasons) where strong criticism by other departments has not been addressed in the submission or where significant issues have not been canvassed, particularly if the submission has been requested by the Cabinet.

99. Occasionally departments may find that submissions in which they have a legitimate interest have been lodged by other departments without reference to them. In those cases the omitted department should bring its interest to the attention of the lodging department and the Cabinet Secretariat.

100. It is the responsibility of lodging departments to arrange for delivery of submissions in the approved manner to those departments from which coordination comments are being sought. Agencies or authorities which do not have access to the CABNET network are to arrange receipt and circulation of their Cabinet documents via CABNET with their portfolio department. Drafters should ensure that ministers and departmental executives have sufficient time to consider drafts before the lodgement date.

101. The following points should be noted when seeking coordination comments:

- (a) the author department should plan its timeframe to ensure that two clear working days (48 hours) are available for coordination comments, with the aim of circulating the draft submission before noon;
- (b) comments are not required from the sponsoring minister's portfolio agencies;
- (c) comments are generally provided on a portfolio basis (that is, each consulted portfolio department should ensure that, as appropriate, their portfolio agencies are given the opportunity to provide input to the coordination comment).

102. **The following points should be noted when preparing coordination comments:**

- (a) the consulted department should plan its timeframe to allow sufficient time for internal clearance processes, including booking appointments for clearance by senior executive level staff well ahead of the lodgement deadline;
- (b) coordination comments are to be as short as possible;
- (c) coordination comments should:
 - (i) be focused and present the consulted department's views from the perspective of their area of particular expertise or responsibility;
 - (ii) reflect the issues that the consulted department proposes to raise in briefing to their minister for the Cabinet's consideration (that is, if any issue is not sufficiently significant for the minister's brief, it would not be necessary to raise it in the coordination comment); and
 - (iii) not provide redrafting suggestions as these should have been raised with the authoring department at the exposure draft stage; and
- (d) where an agency supports the proposals, a single sentence of '[the Department of xx...] supports the recommendations in the Submission' is entirely satisfactory (a tick-box will be provided in the coordination comments template

in such cases and the lodgement of a written coordination comment will not be necessary).

Consultation with the states and territories

103. When submissions are being prepared, departments and ministers need to consider whether, and if so to what extent, consultation with state premiers, chief ministers of territories or relevant state ministers is appropriate. Similarly, consideration should be given to the need for liaison with state counterparts with regard to policy announcements. The role of the Prime Minister and PM&C in initiating matters with the states should be borne in mind.

104. PM&C policy branches and the Cabinet Secretariat can provide further advice in particular cases.

Corrigenda

105. Corrigenda are used to correct errors or omissions in submissions which have been circulated for coordination comments or which have already been lodged, cleared and distributed to ministers.

106. Where a corrigendum is circulated during the two-day consultation period, consulted departments should be given the opportunity to re-lodge or confirm any coordination comments in light of the new information. The lodgement deadline may need to be extended to allow this to occur. The Cabinet Secretariat will provide advice on lodgement deadlines in these circumstances to affected agencies on a case-by-case basis.

107. Corrigenda must not be issued without the agreement of the Cabinet Secretariat.

PARTICULAR CONSIDERATIONS

Implementation

108. Drafters need to consider the implementation of proposals being developed for the Cabinet's consideration. Submissions require an implementation statement when a proposal:

- (a) addresses a major or complex issue;
- (b) makes major or complex changes;
- (c) involves significant cross-agency or cross-jurisdictional issues;
- (d) is particularly sensitive;
- (e) requires urgent implementation;
- (f) involves new or complex technology or service delivery arrangements; or
- (g) has been developed over a very short period.

109. Departments must consult service delivery agencies and the CIU in PM&C at an early stage in the development of proposals likely to require significant implementation

effort. The implementation statement should provide an overview of the implementation strategy and identify key implementation milestones and any associated funding issues. The implementation statement should support the risk rating in the summary, explaining how particularly significant risks will be managed.

110. Other issues that may be addressed in an implementation statement for particularly significant or high-risk measures include:

- (a) stakeholders – briefly describing key stakeholders involved in implementation and delivery, including any other jurisdictions or agencies and setting out the mechanisms for engagement/consultation and any timing imperatives;
- (b) success criteria – setting out how the success of the proposal will be assessed (for example, key performance indicators) and by when;
- (c) governance – briefly describing key accountabilities, including reporting mechanisms to government (for example, Cabinet committee), lead department/minister (where relevant); and
- (d) resourcing/contracting – where applicable, addressing major resourcing issues pertaining to the proposal (for example, significant staffing and training requirements, major capital, infrastructure or system requirements) and significant or sensitive contracting and procurement issues.

111. Further information and guidance on implementation issues is available from the CIU's website at: <http://www.pmc.gov.au/implementation/index.cfm>.

Likely impact on small business

112. The following process should be adhered to when developing submissions:

- (a) departments should consult DIISR at an early stage in the development of proposals so that it can assist in assessing whether a small business impact statement is required;
- (b) where an impact on small business has been identified:
 - (i) the Other Impacts section of the one-page executive summary should include a reference to small business and the attached impact statement. For example, 'There is an impact on small business (Attachment X refers)';
 - (ii) the Analysis of Specific Impacts section of the Analysis Proposal should:
 - (A) show 'Yes' against 'Small Business' and include an attachment reference; and
 - (B) include a brief summary of any impacts on small business;
 - (iii) the small business impact statement is to be attached to the submission;

- (iv) departments are to use the BCC or equivalent to assess the costs to small business – the OBPR can provide assistance on the assessment of costs (see paragraphs 114 to 119 below);
 - (v) the draft submission should be circulated to DIISR for coordination comment; and
- (c) where it is clear that there is no likely impact on small business:
- (i) the Other Impacts section of the one-page executive summary should not include a reference to small business;
 - (ii) the Analysis of Specific Impacts is a mandatory section of the Analysis Proposal and should:
 - (A) show ‘No’ against ‘Small Business’; and
 - (B) include a brief summary of why there are no impacts on small business, if this is not intuitive; and
 - (iii) departments need not send the submission to DIISR for coordination comment (DIISR can confirm this by CABNET email to the relevant department if required).

