



Australian Government Regulation Impact Statement Status – 2019-20

The Office of Best Practice Regulation (OBPR) publishes Regulation Impact Statements (RISs) on its website as soon as practicable from the date of regulatory announcements, in consultation with the relevant agency. RIS compliance, in aggregate and by agency, is reported concurrently in the following tables. This document is accurate as of 1 July 2020. RIS compliance for previous years is available on the OBPR website.

RISs were required for twenty nine proposals finalised between 1 July 2019 and 30 June 2020.

Five RISs were assessed as Best Practice, eight RISs were assessed as not Best Practice. Three proposals were assessed as insufficient as a RIS was not prepared and assessed by the OBPR prior to the final decision. For twelve of the proposals, the RIS requirements were met by certifying a RIS-like process. The OBPR does not assess these certifications for quality, only for relevance. In one case, a Prime Minister’s Exemption was granted in exceptional circumstances.

Under the March 2020 Australian Government Regulatory Impact Analysis (RIA) process, the OBPR publishes each RIS, the associated agency certification letter and the OBPR assessment letter. A RIS can evolve during the policy development process, and can also be published for consultation at an early stage. The OBPR assesses RISs for compliance at the final decision point.

RIS Summary of compliance

Stage	2018–19 Ratio	%	2019-20 ^a Ratio	%
Compliance	27/27	100	26/29	90
Best practice – RISs	11/16	70	5/16	31
Independent Reviews	10		12	
RISs for consultation	2		2	
Exceptional circumstances	1 ^b		1 ^b	
Estimated annual impact on Regulatory Burden ^c	+\$138.4 million		+\$909.6 million ^d	

^a As at 1 July 2020

^b Included in total count RIS compliance

^c Positive number represents an increase in regulatory burden. Regulatory burden in RISs are estimated using the Commonwealth Regulatory Burden Measurement framework and are assumed to be spread over 10 years. The estimate is based on RISs published at the final decision point.

^d The total estimated annual impact on regulatory burden may differ from the other figures in this document due to rounding.

Regulation Impact Statement Compliance, 2019-20

	RIS Compliance	Best practice	PIR required	Regulatory Burden (\$m)
Australian Government	1/1	1/1		TBA
Australian Government response to COVID-19 – Prime Minister’s Exemption	Compliant	N/A	Yes	TBA
Department of Agriculture, Water and the Environment	1/1	1/1		\$76.1
Live sheep exports to, or through, the Middle East—Northern Hemisphere summer	Compliant	No	No	\$76.1
Department of Communications and the Arts	1/1	1/1		\$0
26 GHz spectrum re-allocation – Independent Review	Compliant	Yes	No	\$0
Australian Communications and Media Authority	3/3	2/3		\$0.5
Proposal to change the unwanted emission boundary core condition on 3.4 GHz spectrum licenses – Independent Review	Compliant	Yes	No	\$0
The proposal seeks to implement an Industry Standard to curb mobile porting fraud.	Compliant	No	No	\$0.5
Optimisation of arrangements in the 3400-3575 MHz band – Independent Review	Compliant	Yes	No	\$0
Department of the Environment and Energy	1/1	1/1		(\$0.1)
Amendments to the Emissions Reduction Fund Safeguard Mechanism	Compliant	Yes	No	(\$0.1)
Department of Health	1/2	1/2		\$0
Changes to home care subsidy payment administration – Independent Review	Compliant	Yes	No	\$0
The Seventh Community Pharmacy Agreement	Insufficient	No	Yes	N/a
Therapeutic Goods Administration	2/2	2/2		\$1.4
Regulatory scheme for personalised medical devices, including 3D-printed devices	Compliant	Yes	No	\$1.3
Addressing prescription opioid use and misuse in Australia – Independent Review	Compliant	Yes	No	\$0.11
Department of the Industry, Science, Energy and Resources	2/2	1/2		\$6.8
Franchise relationships between car manufacturers and new car dealers	Compliant	Yes	No	\$4.6
Payment times reporting scheme	Compliant	No	No	\$2.25
Department of Infrastructure, Transport, Regional Development and Communications	1/1	0/1		\$0
Proposal to amend the quota on Australian content multi-channel obligations for regional broadcasters	Compliant	No	No	\$0

