Australian Government Impact Analysis status, 2023-24

The Office of Impact Analysis (OIA) publishes Impact Analyses (IAs) – formerly known as Regulation Impact Statements (RISs) - on its website as soon as practicable after the date of policy announcements, in consultation with the relevant agency.

This compliance report covers IAs uploaded to the OIA website in the period 1 July 2023 to 22 May 2024. IA compliance reports for previous years are also available on the OIA website.

Please note that all Department and Agency names in this report reflect their name at the time the IA was published.

Under the current settings, the OIA publishes each IA document, the associated agency certification letter and the OIA assessment letter on its website. An IA can evolve during the policy development process, and can also be published for consultation at an early stage. The OIA assesses IAs for compliance at the final decision point.

IAs were required for 45 proposals finalised between 1 July 2023 and 22 May 2024.

For 12 of these proposals, the IA requirements were met by certifying an independent review or Impact Analysis equivalent (IAE) process. The OIA does not assess these certifications for quality, only for relevance to the recommended options, and for the coverage of the seven IA questions.

Contents

[Summary of compliance 5](#_Toc167375514)

[Impact Analysis compliance summary by Department or Agency, 2023-24 5](#_Toc167375515)

[Australian Competition and Consumer Commission 5](#_Toc167375516)

[Australian Communications and Media Authority 5](#_Toc167375517)

[Australian Securities and Investment Commission 6](#_Toc167375518)

[Civil Aviation Safety Authority 6](#_Toc167375519)

[Department of Agriculture, Fisheries and Forestry 6](#_Toc167375520)

[Department of Climate Change, Energy, the Environment and Water 7](#_Toc167375521)

[Department of Defence 7](#_Toc167375522)

[Department of Education 7](#_Toc167375523)

[Department of Employment and Workplace Relations 8](#_Toc167375524)

[Department of Finance 8](#_Toc167375525)

[Department of Foreign Affairs and Trade 8](#_Toc167375526)

[Department of Health and Aged Care 9](#_Toc167375527)

[Department of Home Affairs 9](#_Toc167375528)

[Department of Infrastructure, Transport, Regional Development, Communications and the Arts 9](#_Toc167375529)

[Department of the Prime Minister and Cabinet 10](#_Toc167375530)

[Department of the Treasury 10](#_Toc167375531)

[Sport Integrity Australia 11](#_Toc167375532)

[Detailed information on proposals requiring Impact Analysis, 2023-24 11](#_Toc167375533)

[Australian Competition and Consumer Commission 11](#_Toc167375534)

[New mandatory safety standard for Helium balloon inflation kits 11](#_Toc167375535)

[Australian Communications and Media Authority 12](#_Toc167375536)

[Allocation limits for the 3.4/3.7 GHz bands allocation process 12](#_Toc167375537)

[Financial hardship in the telco sector - enhancing consumer protections 12](#_Toc167375538)

[Australian Securities and Investment Commission 13](#_Toc167375539)

[ePayments Code review 13](#_Toc167375540)

[Civil Aviation Safety Authority 13](#_Toc167375541)

[Amendments to the Airspace Regulations 2007 13](#_Toc167375542)

[Department of Agriculture, Fisheries and Forestry 15](#_Toc167375543)

[Modernising the agricultural levies legislation 15](#_Toc167375544)

[Phase Out of Live Sheep Exports by Sea 16](#_Toc167375545)

[Department of Climate Change, Energy, the Environment and Water 16](#_Toc167375546)

[Improving Australia's fuel and vehicle emissions standards 17](#_Toc167375547)

[Commercial Fishing Vessel Monitoring Systems in Australian Marine Parks 19](#_Toc167375548)

[Environmentally Sustainable Procurement Policy 20](#_Toc167375549)

[Capacity Investment Scheme 21](#_Toc167375550)

[Department of Defence 22](#_Toc167375551)

[Defence Trade Controls Amendment Bill 2023 22](#_Toc167375552)

[Department of Education 23](#_Toc167375553)

[Improving Integrity in the International Education Sector 23](#_Toc167375554)

[Department of Employment and Workplace Relations 24](#_Toc167375555)

[Closing the labour hire loophole 24](#_Toc167375556)

[Standing up for casual workers 24](#_Toc167375557)

[Minimum standards and increased access to dispute resolution for independent contractors 25](#_Toc167375558)

[New voluntary pre-employment service for parents of young children 25](#_Toc167375559)

[Department of Finance 26](#_Toc167375560)

[Legislating the Australian Government Digital ID Program 26](#_Toc167375561)

[Department of Foreign Affairs and Trade 27](#_Toc167375562)

[Signing of the Second Protocol to Amend the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area 27](#_Toc167375563)

[Indo-Pacific Economic Framework for Prosperity Agreement Relating to Supply Chain Resilience 27](#_Toc167375564)

[Department of Health and Aged Care 28](#_Toc167375565)

[Review of Tobacco Control Legislative Framework (Thematic Review) 2023 28](#_Toc167375566)

[Proposed reforms to the regulation of vapes 29](#_Toc167375567)

[Proposal to adopt the latest Australian and New Zealand Sunscreen Standard 29](#_Toc167375568)

[Home Care Packages 30](#_Toc167375569)

[Department of Home Affairs 30](#_Toc167375570)

[Mandatory security standards and industry-led voluntary cyber security labelling scheme for consumer-grade smart devices 30](#_Toc167375571)

[Migration Strategy 31](#_Toc167375572)

[Department of Infrastructure, Transport, Regional Development, Communications and the Arts 32](#_Toc167375573)

[Reversing Technologies in Vehicles 32](#_Toc167375574)

[Prohibit the use of credit cards for online gambling 32](#_Toc167375575)

[Safer Freight Vehicles 33](#_Toc167375576)

[Prominence Framework for Connected Television Devices 33](#_Toc167375577)

[Australia Post Modernisation and Long-Term Financial Sustainability 35](#_Toc167375578)

[Cleaner, Cheaper to Run Cars: The Australian New Vehicle Efficiency Standard 35](#_Toc167375579)

[Improving Pedestrian Safety - Acoustic Vehicle Altering Systems for Quiet Road Transport Vehicles 36](#_Toc167375580)

[Department of the Treasury 37](#_Toc167375581)

[Multinational Tax Transparency 37](#_Toc167375582)

[Tackling multinational tax avoidance 38](#_Toc167375583)

[Operational risk management 38](#_Toc167375584)

[Petroleum Resource Rent Tax: Gas Transfer Pricing Review 39](#_Toc167375585)

[Department of the Treasury 40](#_Toc167375586)

[Climate risk disclosure 40](#_Toc167375587)

[Department of the Prime Minister and Cabinet 41](#_Toc167375588)

[Support for Workers during the Net Zero Transition 41](#_Toc167375589)

[Sport Integrity Australia 42](#_Toc167375590)

[Safety in Sport 42](#_Toc167375591)

[Terminating Measure - Sport Integrity Australia - Funding 43](#_Toc167375592)