113. Further guidance is contained in the relevant guidelines issued by DIISR, which are available from your CLO (at the time of publication, Cabinet Circular No 9 of 2008 refers).

Regulation impacts and compliance cost

114. The Government’s Best Practice Regulation Handbook sets out the agreed procedures for the preparation of proposals involving new or amended regulations impacting on business and individuals or the economy to ensure that they result in the greatest net benefit to the community (<http://www.obpr.gov.au/bestpractice/index.html> refers).

115. Where a regulatory response is proposed as an option, agencies should consult stakeholders. Where there is a regulatory impact from a proposal (that is, the proposal is likely to impact on business and individuals or the economy), the regulatory impacts should be identified in the submission (paragraph 118 below refers). Where there is no regulatory impact or a low regulatory impact, this should also be identified in the submission (paragraph 119 below refers).

116. In developing a Cabinet submission, a regulatory impact should be identified where:

- (a) there are medium or significant compliance costs; or
- (b) there is no or a low compliance cost impact but there are other impacts on business and individuals or the economy.

117. In either of the circumstances outlined in paragraph 116 above:

- (a) all regulatory proposals are required to undergo a preliminary assessment early in the development of regulatory proposals to determine any possible compliance costs or other impacts; and
- (b) the department must consult the OBPR at an early stage in the development of a regulatory proposal to determine if the regulatory impact and/or compliance cost is such that a BCC report (or equivalent) and/or a RIS is required;

118. Where a regulatory impact has been identified:

- (a) the Other Impacts section of the one-page executive summary should include a reference to regulation and the attached impact statement. For example, 'There is a regulatory impact (Attachment X refers)';
- (b) the Analysis of Specific Impacts section of the Analysis of the Proposal should:
 - (i) show 'Yes' against 'Regulatory' and include an attachment reference;
 - (ii) if applicable, against 'Regulator Compliance Cost', show the total compliance cost to business and individuals (with total costs to be specified in \$ million per annum);
 - (iii) show 'Yes' or 'No' against 'If yes, have regulatory offsets been identified?';
 - (iv) show 'Yes' or 'self-assessed' against 'Does the OBPR agree with the regulatory impact analysis', noting that consultation with OBPR is strongly encouraged;
 - (v) include a brief summary of any significant regulatory impacts; and
 - (vi) identify any opportunities for regulatory offsets through the reduction or streamlining of existing regulation or through the use of processes offering lower compliance costs, in accordance with the Government's one-in one-out principle;
- (c) a summary of the RIS is to be attached to the submission, with a note that the full copy can be obtained from the department's CLO, noting that:
 - (i) where proposals require the preparation of a RIS and/or BCC report, the RIS and/or BCC report should be circulated to agencies preparing coordination comments at the time the draft seeking those comments is circulated (any RIS or BCC reports or equivalent would be available but not attached to the submission);
 - (ii) the RIS aims to ensure that regulatory proposals are subject to proper analysis and scrutiny as to their necessity, design and net impact on business and the community as a whole and:

- (A) the process emphasises the importance of identifying the groups that will be affected by changes in the regulatory environment and consideration of alternatives to the proposed regulation; and
 - (B) drafters should note that, where regulations are being imposed on small business, this will generally result in a small business impact, which should be discussed with DIISR and described in the RIS; and
- (iii) submissions without an adequate RIS or compliance cost assessment are not to be circulated to ministers unless the Prime Minister or the Cabinet Secretary deems that exceptional circumstances apply, noting that:
 - (A) when exceptional circumstances apply, a mandatory post-implementation review must be undertaken by the responsible agency within one or two years of implementing the proposal; and
 - (B) the OBPR would monitor any such review; and
- (d) the draft submission should be circulated to OBPR who will comment on compliance with the government's regulatory impact assessment requirements and the adequacy of both the summary and the full RIS in its coordination comments; and

119. where it is clear that there is no likely, or a low, regulatory impact:

- (a) the Other Impacts section of the one-page executive summary should not include a reference to regulation;
- (b) the Analysis of Specific Impacts is a mandatory section of the Analysis Proposal and should:
 - (i) show 'No' against 'Regulation';
 - (ii) show 'Nil' against 'Regulator Compliance Cost';
 - (iii) show 'Yes' or 'self-assessed' against 'Does OBPR agree with the regulatory impact analysis', noting that consultation with OBPR is strongly encouraged; and
 - (iv) include a brief summary of why there are no impacts; and
- (c) departments need not send the submission to OBPR for coordination comment (OBPR can confirm this by CABNET email to the relevant department if required).

Regional Australia impact statements

120. The following process should be adhered to when developing submissions:

- (a) departments should consult DITRD LG at an early stage in the development of proposals so that it can assist in assessing whether a regional Australia impact statement (RAIS) is required, noting that proposals that are likely to have a

positive or negative impact on Australia's regions, especially where those impacts will vary by location or will be significantly different to those on metropolitan centres must be accompanied by a RAIS;

- (b) where an impact on regional Australia has been identified:
 - (i) the Other Impacts section of the one-page executive summary should include a reference to regional Australia and the attached impact statement. For example, 'Regional Australia: Attachment X';
 - (ii) the Analysis of Specific Impacts section of the Analysis of the Proposal should:
 - (A) show 'Yes' against 'Regional' and include an attachment reference; and
 - (B) include a brief summary of any significant impacts on regional Australia;
 - (iii) a summary of the RAIS is to be attached to the submission, with a note that the full copy can be obtained from the department's CLO;
 - (iv) the draft submission should be circulated to DITRDLG for coordination comment; and
- (c) where it is clear that there is no likely impact on regional Australia:
 - (i) the Other Impacts section of the one-page executive summary should not include a reference to regional Australia;
 - (ii) the Analysis of Specific Impacts is a mandatory section of the Analysis Proposal and should:
 - (A) show 'No' against 'Regional'; and
 - (B) include a brief summary of why there are no significant impacts on regional Australia, if this is not intuitive; and
 - (iii) departments need not send the submission to DITRDLG for coordination comment (DITRDLG can confirm this by CABNET email to the relevant department if required).

121. DITRDLG has RAIS Guidelines, which set out the procedures approved by the government for the preparation of submissions that impact on Australia's regions. The DITRDLG CLO (who can be contacted on telephone number s 47E(d)) holds copies of the RAIS Guidelines and can make a copy available to drafters.