Department of Home Affairs	1/1	1/1		(\$311)
Anti-Money Laundering and Counter Terrorism Financing	Compliant	Yes	No	(\$311)
Department of Veteran Affairs	1/1	0/1		\$0
Defence Home Insurance Scheme	Compliant	No	No	\$0
Treasury	5/7	3/7	2	\$362.3
Extend the ban on conflicted remuneration to listed investment companies and trusts	Insufficient	No	Yes	N/a
Litigation funders to be regulated under the <i>Corporations Act 2001</i>	Insufficient	No	Yes	N/a
Wind-up of Eligible Rollover Funds	Compliant	Yes	No	\$0.0
Prohibited Energy Market Misconduct	Compliant	No	No	\$0.8
First Home Loan Deposit Scheme	Compliant	No	No	\$2.2
Government response to the Financial Services Royal Commission – Independent Review	Compliant	Yes	No	\$359.3
Restrictions on cash payments – Independent Review	Compliant	Yes	No	\$0
Australian Accounting Standards Board	1/1	1/1		\$15.5
Financial reporting for certain for-profit private sector entities – Independent Review	Compliant	Yes	No	\$15.5
Australian Competition and Consumer Commission	2/2	1/2		\$109
Safety standard for quad bikes – Independent Review	Compliant	Yes	No	\$3.2
Consumer Data Right Rules – Independent Review	Compliant	No	No	\$105.8
Australian Prudential Regulation Authority	2/2	2/2		\$4.4
Standardised Measurement Approach to Operational Risk for ADIs – Independent Review	Compliant	Yes	No	\$1.1
Prudential Standard APS 220 Credit Risk Management	Compliant	Yes	No	\$3.3
Australian Securities and Investments Commission	1/1	0/1		\$22.5
Regulatory framework for foreign financial services providers	Compliant	No	No	\$22.5

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Detailed information

Australian Government

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Australian Government response to COVID-19	Compliant	N/A	Yes	TBA

Due to truly urgent and unforeseen events related to the spread of COVID-19, the Prime Minister granted an exemption from the need to complete regulatory impact analysis in the form of Regulation Impact Statements for all urgent and unforeseen Australian Government measures made in response to COVID-19.

Department of Agriculture, Water and the Environment

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Live sheep exports to, or through, the Middle East—Northern Hemisphere summer	Compliant	No	No	\$76.1

Regulation to limit the risk of heat stress in live sheep exported to, or through, the Middle East during the Northern Hemisphere summer, from 1 May to 31 October inclusive.

- The OBPR assessed the RIS prepared by the Department as compliant with the Government's requirements but not consistent with best practice, because the RIS was not able to clearly identify the option with the highest net benefit.
- The OBPR considers that the RIS was not able to clearly identify the option with the highest net benefit. In part, this is due to the challenge of framing the issue as needing to respond to a risk for exports of live sheep to the Middle East to be further constrained, when the magnitude of this risk is uncertain.
- A Post Implementation Review is not required.

Department of Communications and the Arts

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
26 GHz spectrum re-allocation – Independent Review	Compliant	Yes	No	\$0

The Minister for Communications, Cyber Safety and the Arts announced the re-allocation of spectrum in the 26 GHz band to facilitate the deployment of 5G wireless broadband services.

Australian Communications and Media Authority

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Proposal to change the unwanted emission boundary core condition on 3.4 GHz spectrum licenses – Independent Review	Compliant	Yes	No	\$0

The change to the 3.4 GHz unwanted emission boundary aligns with international standards for 5G frequency boundaries and ensures that licensees will not have to modify the relevant spectrum equipment to meet an Australian-specific condition.