# Summary of compliance

1. Summary of compliance

| Type | 2022-23  (as at 30 June 2023) | % | 2023-24  (as at 23 January 2024) | % |
| --- | --- | --- | --- | --- |
| Not compliant / Insufficient | 1/31 | 3 | 0/33 | 0 |
| Adequate | 18/31 | 58 | 13/33 | 39 |
| Good Practice | 10/31 | 32 | 18/33 | 55 |
| Exemplary (new system) | 2/31 | 6 | 2/33 | 6 |
| IA Compliance | 30/31 | 97 | 33/33 | 100 |
| Independent Reviews and IAEsa | 15 | - | 12 | - |
| Overall compliance | 45/46 | 98 | 45/45 | 100 |
| Exceptional circumstancesb | 1 | - | 0 | - |
| Estimated annual impact on Regulatory Burdenc | $1,649.08 milliond | - | $ 331.05 milliond | - |

a Independent reviews and IAEs are included in overall compliance.

b Exceptional circumstances refer to truly urgent and unforeseen circumstances under which the completion of an IA would delay essential delivery of policy.

cPositive number represents an increase in regulatory burden. Regulatory burden in IAs are estimated using the Commonwealth Regulatory Burden Measurement framework and are assumed to be spread over 10 years. The estimate is based on IAs published at the final decision point. The total estimated annual impact may differ from the other figures in this document due to rounding.

d This figure represents an estimated regulatory costing.

# Impact Analysis compliance summary by Department or Agency, 2023-24

## Australian Competition and Consumer Commission

1. Compliance summary: Australian Competition and Consumer Commission

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| New mandatory safety standard for Helium balloon inflation kits | Compliant | Good Practice | No | $0.032m |
| **Total proposals** | **1/1** | **-** | **0/1** | **$0.032m** |

## Australian Communications and Media Authority

1. Compliance summary: Australian Media and Communications Authority

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Allocation limits for the 3.4/3.7 GHz bands allocation process | Compliant | N/A | No | - |
| Financial hardship in the telco sector - enhancing consumer protections | Compliant | Good Practice | No | -$0.99m and likely additional unquantified reduction in costs.e |
| **Total proposals** | **2/2** | **-** | **0/2** | **-** |

e It is not possible to estimate the likely economy-wide regulatory burden from this measure. As such, regulatory burden from this is not included in the ‘Estimated annual impact on Regulatory Burden’ in Figure 1 or in the ‘Total proposals’ regulatory burden for this figure.

## Australian Securities and Investment Commission

1. Compliance summary: Australian Securities and Investment Commission

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| ePayments Code review | Compliant | N/A | No | -$0.96mf |
| **Total proposals** | **1/1** | **-** | **0/1** | **-$0.96m** |

f Regulatory savings is a range so this figure is an estimated mid-point.

## Civil Aviation Safety Authority

1. Compliance summary: Civil Aviation Safety Authority

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Amendments to the Airspace Regulations 2007 | Compliant | Adequate | No | - |
| **Total proposals** | **1/1** | **-** | **0/1** | **-** |

## Department of Agriculture, Fisheries and Forestry

1. Compliance Summary: Department of Agriculture, Fisheries and Forestry

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Modernising the agricultural levies legislation | Compliant | N/A | No | $0.061m |
| Farm Household Allowance - Eligibility Changes | Compliant | Good Practice | No | - |
| Phase Out of Live Sheep Exports by Sea | Compliant | N/A | No | - |
| **Total proposals** | **3/3** | **-** | **0/3** | **$0.061m** |

## Department of Climate Change, Energy, the Environment and Water

1. Compliance summary: Department of Climate Change, Energy, the Environment and Water

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Certification of Independent Review - Water Market Roadmap | Compliant | N/A | No | $0.49m |
| Improving Australia's fuel and vehicle emissions standards | Compliant | Good Practice | No | $300.6m |
| Commercial Fishing Vessel Monitoring Systems in Australian Marine Parks | Compliant | Exemplary | No | $7.1m |
| Environmentally Sustainable Procurement Policy | Compliant | Good Practice | No | $1.2m |
| Capacity Investment Scheme | Compliant | Adequate | No | $5.8 million cumulative annual regulatory cost over the lifetime of the Capacity Mechanismg |
| **Total proposals** | **5/5** | **-** | **0/5** | **$309.39m** |

g The regulatory burden estimate value calculates the number of hours it would take an assumed number of stakeholders (in this case businesses) participating in the CIS to engage with each step of the tender. It is assumed that two tenders will be conducted each year for three years. As such, regulatory burden from this is not included in the ‘Estimated annual impact on Regulatory Burden’ in Figure 1 or in the ‘Total proposals’ regulatory burden for this figure.

## Department of Defence

1. Compliance summary: Department of Defence

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Defence Trade Controls Amendment Bill 2023 | Compliant | Good Practice | No | -$8.1m |
| **Total proposals** | **1/1** | **-** | **0/1** | **-$8.1m** |

## Department of Education

1. Compliance summary: Department of Education

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Improving Integrity in the International Education Sector | Compliant | Good Practice | No | $8.99m |
| **Total proposals** | **1/1** | **-** | **0/1** | **$8.99m** |

## Department of Employment and Workplace Relations

1. Compliance summary: Department of Employment and Workplace Relations

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Closing the labour hire loophole | Compliant | N/A | No | $0.2m |
| Standing up for casual workers | Compliant | N/A | No | $1.39m |
| Minimum standards and increased access to dispute resolution for independent contractors | Compliant | N/A | No | $235.58 per  business, or up to  $6,125.00 per  business + $258.80  per worker, or up  to $10,080.70 per  business.h |
| New voluntary pre-employment service for parents of young children | Compliant | Adequate | No | $8.78m |
| Australia Skills Guarantee Procurement Connected Policy Guidelines | Compliant | Good Practice | No | $0.600-$1.424m depending on the supplier.i |
| **Total proposals** | **5/5** | **-** | **0/5** | **$10.37m** |

h It is not possible to estimate the likely economy-wide regulatory burden from this measure. As such, regulatory burden from this is not included in the ‘Estimated annual impact on Regulatory Burden’ in Figure 1 or in the ‘Total proposals’ regulatory burden for this figure.

i It is not possible to estimate the likely economy-wide regulatory burden from this measure. As such, regulatory burden from this is not included in the ‘Estimated annual impact on Regulatory Burden’ in Figure 1 or in the ‘Total proposals’ regulatory burden for this figure.

## Department of Finance

1. Compliance summary: Department of Finance

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Legislating the Australian Government Digital ID Program | Compliant | Adequate | No | $1.49m |
| **Total proposals** | **1/1** | **-** | **0/1** | **$1.49m** |

## Department of Foreign Affairs and Trade

1. Compliance summary: Department of Foreign Affairs and Trade

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Signing of the Second Protocol to Amend the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area | Compliant | Adequate | No | - |
| Indo-Pacific Economic Framework for Prosperity Agreement Relating to Supply Chain Resilience | Compliant | Good Practice | No | - |
| **Total proposals** | **2/2** | **-** | **0/2** | **-** |

## Department of Health and Aged Care

1. Compliance summary: Department of Health and Aged Care

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Review of Tobacco Control Legislative Framework (Thematic Review) 2023 | Compliant | Exemplary | No | $21.77m |
| Proposed reforms to the regulation of vapes | Compliant | Good Practice | No | $59.46m |
| Proposal to adopt the latest Australian and New Zealand Sunscreen Standard | Compliant | Adequate | No | $7.38m |
| Home Care Packages | Compliant | N/A | No | - |
| **Total proposals** | **4/4** | **-** | **0/4** | **$35.61m** |