Cost recovery impact statements

122. Drafters should consult Finance on the preparation of submissions canvassing the establishment of a cost recovery regime. Where the need for a cost recovery impact statement (CRIS) is identified, a summary must be incorporated as an attachment to the submission. Where a CRIS has been included within a RIS and the RIS is circulated at the time of seeking coordination comments, a separate summary should be included in the Financial Implications section of the Analysis of the Proposal.

Family impact statements

123. The following process should be adhered to:

- (a) departments should refer to the Family Impact Statement Guidelines (paragraph 124 below refers) at an early stage in the development of proposals and when developing a submission for assistance with identifying and assessing the impacts on families and drafting a family impact statement;
- (b) where an impact on families has been identified:
 - (i) the Other Impacts section of the one-page executive summary should include a reference to families and the attached impact statement, for example, “There is an impact on families (Attachment X refers)”;
 - (ii) the Analysis of Specific Impacts section of the Analysis of the Proposal should:
 - (A) show ‘Yes’ against ‘Families’;
 - (B) for any significant impacts, include a brief summary of significant impacts on families; and
 - (C) include an attachment reference; and
- (c) where it has been established that there is no likely impact on families:
 - (i) the Other Impacts section of the one-page executive summary should not include a reference to families; and
 - (ii) the Analysis of Specific Impacts, which is a mandatory section of the Analysis of the Proposal, should:
 - (A) show ‘No’ against ‘Families’; and
 - (B) include a brief justification for concluding that there are no impacts on families (for example, “As the submission relates to the government’s internal policies and processes, there are no family impacts.”).

124. Family Impact Statement Guidelines issued by the Office of Work and Family (OWF), which are available from your CLO and on the PM&C website.

Issues not to be raised in submissions or memoranda

125. Changes to the administrative arrangements or distribution of functions among portfolios are a matter for the Prime Minister and should not be canvassed in submissions.

126. Submissions should not suggest that particular matters be reported on in departments’ annual reports.

127. PBC develops and monitors the legislation programme for each parliamentary sitting period. A minister should not pre-empt PBC’s role by seeking in a submission any specific

priority for proposed legislation (that is, no reference is to be made as to the proposed category status of the bill or when it should be scheduled for debate). If the minister believes a bill should be added to the programme, he or she should seek to have this done by writing to the Prime Minister as early as possible and, at the latest, at the same time as the submission is lodged.

128. A submission should not recommend that the Cabinet agree to an amendment of the XYZ Act or to pass certain legislation. Rather it should recommend ‘that the Cabinet agree to the introduction of legislation to do ABC (identifying the key objectives or effects of the proposed legislation). This acknowledges the proper role of the Parliament, which is responsible for approving legislative changes.

Audio-visual presentations

129. Particular approval processes apply to requests to make audio-visual presentations to the Cabinet. Attachment D sets out the procedures to be followed in the event that ministers are considering making such a presentation to the Cabinet.

FINAL LODGEMENT CHECKS

130. It is the responsibility of drafters and CLOs to check that documents comply with the requirements set out in this Guide, the Cabinet Handbook and the CABNET templates before they are lodged with the Cabinet Secretariat (paragraph 61 above refers).

131. A compliance checklist and drafting conventions are provided at Attachments E and F to this Guide to facilitate these checks.

WHERE TO GET MORE INFORMATION

132. Departments’ CLOs are the central contact point to assist drafters with completing CABNET templates, quality control, circulation, timeframes, forecasts, access to Cabinet documents, additional drafting information and destruction of Cabinet documents.

133. The Cabinet Secretariat can provide advice on document quality and consistency, content and structure and the parties to be consulted. It will also ensure that the submission has followed the requirements as outlined in the Cabinet Handbook and this Guide and provide advice on timeframes and deadlines.

134. At the time of publication, the key contacts in the Cabinet Secretariat for drafters are:

(a) First Assistant Secretary **s 22** ;

(b) Assistant Secretary **s 22**

(c) Cabinet and committees (not including PBC and NSC/BPC/SCNS):

(i) Senior Adviser **s 22** ;

(ii) Adviser **s 22** ;

(iii) CLO **s 22** ; and

(iv) Assistant CLO **s 22** ; and

(d) NSC/BPC/SCNS:

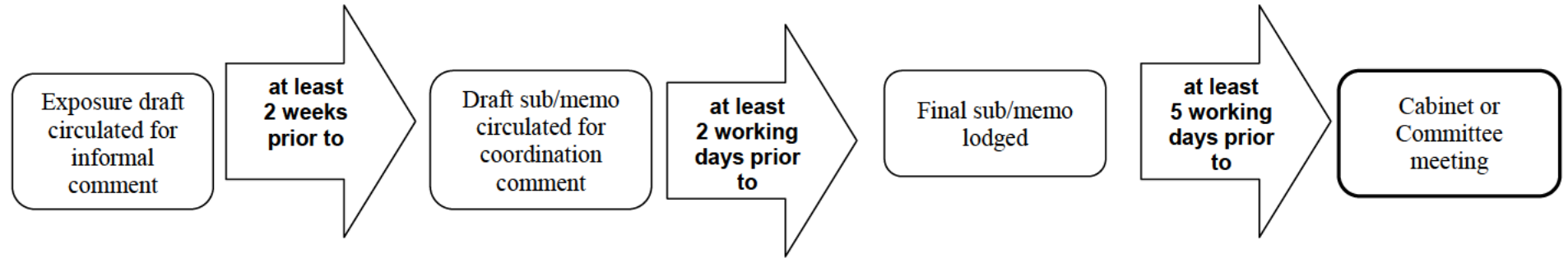
(i) Senior Adviser **s 22** ;

- (ii) Adviser s 22 ; and
- (iii) CLO s 22 .