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
The proposal seeks to implement an Industry Standard to curb mobile porting fraud.	Compliant	No	No	\$0.5
The proposal requires mobile providers to implement additional identity verification processes before a phone number can be transferred. This will help prevent scammers use stolen identity information to fraudulently port mobile numbers, enabling them to complete security verification for linked accounts such as banking or social media. The RIS did not meet best practice since it does not contain sufficient depth of analysis or exploration of stakeholder views.				

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Optimisation of arrangements in the 3400-3575 MHz band – Independent Review	Compliant	Yes	No	\$0
Current arrangements have resulted in a fragmented use of spectrum in 3400 – 3575 MHz band. Defragmentation is expected to result in a more efficient use of the spectrum while reducing network deployment costs. The optimisation will also enable ACMA to make additional 5G spectrum available to meet the growing demand for 5G services that could benefit from the characteristics of this band.				

Department of the Environment and Energy

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Amendments to the Emissions Reduction Fund Safeguard Mechanism	Compliant	Yes	No	(\$0.1)

A rule made to amend the Safeguard Mechanism in order to bring baselines up-to-date, give businesses the option to use Government-determined prescribed production variables and default emissions intensity values for calculating baselines, and allow baselines to be adjusted annually for actual production where facilities use eligible production variables, so they continue to reflect facility circumstances.

Department of Health

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Changes to home care subsidy payment administration – Independent Review	Compliant	Yes	No	\$0
Amendments to the <i>Aged Care Act 1997</i> and the <i>Aged Care (Transitional Provisions) Act 1997</i> , to give effect to the first stage of reforms to improve payment administration arrangements for home care packages announced in the 2019-20 Budget. The reforms will change the payment of home care subsidy to approved providers from being paid in advance to being paid in arrears.				

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
The Seventh Community Pharmacy Agreement	Insufficient	No	Yes	N/a

The Seventh Community Pharmacy Agreement (7CPA), signed by the Commonwealth, the Pharmacy Guild of Australia and the Pharmaceutical Society of Australia, commenced on 1 July 2020. Given its potential to have major impacts on businesses, individuals and the community, a RIS was required for the 7CPA.

The Department of Health was assessed as insufficient as a RIS was not prepared for the final decision to sign the 7CPA.

Therapeutic Goods Administration

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Regulatory scheme for personalised medical devices, including 3D-printed devices	Compliant	Yes	No	\$1.3

Amendments to the *Therapeutic Goods (Medical Devices) Regulations 2002* to incorporate reforms to the Australian medical devices regulatory framework.

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Addressing prescription opioid use and misuse in Australia – Independent Review	Compliant	Yes	No	\$0.11

Changes to the regulatory framework for prescription opioids to address prescription opioid use and misuse in Australia.

Department of Industry, Science, Energy and Resources

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Franchise relationships between car manufacturers and new car dealers	Compliant	Yes	No	\$4.6

Amendments to the Competition and Consumer (Industry Codes—Franchising) Amendment (New Vehicle Dealership Agreements) Regulations 2020 to require all new dealership agreements to take into account additional considerations regarding end of term arrangements, capital expenditure and multi-party dispute resolution.

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Payment Times Reporting Scheme	Compliant	No	No	\$2.25

The Payment Times Reporting Scheme introduces mandatory reporting by large businesses on the time taken to pay small business suppliers (defined as businesses with an annual turnover up to \$10 million). The Scheme was a 2019 election commitment. The OBPR considers that the policy development process as described in the RIS departs from best practice as the RIS was not prepared in time to inform each major decision point.

Department of Infrastructure, Transport, Regional Development and Communications

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Proposal to amend the quota on Australian content multi-channel obligations for regional broadcasters	Compliant	No	No	\$0

The proposal is for a deeming provision be made available to a regional or remote licensee who is unable to meet the multi-channel broadcast quota. The provision will allow a relevant licensee to be deemed to have met the quota obligation provided the licensee does not broadcast less than the amount of Australian content broadcast on the equivalent metropolitan multi-channel(s) during the same year. OBPR considers that a higher level of analysis is required for the RIS to be consistent with best practice, particularly regarding evidence of the nature and magnitude of the problem and the need for government action.