## Department of Home Affairs

1. Compliance summary: Department of Home Affairs

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Mandatory security standards and industry-led voluntary cyber security labelling scheme for consumer-grade smart devices | Compliant | Adequate | No | $49.5m |
| Migration Strategy | Compliant | Adequate | No | -$146.6m |
| **Total proposals** | **2/2** | **-** | **0/2** | **-$97.1m** |

## Department of Infrastructure, Transport, Regional Development, Communications and the Arts

1. Compliance summary: Department of Infrastructure, Transport, Regional Development, Communication and the Arts

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Reversing Technologies in Vehicles | Compliant | Good Practice | No | $12.3m |
| Prohibit the use of credit cards for online gambling | Compliant | N/A | No | $50,000 to $1.5m (depending on the size of the business), and additional ongoing costs likely to range between $50,000 and $500,000.j |
| Safer Freight Vehicles | Compliant | Good Practice | No | - |
| Prominence Framework for Connected Television Devices | Compliant | Adequate | No | - |
| Anti-siphoning Scheme Reform | Compliant | Adequate | No | - |
| Australia Post Modernisation and Long-Term Financial Sustainability | Compliant | Adequate | No | - |
| Cleaner, Cheaper to Run Cars: The Australian New Vehicle Efficiency Standard | Compliant | Good Practice | No | $150,000 for each small volume vehicle supplier (27 entities supplying less than 5,000 vehicles per year) and $400,000 for each higher volume vehicle supplier (26 entities supplying more than 5,000 vehicles per year).k |
| Improving Pedestrian Safety - Acoustic Vehicle Altering Systems for Quiet Road Transport Vehicles | Compliant | Good Practice | No | $17.6m |
| **Total proposals** | **8/8** | **-** | **0/8** | **$29.9m** |

j It is not possible to estimate the likely economy-wide regulatory burden from this measure. As such, regulatory burden from this is not included in the ‘Estimated annual impact on Regulatory Burden’ in Figure 1 or in the ‘Total proposals’ regulatory burden for this figure.

k It is not possible to estimate the likely economy-wide regulatory burden from this measure. As such, regulatory burden from this is not included in the ‘Estimated annual impact on Regulatory Burden’ in Figure 1 or in the ‘Total proposals’ regulatory burden for this figure.

## Department of the Prime Minister and Cabinet

1. Compliance summary: Department of the Prime Minister and Cabinet

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Support for workers during the Net Zero Transition | Compliant | Good Practice | No | $1.5m |
| **Total proposals** | **1/1** | **-** | **0/1** | **$1.5m** |

## Department of the Treasury

1. Compliance summary: Department of the Treasury

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Multinational Tax Transparency | Compliant | Adequate | No | $2.97m |
| Tackling multinational tax avoidance | Compliant | Adequate | No | $14.0m |
| Operational risk management | Compliant | N/A | No | $22.9m |
| Petroleum Resource Rent Tax: Gas Transfer Pricing Review | Compliant | N/A | No | - |
| Climate risk disclosure | Compliant | Good Practice | No | $1.0-1.3m per year per entity.l |
| **Total proposals** | **5/5** | **-** | **0/5** | **$39.87m** |

l It is not possible to estimate the exact economy-wide regulatory burden from this measure. As such, regulatory burden from this is not included in the ‘Estimated annual impact on Regulatory Burden’ in Figure 1 or in the ‘Total proposals’ regulatory burden for this figure.

## Sport Integrity Australia

1. Compliance summary: Sport Integrity Australia

| Proposal | IA Compliance | Rating | PIR Required | Regulatory Burden ($m) |
| --- | --- | --- | --- | --- |
| Safety in Sport | Compliant | Adequate | No | - |
| Terminating Measure - Sport Integrity Australia - Funding | Compliant | Good Practice | No | $42m cost to government with no regulatory burden costm |
| **Total proposals** | **2/2** | **-** | **0/2** | **-** |

m This proposal will only have costs to government. As such, regulatory burden from this is not included in the ‘Estimated annual impact on Regulatory Burden’ in Figure 1 or in the ‘Total proposals’ regulatory burden for this figure.

# Detailed information on proposals requiring Impact Analysis, 2023-24

## Australian Competition and Consumer Commission

### New mandatory safety standard for Helium balloon inflation kits

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: $0.032 million per year

Deaths from suicide by asphyxiation of helium balloons occur in Australia and overseas. Between 2016 and 2021, the Victorian, Queensland and ACT Coroners have written to the ACCC on 17 occasions to notify of asphyxiation deaths caused by the deliberate inhalation of helium gas and to make recommendations for the ACCC to regulate helium balloon kits to reduce the number of suicides using these products.

The combination of the availability of high purity helium and the rapidity of the lethal effects of helium inhalation results in significant numbers of Australians dying each year. Despite prominent warnings to the contrary, the loss of life associated with this misuse has not reduced over time and warnings and education have not been sufficient to reduce the level of deaths.

The ACCC considers that a mandatory safety standard, under section 104 of the Australian Consumer Law, for non-refillable helium cylinders to reduce the use of the products in suicides is the best option. The mandatory standard will require the addition of about 21 per cent oxygen to the helium gas used in non-refillable helium cylinders. Labelling requirements on the product will also be introduced, noting that the product is not pure helium, should not be inhaled and may cause suffocation. The addition of 21 per cent oxygen will significantly decrease the potential of the use of the product in suicides, as the inclusion of oxygen means that the product can no longer be used to achieve a quick and painless death as unconsciousness would not be readily achieved.

## Australian Communications and Media Authority

### Allocation limits for the 3.4/3.7 GHz bands allocation process

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: N/A

The spectrum licence allocation process and the considerations on allocation limits intends to strike the right balance between the objectives of supporting the efficient allocation of spectrum, supporting digital connectivity and investment in regional Australia, and promoting competitive markets. Based on the Australian Communications and Media Authority’s (ACMA's) analysis of 3.4/3.7 GHz bands and their allocation, in conjunction with both Australian Competition and Consumer Commission (ACCC) advice to the ACMA and also stakeholder feedback to previous consultations, the ACMA identified three options for the quantum of spectrum allocation limits, with option 2 (140 MHz limit in metropolitan areas, and 160 MHz limit in regional areas, in the cross-band frequency range of 3.4-3.8 GHz) being demonstrated as the preferred option.

### Financial hardship in the telco sector - enhancing consumer protections

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: -$0.99 million per year and likely additional unquantified reduction in costs

There is evidence that current financial hardship rules in the Telecommunications Consumer Protection Code are not working effectively to support consumers experiencing financial vulnerability. ACMA research and reports uncovered significant rates of financial hardship among telecommunications consumers, with only a small fraction of affected customers receiving formal hardship support. Industry data during FY2022 also indicated around 230,000 customers residing in Australia had their services disconnected due to non-payment of their bills. Access to reliable and affordable phone and internet services is essential for work, education, health, entertainment, social connection, and government services. A lack of appropriate support for consumers facing financial difficulties can have profound impacts on social and economic participation.

To address the issue, ACMA is proposing to introduce an industry standard requiring carriage service providers (CSPs) to provide the appropriate information and support to telecommunications customers experiencing financial hardship. The Standard intends to strengthen safeguards for consumers in vulnerable circumstances.