135. Other key PM&C contacts for drafters include:

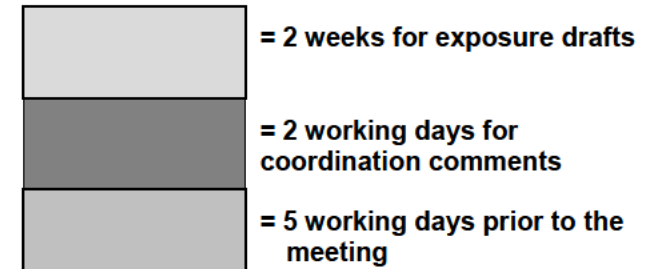
- (a) Legislation Secretariat – (02) 6271 5787;
- (b) Federal Executive Council Secretariat – (02) 6271 5322;
- (c) CIU hotline – s 47E(d) ; and
- (d) OWF – s 47E(d) .

ATTACHMENT A: Flow chart for subs/memos requiring discussion



Timeline example

	Mon	Tue	Wed	Thu	Fri
February				3 <i>Exposure Drafts</i>	4
	7	8	9	10	11
	14	15	16	17 Drafts (coordination)	18 comments)
	21 Finals for lodgement	22	23	24	25
	28 <i>Cabinet Meeting</i>				



ATTACHMENT B: Sample submission

RECOMMENDATIONS

Subheadings **must** not be used in the recommendations, but are included here to assist drafters. These recommendation examples should not be slavishly followed, but are presented as a guide to format and style in a range of common circumstances. The Cabinet Secretariat and CLOs can provide further advice on the drafting of recommendations as necessary.

Basic form

1. I recommend that the Cabinet agree:
 - (a) to streamline the application process for grants under [grants programme name] ('the streamlined process') by removing the requirement for ...; and
 - (b) that I bring forward a further submission by December 2008 addressing the scope to apply the streamlined process to grants to [other sectors].
2. I recommend that the Cabinet also agree to broaden the eligibility criteria for the [grant programme name] to include individuals or institutions that are currently unable to apply because they are in receipt of other Australian Government research funding.

With preamble

Example One

1. Further to Cabinet Minute KRXX/XXXX/CAB of [dd month year], I recommend that the Cabinet note that the states and territories ('the states') have unanimously indicated a disposition not to sign the draft [subject] agreement ('the Agreement') due to disagreement with [key point of disagreement].
2. I recommend that the Cabinet agree to a revised negotiating position with the states that includes:
 - (a) scope for the reallocation of funding within the current forward estimates between programmes making up the Agreement (Attachment X to the Submission refers); and
 - (b) the withdrawal of the requirement for

Example Two

1. Further to the decision of the High Court of Australia ('the Court') in the case of *The Commissioner of Taxation v Jones* ('the Jones case') in which the Court held that [decision], I recommend that the Cabinet agree to:
 - (a) seek special leave to appeal the judgement; and
 - (b) the introduction of amendments into the Parliament to the [Act name and year] that would ensure that

Financial Implications

Financial implications cover resourcing, capital injections and revenue and are expressed in underlying cash terms only.

Example One (where funding is allocated to more than one department for a measure)

1. I recommend that the Cabinet agree to the measure [measure title of NPP], involving the following impact on underlying cash (Attachment X to the Submission refers):

	Underlying Cash (\$ millions)			
	2008-09	2009-10	2010-11	2011-12
Department name	+/-x.x	+/-x.x	+/-x.x	+/-x.x
Department name	+/-x.x	+/-x.x	+/-x.x	+/-x.x
Total	+/-x.x	+/-x.x	+/-x.x	+/-x.x

Example Two (where funding is allocated to one department for a measure)

1. I recommend that the Cabinet agree to the measure [measure title of NPP], involving the following impact on underlying cash (Attachment X to the Submission refers):

	Underlying Cash (\$ millions)			
	2008-09	2009-10	2010-11	2011-12
Department name or acronym if used before	+/-x.x	+/-x.x	+/-x.x	+/-x.x

Example Three (where departments have funding beyond the forward estimates.)

1. I recommend that the Cabinet agree to the measure [measure title of NPP], involving the following impact on underlying cash (Attachment X to the Submission refers):

	Underlying Cash (\$ millions)			
	2008-09	2009-10	2010-11	2011-12
Department name or acronym if used before	+/-x.x	+/-x.x	+/-x.x	+/-x.x

including funding for \$x.x million in [financial year], \$y.y million in [financial year] [etc].

Example Four (where the measure has an impact on revenue)

1. I recommend that the Cabinet agree to the measure [measure title of NPP], involving the following impact on underlying cash (Attachment X to the Submission refers):

	Underlying Cash (\$ millions)			
	2008-09	2009-10	2010-11	2011-12
Consolidated revenue	+/-x.x	+/-x.x	+/-x.x	+/-x.x

Example Five (where funding for the measure includes revenue)

1. I recommend that the Cabinet agree to the measure [measure title of NPP], involving the following impact on underlying cash (Attachment X to the Submission refers):

	Underlying Cash (\$ millions)			
	2008-09	2009-10	2010-11	2011-12
Consolidated revenue	+/-x.x	+/-x.x	+/-x.x	+/-x.x
Department name or acronym if used before	+/-x.x	+/-x.x	+/-x.x	+/-x.x
Total	+/-x.x	+/-x.x	+/-x.x	+/-x.x

Legislation and Regulations

1. I recommend that the Cabinet agree to:

- (a) the introduction of legislation into the Parliament that would establish [criminal penalties for certain conduct] by:
 - (i) making it an offence to knowingly engage in [certain conduct];
 - (ii) creating defences to the offence referred to in paragraph 1(a)(i) above where:
 - (A);
 - (B) ...; or
 - (C)
 - (iii) permitting ; and

- (iv) providing for; and
- (b)

Government Response

Example 1

1. I recommend that the Cabinet agree to the proposed Australian Government ('the Government') response to the report by the [Committee or person or panel] on [Title] ('the Report') at Attachment C to the Submission ('the response') and, in particular, that the Government:

- (a) reject recommendation 1 of the Report relating to;
- (b) support in principle recommendations 2 and 3 of the Report relating to:
 - (i) ...; and
 - (ii) ...;
- (c) support recommendations 4, 5 and 6 of the Report relating to:
 - (i) ...;
 - (ii) ...; and
 - (iii) ...; and
- (d) support the remaining nine recommendations of the Report which are largely administrative in nature and related to the internal process of [department's name].

2. I recommend that the Cabinet note that acceptance of recommendation X of the Report will require careful handling and that I will meet with Y interest group.