Department of Home Affairs

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Anti-Money Laundering and Counter Terrorism Financing	Compliant	Yes	No	(\$311m)
<p>The <i>Anti Money Laundering and Counter Terrorism Financing and Other Legislation Amendment Bill 2019</i> amends the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> and the <i>Criminal Code 1995</i>, to implement the second phase of reforms in response to the recommendations of the Report on the statutory review of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and associated Rules and Regulations. The Bill contains a range of measures to strengthen Australia's capabilities to address money laundering and terrorism financing risks, and generate regulatory efficiencies.</p>				

Department of Veterans' Affairs

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Defence Home Insurance Scheme	Compliant	No	No	\$0
<p>This change will expand the eligibility to the Defence Service Homes Insurance Scheme to all current and former persons who have at least one days' service in the Australian Defence Force (ADF). The RIS was not considered consistent with best practice since further analysis would have been required to examine the policy problem and impacts more comprehensively, and to outline in more detail the range of stakeholders' views.</p>				

Treasury

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Extend the ban on conflicted remuneration to listed investment companies and trusts	Insufficient	No	Yes	N/a
<p>The ban on conflicted remuneration is extended to listed investment companies and trusts (LICs), commencing 1 July 2020. The extension of the ban to LICs is intended to address risks associated with the potential mis-selling of these products to retail consumers, improve competitive neutrality and provide long term certainty in the funds management industry. The Treasury was assessed as insufficient with the Australian Government's Regulatory Impact Analysis requirements as a RIS was not prepared for the final decision to regulate.</p>				

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Litigation funders to be regulated under the <i>Corporations Act 2001</i>	Insufficient	No	Yes	N/a
<p>Litigation funders to be regulated under the Corporations Act, requiring them to hold an Australian Financial Services Licence and comply with the managed investment scheme regime. The Treasury was assessed as insufficient with the Australian Government's Regulatory Impact Analysis requirements as a RIS was not prepared for the final decision to regulate.</p>				

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Wind-up of Eligible Rollover Funds – Independent Review	Compliant	Yes	No	\$0.0
<p>Amendments to facilitate the closure of Eligible Rollover Funds (ERFs) by 30 June 2021 and enable the Commissioner of Taxation to reunite amounts he or she receives from ERFs with a superannuation fund member's active account. The OBPR does not assess the adequacy of the content of an independent review used in lieu of a RIS.</p>				

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Prohibiting Energy Market Misconduct	Compliant	No	No	\$0.8

Prohibits conduct by electricity corporations that is detrimental to competition or to consumer welfare. The Treasury Laws Amendment (Prohibiting Energy Market Misconduct) Bill 2019 was reintroduced to Parliament in September 2019. The OBPR did not reassess the RIS published in December 2018 given the minor amendments to the RIS and Bill. To be consistent with best practice, the RIS should have included more evidence on how the preferred option delivers the highest net benefit to the community and more discussion on the views of stakeholders. Consultation should also have been more broad-based and should have been for a period of at least 30 days, consistent with the Government's minimum requirement.

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
First Home Loan Deposit Scheme	Compliant	No	No	\$2.2

The First Home Loan Deposit Scheme (FHLDS) will provide a guarantee on eligible loans equal to the difference between the deposit (of at least 5 per cent) and 20 per cent of the property purchase price, with coverage broadly consistent with a parental guarantee. The FHLDS is intended to support up to 10,000 purchases of dwellings by first home buyers each year, and eligibility criteria incorporates income and regional dwelling price limits. For this RIS to be considered best practice, further detail would be required on the outcomes of the consultation process.