## Australian Securities and Investment Commission

### ePayments Code review

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: -$0.96 million (estimated regulatory savings based on an estimated savings range of $482,500 to $1,433,000 on average per annum)

The Australian Securities and Investments Commission (ASIC) conducted a review of the ePayments Code (the Code) to ensure relevance and efficiency. Following ASIC’s review, a number of amendments to the Code have been made. In addition to extending the Code to cover payments made using the New Payments Platform, ASIC has also updated the following areas of the Code:

* compliance monitoring and data collection;
* mistaken internet payments;
* unauthorised transactions;
* complaints handling; and
* facility expiry dates.

## Civil Aviation Safety Authority

### Amendments to the Airspace Regulations 2007

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

In November 2019, the International Civil Aviation Organization (ICAO) issued a notice of deficiency for non-compliance against Australia due to the restricted area declarations in Australian-administered airspace. Australia seeks to comply with ICAO standards and as a responsible regional leader and good international citizen, to comply with international law. The Civil Aviation Safety Authority (CASA)’s Office of Airspace Regulation (OAR) sought to address the deficiency by changing the Airspace Regulations 2007 (the Regulations).

This deficiency was issued due to Australia’s long-standing practice of declaring (predominately) military restricted areas outside Australian territory in Australian-administered airspace. This practice is unacceptable to ICAO and illegal under international law, with 93 restricted areas declared in this manner. In 2007, the CASA’s OAR became responsible for these declarations under the *Airspace Act 2007*.

The declaration of danger areas in Australian-administered airspace is acceptable to ICAO and legal under international law, with 16 danger areas declared in this manner. However, the Regulations only allow declaration of danger areas over Australian territory, unnecessarily limiting options to address airspace risk and making the current danger area declarations illegal.

In order to address the deficiency issued by ICAO, make Australia compliant with international law, make danger area declarations outside Australian territory legal under domestic law, and give the OAR more options to address airspace risk outside Australian territory and to not prevent use of airspace outside Australian territory by the military for exercises and training, CASA proposes amendments to the Regulations. The objectives of the proposal are as follows: address the deficiency issued by ICAO; make Australia compliant with international law; and make danger area declarations outside Australian territory legal under domestic law; and give the OAR more options to address airspace risk outside Australian territory; and to not prevent use of airspace outside Australian territory by the military for exercises and training.

CASA proposes an amendment to the current Regulations that will enable the OAR to publish danger areas outside Australian territory within Australian-administered airspace. An introduction of a new type of danger area known as Military Operating Areas (MOA) will better define the risks to other airspace users, creating a safer operating environment.

As the Regulations do not allow declaration of danger areas outside Australian territory, despite this being acceptable to ICAO and legal under international law, that limitation should be removed. This will allow OAR to address airspace risk in Australian-administered airspace and make the current declarations legal under domestic law.

## Department of Agriculture, Fisheries and Forestry

### Modernising the agricultural levies legislation

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: $0.061 million per year

The current agricultural levies legislation has been in place since 1989 and has grown over time as industries have chosen to establish statutory levies on more commodities. There are currently more than 50 pieces of legislation governing over 110 levies across over 75 commodities and 18 levy recipient bodies.

A thematic review of the legislative framework for agricultural levies by the then Department of Agriculture and Water Resources in 2017-18 (the Review) found it to be duplicative, complex, opaque, and inflexible. In addition, the Review found administration of the legislation was inefficient. Notwithstanding the identified problems, the Review found that a legislative framework serves the objectives of the levy system and is necessary for the continuation of a successful industry-government arrangement.

The proposal would modernise the legislation to support the agricultural levy system by reducing complexity, amending inconsistencies, and improving flexibility. Key changes include adoption of modern compliance arrangements and changes to the methodology underpinning matching funding arrangements. The proposed changes are consistent with the objective of maintaining the purpose and function of the agricultural levy system.

Farm Household Allowance - Eligibility Changes

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: N/A

The Farm Household Allowance program (FHA) is the Australian Government's main scalable response and support mechanism for farmers and their partners in hardship, with drivers including drought, natural disasters, biosecurity outbreaks and any other business shocks.

The FHA aims to:

* provide income support and other supplements to farmers and their partners in financial hardship (while avoiding welfare-dependence); and
* achieve measured structural adjustment in the agricultural industry by assisting recipients through case management to set achievable goals to either improve their farm-enterprise or make the difficult decision to exit farming.

Under the FHA's current eligibility, compliance and case management practices, a small but significant number of farmers with extremely and persistently low turnover year on year have come on payment - contrary to the original intent of the FHA.

The proposal is to make the following adjustments to the FHA from 1 July 2024, to better align the program with its original intent, including to avoid welfare dependence:

* introduce a minimum gross annual turnover of $60,000 to limit access to FHA to commercial-scale farms with reasonable prospects of financial viability;
* introduce annual collection of financial information from recipients to ensure ongoing assessment of eligibility; and
* strengthen case management by introducing annual financial reviews between recipients and case managers, providing additional training and gather data more regularly to improve on-going monitoring and evaluation.

### Phase Out of Live Sheep Exports by Sea

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: N/A

Live sheep exports by sea have been a part of the Australian sheep industry for generations. There are ongoing community concerns about the treatment and conditions sheep experience once they leave Australia. Repeated animal welfare incidents have led to reviews and regulatory changes. These changes have not entirely removed the risks inherent in the live sheep by sea export trade, in relation to which the Australian public continues to hold concerns. The Government committed at the 2022 election to phase out live sheep exports by sea.  
The Proposal is to prohibit all live sheep exports by sea from Australia from 1 May 2028.

## Department of Climate Change, Energy, the Environment and Water

Certification of Independent Review - Water Market Roadmap

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: $0.49 million per year

On 19 August 2022 Lyn O’Connell, Deputy Secretary, Department of Climate Change, Energy, the Environment and Water, certified that the Roadmap had undertaken a process and analysis equivalent to a RIS, now IA.

The Water Amendment (Restoring Our Rivers) Bill 2023 amends the *Water Act 2007*, the Basin Plan 2012 and the *Competition and Consumer Act* 2010 to implement the Roadmap recommendations to improve transparency, integrity and confidence in Basin water markets.

The water markets reforms include:

* An enabling framework for a mandatory code to be made to regulate water markets intermediaries covering a range of obligations including relating to statutory trust accounts;
* Basin-wide water markets integrity rules, comprising prohibitions on market manipulation and insider trading;
* stronger requirements for water markets decisions that impact on water prices and more consistency in the way these decisions must be publicly announced;
* the development of national water markets data standards and reporting of all relevant water trade data collected by water markets intermediaries to the national water information agency (the Bureau of Meteorology); and
* removal of the Basin Plan exemption for grandfathered tags to ensure that all water entitlement holders are subject to the same rules.

### Improving Australia's fuel and vehicle emissions standards

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: $300.6 million per year.

This was a joint IA between Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) and the Department of Climate Change, Energy, the Environment and Water (DCCEEW), led by DCCEEW.

Noxious emissions produced by road vehicles are a major contributor to air pollution in Australia that can cause negative human health effects, including reduced lung function, ischemic heart disease, stroke, respiratory illness and cancer. The current regulatory settings for fuels and vehicles in Australia result in a higher level of noxious and carbon emissions when compared with other developed economies and are a barrier to reducing noxious emissions, suggesting that the exploration of policy options to reduce health impacts is warranted.