3. I recommend that the Cabinet also agree that the Government response to the Report be tabled in the Parliament as soon as possible.

Example 2

1. I recommend that the Cabinet agree to the proposed Australian Government (Government) response ('the response') to the report by the [Productivity Commission or person or panel] on [title] ('the Report') at Attachment C to the Submission, involving:

- (a) support for the following recommendations:
 - (i) that the Government do [something] (recommendation 1 of the Report refers); and
 - (ii) that ... (recommendation 2 of the Report refers);
- (b) support in principle for the following recommendations:

- (i) that ... (recommendation 4 of the Report refers);
 - (ii) that ... (recommendation 5 of the Report refers); and
 - (iii) that (recommendation 6 of the Report refers); and
- (c) rejection of the following recommendations:
 - (i) that ... (recommendation 3 of the Report refers); and
 - (ii) that ... (recommendation 7 of the Report refers).

2. I recommend that the Cabinet also agree that the Government response to the Report be tabled in the Parliament as soon as possible.

Treaties

1. I recommend that the Cabinet agree that the approval of the Governor-General in Council be sought for Australia to sign [the treaty].

Media Release

1. I recommend that the Cabinet agree that I issue a media release along the lines of that at Attachment X to the Submission.

Bring forward spending proposals

1. I recommend that the Cabinet note that I will seek agreement to bring forward a new policy proposal on [details] in the [financial year] Budget process.

Implementation

1. I recommend that the Cabinet note that [name of initiative] will be subject to ongoing monitoring and reporting by the Cabinet Implementation Unit in the Department of the Prime Minister and Cabinet.

ATTACHMENT C: Sample memorandum

CONCLUSIONS

1. The Cabinet may wish to note that the review of [program name] ('the program') required by Cabinet Minute KRXX/XXXX/CAB of [dd month year] has found that:

- (a) the program is effective in meeting the needs of [target group]; and
- (b) the current forward estimates for the program are sufficient to meet fully current demand for services provided under the program.

2. The Cabinet may also wish to note that research conducted by Smith and Jones Proprietary Limited ('the Smith report'), as part of the review referred to in paragraph 1(a) above, found that an insignificant number of people were ineligible for the program because of an unintended inconsistency between the provisions of the *[Act name and year]* and the *[different Act name and year]*.

3. The Cabinet may wish to consider that a legislative response to the Smith report be developed that would extend eligibility for the program to the class of people identified in that report, involving the following impact on underlying cash (Attachment X to the Memorandum refers):

	Underlying Cash (\$ millions)			
	2008-09	2009-10	2010-11	2011-12
Department name or acronym if used before	+/-0.0	+/-0.0	+/-0.0	+/-0.0

4. The Cabinet may also wish to consider that a further review of programs provided by the Department of Health and Ageing (DHA) and the Department Families, Housing, Community Services and Indigenous Affairs (DFHCSIA) for [people in the target group] be commissioned:

- (a) which is to be conducted by an interdepartmental committee chaired by the Department of the Prime Minister and Cabinet and comprising representatives of the:
 - (i) Department of the Treasury;
 - (ii) the Department of Finance and Deregulation;
 - (iii) DHA;
 - (iv) DFHCSIA;
 - (v) the Department of Human Services; and

- (vi) Centrelink; and
- (b) with a further memorandum to be brought forward to the Cabinet by December 2009, that would:
 - (i) provide a stock-take of all Australian Government support for [people in the target group];
 - (ii) examine the extent of, and options for removing, duplication in service delivery or eligibility; and
 - (iii) ensure no further inconsistencies such as the one referred to in paragraph 2 above exist.

ATTACHMENT D: Audio-visual presentations by ministers to the Cabinet

1. In the event that a minister wishes to make an audio-visual presentation to the Cabinet or one of its committees, the prior approval of the Cabinet Secretary must be sought at least one week ahead of the scheduled relevant Cabinet or committee meeting. The letter to the Cabinet Secretary seeking permission to make the presentation should cover the following matters:
 - (a) the purpose of the presentation;
 - (b) the form the presentation will take;
 - (c) details of ministers who may need to attend;
 - (d) details of officials who may need to attend (name, position, why they need to be in the room) – note that officials generally do not attend meetings of the Cabinet;
 - (e) special equipment requirements; and
 - (f) a contact point in the minister's office.
2. Following advice from the Cabinet Secretary that approval has been given, the Cabinet Secretariat will advise the minister's office.
3. Any audio-visual presentation would be limited to 10 slides (to assist with a succinct oral presentation) and be presented to the Cabinet Secretary at least five days prior to the meeting. Where it is considered appropriate, in consultation with the Cabinet Secretary, the sponsoring minister would seek coordination comments for circulation to ministers.
4. The relevant minister's office and department should liaise with the Cabinet Secretariat in the lead up to the presentation with regard to the equipment they will require and any other additional information regarding the presentation.
5. Every audio-visual presentation should be tested in the Cabinet room at least one working day before the Cabinet meeting on which the Cabinet Secretary has agreed it can be given. On the day of the Cabinet meeting, all equipment needed for the presentation will be fully set up at least half an hour before the start of the meeting.

ATTACHMENT E: Compliance checklist

✓	PROCESS ISSUES
	The subject matter is on the Cabinet/NSC/SCNS forecast list and requires Cabinet/NSC/SCNS attention.
	The need for a joint submission or memorandum ('submission') has been considered (for example, with Treasurer for revenue proposals). Note, only one minister per portfolio can bring forward a submission.
	The Cabinet Secretary's approval has been received to bring the submission forward to the Cabinet or one of its committees (unless the matter has existing authority).
	The Prime Minister's/Cabinet Secretary's approval has been received for spending proposals between Budgets.
	Internal timelines have been established to meet the due dates for lodgement.
	The correct CABNET template has been selected.
✓	PAGE LIMITS
	The Executive Summary fits onto one page
	The submission does not exceed 15 pages in total (Executive Summary, recommendations/conclusions and the Analysis of the Proposal)
	The attachment does not exceed 50 pages (excluding the one page media release (if applicable) and coordination comments which are to be as short as possible)
✓	EXPOSURE DRAFT
	All relevant departments consulted
✓	Executive Summary
	Stands alone to explain all key issues and does not exceed one page
	All acronyms/short-form references are defined on first use and always used thereafter
	Instructions have been deleted from the template
	<i>Title</i> is unique and unambiguous
	<i>Ministers/Departments</i> is left blank at the exposure draft and draft stages
	<i>Strategic Priority</i> identified (signature/major reform or ministerial priority being met)
	<i>Purpose</i> coincides with any pre-determined directive (for example, a comeback in a Cabinet Minute) and does not exceed three lines.