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Government response to the Financial Services Royal Commission – Independent Review	Compliant	Yes	No	\$359.3

The Financial Services Royal Commission identified numerous instances where the conduct of members of the banking, superannuation and financial services industry caused considerable detriment to consumers, and that there are systematic roots to much of this conduct. Hence, the Commissioner recommended a broad suite of measures, including regulatory changes, aimed at improving the conduct of the industry and reducing harm to consumers.

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Restrictions on cash payments – Independent Review	Compliant	Yes	No	\$0

Introduces offences for entities that make or accept cash payments of \$10,000 or more. The Treasury certified the Black Economy Taskforce Final Report in lieu of a Regulation Impact Statement. The OBPR does not assess reviews that have been certified as meeting the requirements of a RIS.

Australian Accounting Standards Board

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Financial reporting for certain for-profit private sector entities – Independent Review	Compliant	Yes	No	\$15.5

Requires certain for-profit private sector entities to prepare general purpose financial reports, rather than electing to prepare special purpose financial statements, and provides simplified reporting requirements for Tier 2 entities. The OBPR does not assess the adequacy of the content of an independent review or RIS-like document used in lieu of a RIS.

Australian Competition and Consumer Commission

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Safety standard for quad bikes – Independent Review	Compliant	Yes	No	\$3.2

Introduces a mandatory safety standard to apply to new and imported second-hand quad bikes. The ACCC certified the Quad bike safety: Final Recommendation to the Minister report in lieu of a Regulation Impact Statement. The OBPR does not assess reviews that have been certified as meeting the requirements of a RIS.

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Consumer Data Right Rules – Independent Review	Compliant	No	No	\$105.8

Specifies the obligations on consumer data holder and recipient businesses under the Consumer Data Right. To be consistent with best practice, the certified report should have been tabled with the legislation. The OBPR does not assess the adequacy of the content of an independent review used in lieu of a RIS.

Australian Prudential Regulation Authority

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Prudential Standard APS 220 Credit Risk Management	Compliant	Yes	No	\$3.3

Increases requirements for credit risk management by authorised deposit-taking institutions (ADIs). The OBPR does not assess the adequacy of the content of an independent review used in lieu of a RIS.

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Standardised Measurement Approach to Operational Risk for ADIs – Independent Review	Compliant	Yes	No	\$1.1

Specifies the requirements for the prudential capital holdings of ADIs to cover operational risk. The OBPR does not assess the adequacy of the content of an independent review used in lieu of a RIS.

Australian Securities and Investments Commission

Proposal	RIS Status	Best practice	PIR required	Regulatory Burden (\$m)
Regulatory framework for foreign financial services providers	Compliant	No	No	\$22.5

Introduces a new foreign Australian financial services licensing regime for foreign financial services providers providing financial services to Australian wholesale clients and licensing relief for foreign providers of funds management services seeking to induce some types of Australian professional investors. To be consistent with best practice, the RIS should have included analysis of how representative the included examples were of the existence of a broader problem and more evidence on how the preferred option delivers the highest net benefit to the community.

Appendix A – RISs published for consultation

Two Australian Government RISs were published for consultation between 1 July 2019 and 30 June 2020.

Proposal	Agency	Closing date
Reducing heavy vehicle rear impact crashes: Autonomous Emergency Braking	Department of Infrastructure, Transport, Cities and Regional Development	4 October 2019

The Department of Infrastructure, Transport, Cities and Regional Development released a Regulation Impact Statement (RIS) for consultation to explore Autonomous Emergency Braking Systems (AEBS) as an effective countermeasure to rear impact road trauma caused by heavy vehicles, and explores a range of policy options to increase the fitment to new heavy vehicles and buses.

Proposal	Agency	Closing date
Franchise Relationships Between Car Manufacturers and New Car Dealers	Department of Industry, Science, Energy and Resources	13 March 2020

The Department of Industry, Science, Energy and Resources released an updated Regulation Impact Statement (RIS) for consultation, accompanying draft regulations aimed at addressing concerns with the power imbalance between car dealers and manufacturers.