The DITRDCA and the DCCEEW proposed opportunities to update the fuel and light vehicle standards that optimise the benefits to the Australian communities, considering economic, health and environmental impacts.

The options considered to reduce noxious emissions from new light road vehicles included:

Business as usual: Allow the existing Euro 5 noxious emissions standards and market forces to provide a solution.

Option A: Fleet purchasing policies (not considered viable): Maintain Euro 5 noxious emissions standards but seek to influence vehicle purchasing decisions by adopting minimum noxious emissions performance requirements in the Australian Government fleet.

Option B: Voluntary standards (not considered viable): Maintain Euro 5 noxious emissions standards but encourage vehicle manufacturers, through peak industry groups, to enter into an agreement with the Australian Government to meet increased minimum noxious emissions performance requirements.

Options C and D: Increased mandatory standards – mandate Euro 6d standards for light vehicles under the *Road Vehicle Standards Act 2018*.

Following stakeholder feedback on the draft RIS Light Vehicle Emission Standards for Cleaner Air, released for public consultation in 2020–2021 and the draft RIS Better Fuel for Cleaner Vehicles, released for consultation by DCCEEW in November-December 2022, the following approaches were evaluated in the joint IA:

Option C: Mandate Euro 6d standards from 2027–28 (original approach considered in the Light Vehicle Emission Standards for Cleaner Air draft RIS to align with the introduction of improved fuel quality standards, if adopted from 2027).

Option D: Mandate Euro 6d standards from 2025–28 (an alternative approach proposed to align with the introduction of improved fuel quality standards, if adopted from 2025).

The options to improve fuel quality were:

Business as usual: Continuation of the current policy settings.

Option 1 (not considered viable): From 2024, specify the maximum level of aromatics in 91 RON as 35% and the maximum grade average for the 95 RON grade as 35%. No change to 98 RON petrol.

Option 2 (considered viable): From 2025 specify the maximum level of aromatics content as 35% for 95 RON. No change to other grades.

Option 3 (considered viable): From 2027 specify the maximum level of aromatics content as 35% across all grades of petrol.

Option 4 (considered viable, but unnecessary): Align key diesel specifications with the EU standard

Three viable packages were considered in the joint IA, combining fuel quality and noxious emissions standards.

Package 1 – Noxious Emissions Standards Option C (mandate from 2027–28) and Fuel Quality Option 3 (35% aromatics across all grades from 2027)

Package 2 – Noxious Emissions Standards Option D (mandate from 2025–28) and Fuel Quality Option 2 (35% aromatics limit for 95 RON petrol from 2025)

Package 3 – Noxious Emissions Standards Option C (mandate from 2027–28) and Fuel Quality Option 2 (35% aromatics limit for 95 RON petrol from 2025).

### Commercial Fishing Vessel Monitoring Systems in Australian Marine Parks

IA Status: Compliant

Assessment Rating: Exemplary

PIR Required: No

Regulatory Burden: $7.1 million per year.

The problem examined in this IA is current surveillance measures in Australian Marine Parks are insufficient for monitoring commercial fisher compliance with park management rules, and the consequential potential for non-compliance having a negative impact on the marine ecology and Marine Park values.

The success of Australian Marine Parks depends largely on effective compliance. However, their sheer size and remoteness presents a significant challenge for enforcing marine park rules. For the commercial fishing sector, effective compliance involves prevention, deterrence, and detection of illegal fishing. Detection of activity undertaken by the commercial fishing sector in Australian Marine Parks relies on the ability to know where and when commercial boats are fishing. Critical to achieving this is adequate surveillance coverage.

The difficulty for the Director of National Parks (the Director) to achieve adequate surveillance coverage in Australian Marine Parks is driven by the high costs of vessel and aerial based patrols; the limitations of vessel and aerial based patrols, including their spatial and temporal limitations; and the large proportion of commercial fishing vessels operating in Australian Marine Parks who do not provide location data to the Director.

The IA considers three new policy options compared to the status quo (no policy change):

Option 1 - Universal Vessel Monitoring Systems (VMS). The introduction of a new regulation requiring commercial fishing vessels operating in or transiting Australian Marine Parks to have an VMS unit installed;

Option 2 - Manual Reporting. The introduction of a requirement for commercial fishing vessels operating in or transiting Australian Marine Parks to manually report their fishing locations to the Director;

Option 3 - Increased Surveillance. An expansion to the Director’s current aerial and vessel-based surveillance program to capture all activity of commercial fishing vessels operating in or transiting Australian Marine Parks.

The IA recommends the ‘Universal VMS’ option as the least cost option that best meets the Director’s objective. Incorporating feedback received through consultation, the Director’s chosen implementation pathway has been designed to complement fisheries management requirements, and where possible, avoid imposing additional burdens on fishers by allowing time-bound exemptions where jurisdictions are progressing to VMS implementation.

### Environmentally Sustainable Procurement Policy

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: $1.2 million per year.

The current 'linear' economy model does not consistently price environmental impacts, so these impacts may not be considered in decisions on production and consumption, leading to environmental degradation. As a major purchaser of goods and services, the Australian Government’s procurement decisions can contribute to these negative environmental impacts.

The Australian Government already recognises the importance of sustainability in public procurement and has included sustainability provisions in the Commonwealth Procurement Rules (CPRs). In 2022, the government made an election commitment to strengthen the environmental sustainability provisions of the CPRs to drive demand for recycled content.

The Environmentally Sustainable Procurement (ESP) Policy is being proposed in response to an election commitment, therefore, only two options were considered in the IA. These are the status quo and an Environmentally Sustainable Procurement Policy (ESP Policy) as a Procurement Connected Policy (PCP). The status quo relies on the existing provisions in the CPRs to embed environmental sustainability in Australian Government procurements through value for money assessment. Under the status quo, DCCEEW will continue to provide the resources and advocacy to support increased environmentally sustainable public procurement. These activities will, in future, also include a supplier education program.

PCPs are specific whole-of-government policies of the Commonwealth for which procurement has been identified as a means of delivering government policy objectives. Entity staff must consider PCPs during a procurement process. The proposed ESP Policy, as a PCP, will require government agencies undertaking an in-scope procurement activity to require tenders to submit a Supplier Environmental Sustainability Plan (SESP) with their tender submission, consider the SESP in the tender evaluation, collect data from suppliers on the relevant sustainability metrics during the contract delivery and monitor the supplier’s performance in relation to the SESP.

### Capacity Investment Scheme

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: $5.8 million cumulative annual regulatory cost over the lifetime of the Capacity Mechanism. The regulatory burden estimate value calculates the number of hours it would take an assumed number of stakeholders (in this case businesses) participating in the Capacity Investment Scheme to engage with each step of the tender. It is assumed that two tenders will be conducted each year for three years.

Coal generators, which currently account for over half the National Energy Market's (NEM) generation output, are ageing, and several have announced early retirement dates. Most market participants consider the Australian Energy Market Operator's (AEMO) Step Change scenario to be the most likely, which estimates 14GW of coal-fired generation may retire by 2030, and all coal-fired generation will cease generating by 2043. The current pace of investment appears insufficient to deliver a smooth transformation, or to achieve the 82 per cent renewable penetration that would facilitate achieving a 43 per cent reduction in emissions by 2030.