	<i>Outcomes/Key Decisions Sought</i> actually sets out the outcomes or key decisions being sought (at a high level or in dot point form)
	<i>Difference The Proposal Will Make</i> identifies what will be achieved by agreement to the proposal(s)
	<i>Announcement Strategy</i> shows whether or not an announcement is proposed (Yes/No)
	<i>Implementation Risks</i> states any risks to timing, costs or other risks
	<i>Sensitivities/Criticism/Implications</i> highlights the major implications (including benefits, sensitivities and possible criticisms)
	<i>Financial Impact</i> table shows the current and next four financial years and all costing information has been provided to Finance and Treasury (as appropriate). Figures are to one decimal place in \$ millions, showing positive/negative signs and use 0.0 if no impact.
	<i>Other Impacts</i> identifies if there any significant implications on regulation (including compliance cost), small business, regional Australia or families and includes attachment references
	<i>Agreement</i> is left blank at the exposure draft and draft stages
	<i>Summary Recommendation</i> encapsulates what the Cabinet is being asked to agree
✓	Recommendations/Conclusions
	Are as short and concise as possible, decision oriented and for: <ul style="list-style-type: none"> • submissions the Cabinet is being asked to agree or note only; • memoranda the Cabinet is being invited to consider or note only
	Stand alone, are free from technical jargon, can be readily understood by a non-expert, and pick up everything that requires the Cabinet's authority
	Are grammatically correct and free of spelling and typographical errors
	Are restricted to one sentence but can have a number of sub-paragraphs
	Flow logically from the lead in (for example,... that the Cabinet agree to ...) and leads into the next with appropriate cross-referencing
	Paragraphs with subparagraphs: <ul style="list-style-type: none"> • flow logically from the header paragraph; • contain no more than one sentence per subparagraph; and • follow the standard format for making lists, that is: <ul style="list-style-type: none"> • the introductory paragraph: <ul style="list-style-type: none"> • ends with a colon (':'); and • is followed by dependent two or more subparagraphs: <ul style="list-style-type: none"> • commencing with a word in lower case; and • separated by a semi-colon (';'); and • the penultimate paragraph ends with semi-colon followed by and ('; and').

	Use correct terminology for cross-referencing – for example, paragraphs 2(a) and 2(d) above refer; paragraph 14 of the Submission refers; Attachment A to the Submission refers
	Are paragraph numbered with indented sub-paragraphs in the following sequence: 1., 2., 3.; (a),(b),(c); (i),(ii),(iii); and (A),(B),(C)
	Include financial implications tables and cross-references to the NPP as an attachment to the submission
	Withstand the test for automatic conversion into a minute (when translated as a decision) – that is, they are in a form that captures everything on which the Cabinet needs to make a decision, are capable of resolution and will produce the desired outcome
	CABNET bookmarks are at the beginning and end of the recommendations
	Ensure hidden text (which appears in red text in the CABNET template) has not been deleted
	Include figures which are to be rounded to one decimal place in \$ millions (except if it is ‘.0’ or below \$50,000, in which case two decimal places are permissible) – use ‘0.0’ in tables if nil and must also include a positive or negative sign depending on the circumstance
	All acronyms/short form references defined on first use
✓	Analysis of the Proposal
	Uses appropriate Cabinet terminology for cross referencing (for example, underline attachment references, Cabinet Minute reference conventions)
	Is paragraph numbered with indented subparagraphs (no dot points) in the following sequence: 1., 2., 3.; (a),(b),(c); (i),(ii),(iii); and (A),(B),(C).
	Figures are to one decimal place in \$ millions – use ‘0.0’ in tables if nil
	All acronyms/short form references defined on first use
	<i>Background</i> provides a comprehensive but succinct introduction to the subject matter, including appropriate references to previous relevant Cabinet minutes (for example, Cabinet Minute KRXX/XXXX/CAB of date refers)
	<i>Key Outcomes Sought</i> provides an overview of the proposal(s) and clearly articulates what problem the proposal(s) is designed to overcome
	<i>Need for Commonwealth Intervention</i> sets out clear reasons as to why the Commonwealth Government, as opposed to other sectors (state or territory (state), private and/or non-government) is the most appropriate jurisdiction to address the problem
	<i>Difference This Proposal Will Make</i> summarises what difference the proposal will make, including who will benefit and what would happen if no action was taken

	<i>Options</i> sets out tangible options for the proposed policy direction supported by high-level information on the advantages and disadvantages for each option canvassed, with a summary of the minister's preferred option.
	<i>Evidence for Proposed Action</i> provides evidence from reputable sources, including experiences of other jurisdictions or countries, as justification of the proposed course of action. Where relevant, summaries of key evidence are provided in an attachment to the submission, with full-length reports available from the department's CLO.
	<i>Sensitivities/Implications</i> clearly identifies any sensitivities arising from the proposal, including any state issues or potential criticisms from affected stakeholders.
	<i>Implementation/Timing</i> has been discussed with the CIU in PM&C at an early stage in the development of the proposal(s) and any implementation issues are summarised.
	<i>Risks</i> clearly identifies all risks inherent in the implementation of the proposal and how the key risks will be managed.
	<i>Legislation</i> identifies any legislative implications of the proposal(s).
	<i>Financial Implications</i> are the best estimate of the total financial impact (in underlying cash terms) and are agreed with Finance or Treasury (as appropriate). Each measure is supported by an NPP, which is attached to the submission.
	<i>Cost Recovery</i> has been discussed with Finance at an early stage in the development of the proposal(s) and the establishment of any cost recovery regimes is summarised.
	<i>Gateway Assessments</i> completed, and Finance consulted, for any proposal for the introduction of information technology solutions of \$10 million or more, or capital expenditure of \$30 million or more.
	<i>Announcement Strategy</i> sets out any proposed announcement or communication strategy. If relevant, a cross-reference is made to the draft media release and/or timeframes for communication activities attached to the submission.
	<i>Analysis of Specific Impacts</i> answers Yes/No to each of the impacts, with attachment references as appropriate. A brief summary of any significant impacts is provided underneath. Consultation with the relevant departments or, in the case of family impacts, reference to the Family Impact Guidelines, is required at an early stage in the development of the proposal(s).
	<i>Agreement/Departmental Consultations</i> is left blank at the exposure draft and draft stages.

✓	Attachments
	Submission title correct
	Index list titles coincide exactly with attachment titles
	NPPs are attached for all measures which have authority to be brought forward and correctly cite the relevant authority for each measure
	Inclusion of any tables, graphs, diagrams, maps or images has been discussed and agreed with the Cabinet Secretariat
	For tables, 'no fill' has been selected from borders and shading option
	Picture images and graphs are in black and white only and do not obscure security watermark
	Executive summary of reports only included
	Figures to one decimal place in \$ millions – use '0.0' in tables if nil
	All acronyms/short form references defined on first use in each attachment
✓	General
	Internal clearances received for circulation of exposure draft
	Contents of the Executive Summary, Recommendations, Analysis of the Proposal and attachments are internally consistent and are appropriately cross-referenced
	All proposals in the Analysis of Proposal are clearly reflected in the Recommendations
	Spelling and grammar checks have been completed – manual and electronic
	Submission has been proof read carefully, including for sense and readability, not assuming detailed or technical knowledge of the subject matter
	Submission title is correct and matches the title on the CABNET record
✓	DRAFT for COORDINATION COMMENTS
	All checks as for exposure draft stage
	All relevant/necessary departments and agencies have been consulted
	Costings have been agreed with Finance (or Treasury for revenue proposals) and the Financial Implications table completed (including with 0.0 if no funding)
	Authority to bring forward the submission has been obtained from the Cabinet Secretary
	Authority to circulate the draft submission for coordination comment has been obtained from the sponsoring minister(s).

✓	FINAL
	All checks as for exposure draft and draft for coordination comments stage
	Ministerial/departmental clearance received for circulation
	The Executive Summary is complete, including: <ul style="list-style-type: none"> • sponsoring ministers(s)/department(s) using the ‘picklist’; and • whether there is or is not agreement on coordination comments.
	Sponsoring ministers’ names only (that is, not their titles or honorifics) and the approval date added to the end of the recommendations (date only in the case of memoranda)
	Spelling and grammar checks have been completed – manual and electronic
	CABNET bookmarks are at the beginning and end of the recommendations and of the coordination comments.
	Final proof read

ATTACHMENT F: drafting conventions

In text, numbers one to nine should be spelt out in words; numbers 10 and above should be written as numerals 10, 11, 12, etcetera.

In tables, all numbers should be written as numerals with a positive or negative sign.

Numbers with four digits or more must contain commas (for example 4,000 not 4000)

Financial implications must be expressed to one decimal place in \$ million (two decimal places may only be used in cases where the amounts are less than \$50,000).

Do not bold text or figures within financial implications boxes and centre figures within columns (especially for dollar amounts)

Acronyms and other short-form references (short-forms) must be spelt out in full and defined on their first use in each of the following sections: the executive summary; the recommendations; the analysis of the proposal and each attachment.

- short-forms of two or more words must be defined within single quotation marks within the brackets, for example ('the definition') – single words or acronyms do not need quotation marks;
- all acronyms, including commonly recognised acronyms such as state names, departmental names, Pty Ltd and CEO, need to be defined.

Once an abbreviation/acronym is defined in each of the four separate sections, all future references in those sections must use this short-form.

Generally, references should be to the Australian Government ('the Government'). However, where documents mention state or territory governments ('the states'), the term Commonwealth Government ('the Commonwealth') must be used.

Cross references to paragraphs within the recommendations/conclusions or within the analysis of the proposal section should be to paragraph x above/below.

Cross-references to attachments in the:

- recommendations should be to Attachment X to the Submission; and
- analysis of the proposal section should be to Attachment X.

Cabinet minutes should be referred to using the following convention (**Cabinet Minute KR00/1234/CAB of dd month yyyy refers**).

Final Cabinet minutes should be cited as authority rather than Cabinet minutes from a committee or original documents that were subsequently considered by the Cabinet – that is, minutes with the suffix '/CAB' rather than '/ERC'.

Date references, names, titles and dollar or figure references should not wrap around two lines – use a linking space (control + shift + space).

Hyphens – use hyphens for words such as 'long-term' when used adjectivally (for

example, ‘long-term impact’, but not ‘in the long term’).
Words linked by a hyphen should not wrap around two lines – use a linking hyphen (control + shift + hyphen).
Ministers must be referred to in precedence order.
Generic terms such as ministers, departments etc., should be in lower case. However, title case is needed if proper nouns are used, for example, ‘agencies and departments are to ...’; ‘the Department of the Prime Minister and Cabinet’
Short-form for the Department of the Treasury is ‘the Treasury’ Short-form for the Department of Finance and Deregulation is ‘Finance’ Acronyms are used to short-form all other departments
Submission/Memorandum – references to the submission or memorandum under discussion should use upper case for the Submission/Memorandum, with references to other submissions/memoranda in lower case
Keep headings with text by using the ‘keep with next’ box in the ‘format’ menu
Text should be left justified not fully justified
Do not bold, underline or italicise text for emphasis
Italics are reserved for the titles of Acts of Parliament
Refer to ‘section x of the Act’ not ‘s. x of the Act’
Matters are ‘brought forward’ to the Cabinet, not ‘brought back’, ‘come back’ or ‘report’ to the Cabinet
Tables should not be split over two pages unless unavoidable and should contain a heading for each page: <ul style="list-style-type: none"> - to stop tables splitting over pages, use ‘table properties’, ‘row’ and remove tick from ‘allow rows to break across pages’ in the ‘table’ menu - to repeat a table heading on subsequent pages: do not split the table, place cursor in heading row and tick ‘headings row repeat’ in the ‘table’ menu
Do not abbreviate ‘that is’, ‘for example’ or ‘et cetera’ (NO ie, eg or etc.)
Do not include additional line spaces
Measure titles should be in title case, not italicised
‘Cabinet’ is a plural collective noun so agreement must be plural
Footnotes or endnotes must not be used in the executive summary, recommendations/conclusions or the analysis of the proposal section.