In 2021, Energy Ministers tasked the ESB to provide recommendations on the design of a capacity market for the NEM. However, energy ministers judged based on stakeholder feedback that such a capacity mechanism would not be sufficiently timely or targeted to address the rapid transformation of Australia’s electricity system. On 12 August 2022, Energy Ministers tasked government Senior Officials to propose further options for a new framework that delivers adequate capacity, ensures orderly transition; and incentivises new investment in firm renewable energy to ensure the system can meet peak demand at all times. On 8 December 2022, Ministers then endorsed in principle a new Commonwealth Capacity Investment Scheme (CIS), which provides a national framework to drive new clean dispatchable capacity (CDC) and support reliability in Australia’s rapidly changing energy market.

Three options to incentivise increased investment in Variable Renewable Energy (VRE) and two options to incentivise increased investment in Clean Dispatchable Capacity (CDC) were prioritised for further assessment.

Option 1: No Government Action - A business-as-usual approach assumes current Commonwealth, state and territory policies and initiatives will be sufficient to incentivise the market to deliver sufficient storage capacity and generation in a timely manner to replace exiting generation and capacity. Under this approach there would be no disruption to current market-based incentives for private investment in new storage and generation.

Option 2: Expanding the Large-scale Renewable Energy Target (LRET) - would involve certificates being issued based on discharge of capacity available to the grid.

Option 3: Strategic Reserve - would involve payments to move and preserve existing capacity out-of-market that may have otherwise fully exited.

Option 4: Capacity Investment Scheme (CIS) - would involve competitive tender bids for renewable energy generation and storage projects that can fill expected reliability gaps.

## Department of Defence

### Defence Trade Controls Amendment Bill 2023

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: -$8.1 million per year

The IA considers two problems:

* Australia’s current export control framework prevents access to a country-based exemption to the licencing requirements of the *US Arms Export Control Act*. This causes delays to accessing critical capabilities, increased regulatory burden and national security risks and restricts Australian industry growth and collaboration.
* Gaps in Australia’s existing export control legislative provisions enable the transfer of controlled goods and technologies both within and outside of Australia, to foreign entities. These foreign entities’ interests and actions may be prejudicial to the security, defence or international relations of Australia.

The IA considers three options to address the stated problems:

1. Maintaining Australia's existing export control framework.

2A. Changing Australia's export control framework by amending the *Defence Trade Controls Act (2012)* (*the DTC Act*) to regulate the export of deemed supplies, re-supplies and the provision of DSGL services. This option includes country-based licencing exemptions for the UK and the US and certain exceptions for foreign national employees. The IA states that further exceptions will be clarified in consultation with stakeholders at a later point.

2B. This option includes the same amendments to the *DTC Act* as option 2A. This option includes a country-based licencing exemption for the UK and the US but does not include complementary exceptions as with Option 2A.

The IA finds that Option 2A delivers the greatest achievement of government objectives, along with the greatest net benefit of $614 million over a 10-year period when compared to Option 1 with a saving of $8.1 million over ten years.

## Department of Education

### Improving Integrity in the International Education Sector

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: $8.99 million per year

There are integrity and quality issues in the international education sector. These issues include the exploitation of overseas students, and the presence of actors who seek to subvert Australia’s migration and education systems to enable the entry of people into Australia for purposes other than study. This exploitation can range from providing poor quality education products, to high student fees, and false promises of pathways to permanent migration. Given the scope of the problem and the magnitude of the sector, a number of options have been considered, including policy changes that balance a regulatory burden against the overall size of the sector.

The IA explores three options to strengthen the integrity and quality of the international education sector:

Option 1 - Status Quo

Option 2 - Non-regulatory approach, involving consultation with the sector and voluntary data collection to understand issues with agents

Option 3 - Regulatory approach, involving targeted legislative changes to the *Education Services for Overseas Students Act 2000* (*ESOS Act*) through improving the regulatory capability of the ESOS agencies, improving data capture, improving transparency for Government, ESOS agencies and education providers to:

* amend the ‘fit and proper’ provider test under the *ESOS Act* to require ESOS agencies to consider cross-ownership of businesses between education providers and their agents to disrupt and deter collusive behaviour aimed to exploit students for profit.
* expand access for providers to all education agent performance data, not just to those agents they have an existing relationship with.
* require education providers to report through the Provider Registration and International Student Management System (PRISMS) information on agent commission fees they have paid to an education agent.
* pause the assessment of applications of registrations from new international education providers and of new courses from existing providers for a period of up to 12 months.
* require providers applying to deliver courses to overseas students to first deliver courses to domestic students for a period of 24 months.
* automatically cancel the registration of providers who have not delivered training to overseas students for a consecutive 12-month period.
* strengthen provisions to suspend the enrolment of new overseas students, including automatically where appropriate, by providers under serious regulatory investigation.

The IA identifies Option 3 - Regulatory approach as the preferred option with the highest net benefit and which directly addresses issues identified in the Review of the Migration System Final Report 2023, the Rapid Review into the Exploitation of Australia’s Visa System and the Joint Standing Committee on Foreign Affairs, Defence and Trade Inquiry into Australia’s tourism and international education sector’s *Quality and Integrity – the Quest for Sustainable Growth: Interim Report into International Education.*

## Department of Employment and Workplace Relations

### Closing the labour hire loophole

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: $0.2 million per year

The Government’s ‘Closing the labour hire loophole’ proposal will amend the *Fair Work Act 2009* so that employees, their representatives, and host businesses can apply to the Fair Work Commission for an order requiring that labour hire employees covered by the order are paid at least what they would be paid if they were directly employed by their host and paid under the host’s enterprise agreement.

### Standing up for casual workers

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: $1.39 million per year

The Fair Work Legislation Amendment (Closing Loopholes) Bill 2023 seeks to replace the existing definition of ‘casual employee’ with an objective definition that will allow for consideration of the practical reality of the employment relationship. It also introduces a new employee choice pathway for eligible employees to change to permanent employment if they wish to do so.

### Minimum standards and increased access to dispute resolution for independent contractors

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: $235.58 per business, or up to $6,125.00 per business + $258.80 per worker, or up to $10,080.70 per business.

The Fair Work Legislation Amendment (Closing Loopholes) Bill 2023 seeks to implement the Government’s election and Jobs and Skills Summit commitments by amending the *Fair Work Act* to empower the Fair Work Commission to set minimum standards for classes of employee-like workers and certain workers in the road transport industry. The Fair Work Commission would also be able to resolve disputes about unfair contract terms for independent contractors earning under a high-income threshold.

### New voluntary pre-employment service for parents of young children

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: $8.78 million per year

Some parents of young children can benefit from extra support to help them, when they are ready, to prepare for the workforce while also prioritising their caring roles. This is particularly relevant if they have been out of the labour force for some time. By addressing their individual vocational and non-vocational challenges, parents can work towards achieving their education and employment goals. In the longer term, this can contribute to improving the economic security of parents and their participation.

The government announced on 5 May 2023 (and included in the 2023–24 Budget) that participation in the ParentsNext pre-employment program would become voluntary immediately, and that it would be replaced by a new voluntary program that better meets the needs of parents.