ATTACHMENT G: Defence procurement

Submissions and memoranda (submissions) relating to the acquisition of new or enhanced Defence capabilities with acquisition costs that exceed ministerial delegations are generally considered by the National Security Committee (NSC) of Cabinet rather than by the Cabinet and must comply with the following requirements.

Submissions must comply with the standard Cabinet rules set out in this Guide, including provision of the standard impact statements. Given the technical nature of many major capital acquisition decisions, it is important that submissions are drafted so as to present a clear argument, provide the necessary information for ministers to make informed decisions, and are written in plain English.

All NSC submissions are first considered by the Secretaries' Committee on National Security (SCNS) to ensure that whole-of-government implications are taken into account, facts are agreed and, as far as possible, differences are resolved in advance of consideration by NSC. Consideration by SCNS is an additional consultation requirement and is not intended as a substitute for the working-level consultation between relevant departments at the drafting stage.

Submissions relating to the acquisition of new Defence capabilities must be presented to the Australian Government ('the Government') through a two-stage or 'two-pass' process, and must be labelled as first or second-pass in the title.

First-pass

NSC's review of the annual strategic assessment will include agreement to capability gaps that merit rectification. Where that rectification involves procurement of equipment, the Defence Capability Plan will be amended in terms agreed by NSC to include a broad provision to address the enhancement, with an indicative cost band, and band for year-of-decision and in-service date. Broad capability solutions to meet the need are then identified during the first-pass stage and presented to NSC for first-pass consideration.

Each first-pass submission or memorandum must identify the NSC-agreed capability gap to be addressed, and attach an 'Initial Business Case' for each realistic broad solution that addresses the capability gap. The options must include at least one off-the-shelf option, where such an option exists, and where it is judged not to exist, this must be explained in the first-pass approval submission. Any option that proposes the 'Australianisation' or modification of equipment must detail the rationale and associated costs and risks. The body of each submission must include a discussion of the rationale for undertaking further analysis of some of the options and, at a high level, the cost capability, schedule and risk trade-offs between the different options identified.

Each Initial Business Case is to identify:

- (a) the capability option being explored;
- (b) the indicative schedule;

- (c) the indicative total acquisition and whole-of-life costs;
- (d) the methodology for further assessment of the option, including any necessary funding to further assess the option, including the extent of industry solicitation;
- (e) an assessment of technical risk; and
- (f) any implications for Australian industry, including potential suppliers and funded studies.

The outcome of first-pass is NSC approval of the options to be explored, the engagement of industry in the exploration and the necessary spending authority for the Department of Defence (Defence) to undertake detailed analysis of the agreed capability options to address the identified capability need. At this stage the Government is not committed to acquiring the capability.

Second-pass

The second-pass stage is defined as the process by which the range of options approved following first-pass are subject to detailed and rigorous assessment and an 'Acquisition Business Case' for each option is presented to NSC for consideration.

Each submission must attach a detailed and rigorous 'Acquisition Business Case' for each capability option approved at first-pass. The body of the submission or memorandum must include a discussion of the rationale for selection of the preferred option, including the cost capability, schedule and risk trade-offs between the different options identified.

Each Acquisition Business Case is to include:

- (a) the expected function or effect of the capability to be acquired;
- (b) the budget estimates of total acquisition and whole-of-life costs;
- (c) the delivery schedule;
- (d) an analysis of the technology, cost and schedule risks and drivers (technology risk must be rated using the Technology Readiness Level described below under 'Other');
- (e) discussion of any implications for Australian industry; and
- (f) the recommended mechanism for reporting progress to NSC.

The outcome of second-pass by NSC is for Defence to proceed to contract for an agreed capability solution with a defined acquisition budget, schedule and level of performance, and a budgeted whole-of-life cost.

Other

The second-pass stage will occur for each acquisition phase of a multi-phased project. For some complex proposals, additional consideration by NSC may be needed between the two mandated passes to provide further guidance as more information becomes available, or circumstances change. NSC may also require an additional submission prior to the announcement of a successful tenderer. For less complex projects, where formal project definition phases have been completed, and for follow-on activity under contract options, it may be acceptable for Defence to bring forward a proposal for second-pass approval to be agreed at the first-pass consideration.

Each first and second-pass submission requires agreement with the Department of Finance and Deregulation (Finance) on the detailed acquisition and operating costings and financial risk assessment. A brief comment from Finance on cost and financial risk will be included in the cover page of each submission, along with a paragraph of comment in the body of the submission. Finance will provide material advising its sign off, any qualifications to that sign off and its perspective on the costings. For example, Finance may agree with the costings, or conclude that some expenses have not been covered, or that insufficient allowance for risk has been made. All costings provided by Defence in submissions are to be on an out-turned basis.

Within Defence there is to be sign off from the appropriate areas on the information provided in submissions, including costings, infrastructure aspects, acquisition strategy, risk assessment and mitigation, and technology maturity and risk.

Progress reporting mechanisms will be proposed in each second-pass submission or memoranda for decision by NSC on a case-by-case basis. In addition to any required progress reporting, Defence must report back to NSC if there is a significant change to costings, capability or timetable above the threshold levels agreed by NSC.

Standardised technology readiness levels (TRL) should be used to assess the technology maturity of equipment at various stages of development. Capability options without a TRL rating would not proceed for NSC consideration. On a TRL scale of one to nine, level one is essentially new high-risk technology, and level nine is mature low-risk technology

In exceptional circumstances the Prime Minister may approve an accelerated rapid acquisition process.

Submissions Not Requiring Discussion

Submissions for first and second-pass approval might be approved by the Cabinet Secretary as not requiring discussion. Circulation of those submissions would be limited to NSC ministers and any additional ministers agreed by the Cabinet Secretary.

Omnibus Submissions

In general, separate submissions will be provided for each project or phase. However, with the agreement of the Prime Minister, a number of closely related proposals may be combined into a single submission, provided the full information is provided on each proposal.