Under the recommended option in this IA, a new voluntary pre-employment service for vulnerable parents of young children will start in November 2024. The service will be delivered by organisations chosen for their capacity to deliver the new, strength-based, parent-centric service except in one location where delivery by the Australian Public Service will be piloted. To ensure that there is no gap in support for participants, the ParentsNext program, which was due to end in June 2024, will be extended for 4 months until the new service commences.

Engagement with the new program will be voluntary. Interested parents of children aged under 6 years can be connected to a service through Services Australia or make contact directly with a service which would assess their eligibility and register them for assistance.

Australia Skills Guarantee Procurement Connected Policy Guidelines

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: $ $0.600-$1.424 million per year depending on the supplier

Australia is experiencing persistent and critical skills shortages in the construction and information technology sectors with gender segregation contributing to the shortages.

The Skills Guarantee is an election commitment under the Australian Government's Secure Australian Jobs Plan that will introduce national targets for apprentices, trainees, and ICT cadets working on eligible major Australian Government funded building and construction and maintenance services (construction) and information and community technology (ICT) projects valued at $10 million or more, from 1 July 2024.

## Department of Finance

### Legislating the Australian Government Digital ID Program

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: $1.49 million per year

Australia’s identity system will keep fragmenting across the public and private sectors as technology rapidly evolves. The current system lacks overall strategic direction and coordination, with a proliferation of identity documents and the over-collection of personal information. This results in a costly and inefficient system that impacts privacy, increases the risk of identity crime and excludes many Australians. Expanding the use of digital IDs without strengthening the foundations of the identity system will transfer existing vulnerabilities and magnify adverse impacts. Public confidence is essential to the development and use of digital IDs, including the use of biometrics to make them more secure. Australians will need certainty regarding the security and privacy of digital IDs, and that they can control the use and sharing of information they contain.

The proposal establishes a dedicated regulatory scheme for the Australian Government Digital ID System (AGDIS) and an accreditation scheme, including an established role for the Australian Competition and Consumer Commission as the initial Australian Digital ID Regulator. Verifying identity is a key foundation of engagement with government and the broader economy. This proposal sets out a strategic direction for reforms to modernise Australia’s identity system, and proposes improvements to the identity system, coordinating identity system reforms across portfolios, and alignment with related privacy, cybersecurity and service delivery reforms.

## Department of Foreign Affairs and Trade

### Signing of the Second Protocol to Amend the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

The original ASEAN-Australia-New Zealand Free Trade Area (AANZFTA), which entered into force in January 2010 for Australia, is no longer meeting Australian consumer and business requirements. Rapidly evolving economic environments have meant that AANZFTA no longer delivers the greatest possible benefits for Australian consumers and businesses, and has fallen behind more recently agreed FTA's between AANZFTA parties.

The IA focuses on the costs and benefits to Australia of signing the amendment agreement against the status quo option of not signing. The amendment to AANZFTA focuses on improving outcomes in the following key areas:

* rules of origin
* customs procedures
* services and investment
* movement of natural persons
* E-Commerce
* Competition (including consumer protection)
* Government Procurement
* Trade and Sustainable development
* Micro, Small and Medium Enterprises (MSMEs)

### Indo-Pacific Economic Framework for Prosperity Agreement Relating to Supply Chain Resilience

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: N/A

The IPEF (Indo-Pacific Economic Framework) Supply Chain Agreement IA seeks to address two problems: the increasing frequency and severity of supply chain disruptions at the international level, and the concentration and chokepoints in critical supply chains.

The IA considers two options: to sign the negotiated Agreement, or to not sign. The negotiated Agreement has several focuses, which include:

* developing common criteria between parties to identify "critical sectors or key goods"
* establishing committee structures to deliver Action Plans in identified critical sectors, to improve emergency communication channels in the event of supply chains disruptions, and to monitor for reports of Labour Rights inconsistencies.

The IA uses a qualitative analysis method to conclude that signing the Agreement will result in a higher net benefit than not signing, along with greater achievement of the Government's objectives.

## Department of Health and Aged Care

### Review of Tobacco Control Legislative Framework (Thematic Review) 2023

IA Status: Compliant

Assessment Rating: Exemplary

PIR Required: No

Regulatory Burden: $21.77 million per year

This IA examines measures to support the National Tobacco Strategy 2023-2030 (NTS) and National Preventive Health Strategy 2021-2030 (NPHS), which include the following targets in respect to tobacco control:

* achieve a national daily smoking prevalence for adults (≥18 years) of less than 10 per cent by 2025, and 5 per cent or less by 2030; and
* reduce the daily smoking rate among First Nations peoples (≥15 years) to 27 per cent or less by 2030.

The primary objectives of the preferred option in this IA are therefore to reduce daily smoking prevalence, both by discouraging uptake among people who do not smoke and by increasing cessation among people who do smoke. Secondary objectives have also been identified that have less direct impact on smoking prevalence but would support measures to meet the primary objectives. These include ensuring Australia’s tobacco control regulatory framework aligns with international best practice and international precedents, and the receipt of more sales and advertising information to increase transparency and inform policy development.

### Proposed reforms to the regulation of vapes

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: $59.46 million per year

Vaping is rapidly increasing in Australia, particularly among youth and young adults. The latest available trend data shows that among young people aged 14 years and over, current use of vapes (defined as use at least once in the month prior to being surveyed) increased from 2.5% to 7.5% between 2020 and 2022. The increase was even more marked among people aged 18-24 years old, increasing from 5.6% in 2020 to 21.4% in 2022. The health risks of vaping are substantial. A review of global evidence published in April 2022 found substantial evidence that vaping by non-smokers results in dependence and conclusive evidence that vape use can cause respiratory disease, severe burns, poisoning and seizures. Collectively, this evidence highlights that the existing controls governing the marketing and use of vapes should be strengthened.

The IA examines options to reduce vaping-related harm among Australian adults and teenagers. The proposed measures would strengthen regulatory arrangements to ensure consumers would only be able to lawfully access vapes under a prescription from a registered pharmacist or other person authorised to supply prescription medicines. Relevant product standards would also be strengthened to limit flavourings, introduce plain packaging, and reduce the maximum allowable nicotine concentration in vaping e-liquids. Disposable single use vapes would be banned.

### Proposal to adopt the latest Australian and New Zealand Sunscreen Standard

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: $7.38 million per year

Standards Australia is the nation's peak non-government standards organisation that develops internationally aligned Australian Standards (AS). AS are voluntary documents that set out specifications, procedures and guidelines that aim to ensure products, services, and systems are safe, consistent, and reliable. However, the Australian and State and Territory governments can mandate a standard by referring to an AS or joint Australian/New Zealand Standards in their legislation (AS/NZS). In December 2022, Standards Australia published the Australian/New Zealand Standard: Sunscreen products – Evaluation and classification (AS/NZS 2604:2021) (amended) (the 2021 Sunscreen Standard), which replaces the 2012 Sunscreen Standard.

The Therapeutic Goods Administration (TGA) is proposing to adopt the 2021 Sunscreen Standard by removing references to the AS/NZS 2604:1998 (the 1998 Sunscreen Standard) and AS/NZS 2604:2012 (the 2012 Sunscreen Standard), and replacing these with references to the 2021 Sunscreen Standard in the following therapeutic goods legislation:

* Item 7 of Schedule 4 to the Therapeutic Goods Regulations 1990
* Items 14 and 15 of Schedule 1 to the Therapeutic Goods (Excluded Goods) Determination 2018
* Items 5 and 10 of Schedule 2 to the Therapeutic Goods (Excluded Goods) Determination 2018

### Home Care Packages

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: N/A

Home Care Package (HCP) recipients face long and growing wait times. People who have been approved for a HCP are prioritised in the National Priority System (NPS). There are currently over 272,000 HCP care recipients and 55,000 people on the HCP NPS waiting to receive a package they have already been assessed and approved for under the current *Aged Care Act 1997*. Demand for the HCP Program continues to grow faster than the release of new HCPs, with a substantial increase in wait times for services. Without an injection of new packages, the average wait time for a HCP will be 10-12 months at 30 June 2025, up from a low of 2 months in May 2023.

The Royal Commission recommended (Rec. 39(b)) that between 1 January 2022 and 30 June 2024, people be allocated their approved level HCP within one month of being assessed. Lengthy wait times for home care result in: danger of declining function, inappropriate hospitalisation, carer burnout and premature admission to residential aged care.

The proposal seeks to provide 24,100 additional HCPs reducing the NPS wait times to six months.

## Department of Home Affairs

### Mandatory security standards and industry-led voluntary cyber security labelling scheme for consumer-grade smart devices

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: $49.5 million per year

At present, smart device manufacturers are not required to comply with security standards which can lead to an increased risk of vulnerability which may be exploited, exposing consumers to cyber risks. Australian households and businesses are bearing financial costs and negative societal impacts as a result of persistent and preventable cyber security incidents. Estimates of these costs are as high as $29 billion per year. Consumers are often unable to tell the difference between a secure and insecure device due to a lack of clear and accessible information. This limits commercial incentives for manufacturers to prioritise security, leading to consumers unknowingly adopting cyber security risk.

Home Affairs considered a combination of a mandatory product standard and voluntary labelling scheme for smart devices as the best option. A voluntary cyber security labelling scheme will provide additional guidance for consumers to inform their smart device purchasing decisions. This will help to mitigate against information asymmetries that currently exist in the smart device market, as cyber security information will become more easily accessible and understandable for consumers. The mandatory product standard will ensure that smart devices are built with minimum security.

### Migration Strategy

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: -$146.6 million per year

Coming out of the COVID-19 pandemic, Australia faces many challenges and opportunities. Critical issues, such as stagnating productivity and geopolitical risks need to be addressed, while maintaining social cohesiveness and economic prosperity. While migration can play a role in meeting those challenges and capitalising on those opportunities, Australia’s migration program is currently not fit for purpose. Australia needs a long-term approach that supports stable and predictable population growth and allows more effective planning of infrastructure, housing and services to meet the needs of all Australian residents.

The task of the Migration Strategy is to design a system that will maximise Australia’s ability to respond effectively to present and future challenges and opportunities. The Migration Strategy released in December 2023 includes a comprehensive plan that draws on the key findings of the 2023 Migration Review of the Migration System, and includes five key objectives:

* Raising living standards by boosting productivity, meeting skills shortages and supporting exports
* Ensuring a fair go in the workplace by complementing the jobs, wages and conditions of domestic workers and preventing migrant worker exploitation
* Building stronger communities by better planning for sustainable migration, and giving migrants the opportunity to invest in their lives in Australia through permanent residence and citizenship
* Strengthening international relationships by building stronger economic and social connections with our regional neighbours and international partners
* Making the system work by being fast, efficient and fair for migrants and employers

## Department of Infrastructure, Transport, Regional Development, Communications and the Arts

### Reversing Technologies in Vehicles

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: $12.3 million per year

Reversing technologies increase the driver’s awareness or vision of vulnerable road users behind a vehicle, reducing the number of reversing collisions with pedestrians that result in severe or fatal injuries. The IA prepared by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts presented two alternative options (in addition to the status quo) designed to reduce reversing collisions in Australia:

Option 1: No Regulatory Intervention (business as usual or status quo)

Option 2: Introduce a new national road vehicle standard (also known as Australian Design Rule or ADR) aligned with United Nations Regulation No. 158 for light and heavy vehicles (the recommended option)

Option 3: Introduce a new ADR aligned with United Nations Regulation No. 158 for light vehicles.

### Prohibit the use of credit cards for online gambling

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: Range from $50,000 to $1.5 million (depending on the size of the business), and additional ongoing costs likely to range between $50,000 and $500,000 over 10 years.

The use of credit cards in online gambling platforms and services is causing significant harm to businesses and individuals. The proposal seeks to minimising harms associated with online gambling by amending Interactive *Gambling Act 2001* to prohibit the use of credit cards, credit related products (including digital wallets) and digital currency (such as cryptocurrency) as payment methods for licensed Australian interactive wagering services, or other methods determined by the Minister by way of a (disallowable) legislative instrument.

### Safer Freight Vehicles

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: N/A

The Australian Design Rules (ADRs) are indirectly limiting the supply of safer and cleaner heavy freight vehicles through two principal means. The first is the vehicle width limit of 2.50 m, which is the same as Japan, but narrower than other major markets including the European Union and the United States. The second is the absence in the ADRs of exclusions for various types of devices for indirect vision (i.e. mirrors and cameras) and blind spot information systems (e.g. for the detection of vehicles, bicyclists and/or pedestrians) from the measurement of vehicle width and/or length. This IA focusses on policy options to better regulate these aspects of vehicle design.

The proposal is to introduce regulatory reforms that are designed to increase take up of safer, cleaner heavy freight vehicles (goods vehicles over 4.5 tonnes Gross Vehicle Mass (GVM) and trailers over 4.5 tonnes Aggregate Trailer Mass (ATM)) in the Australian market.

The IA prepared by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) presented two alternative options (in addition to the status quo) designed to increase the take up of safer heavy freight vehicles in Australia:

Non-regulatory option: Option 1: No intervention. Repeal the current requirements for vehicle dimensions (i.e. width, length, and height) and allow vehicle manufacturers to provide solutions to meet market demand.

Regulatory options: Option 2: Retain existing requirements (business as usual) for vehicle dimensions through the ADRs under the *Road Vehicle Standards Act 2018* (RVSA). Option 3: Implement updated requirements for vehicle dimensions through the ADRs under the RVSA services.

### Prominence Framework for Connected Television Devices

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

Over the last decade there has been a fundamental transition in the TV market in Australia. Free-to-air television broadcasting services now exist as one of many content options on connected TV interfaces, and are becoming increasingly difficult for consumers to find. There is a material risk that free-to-air television broadcasters will be crowded out by the larger, international services operating in the Australian market. This risks inhibiting the ability of the free-to-air broadcasting sector to continue to support the achievement of important policy objectives.

The prominence framework proposes to support the availability of free-to-air TV services, delivered both as linear TV broadcasts and broadcast video on demand (BVOD) apps, on regulated TV devices (those that are primarily used to provide TV or TV-like content). The framework would be legislated through the *Broadcasting Services Act 1992* (BSA), with the following key features:

* An obligation on manufacturers of regulated TV devices to make free-to-air broadcasters’ linear TV and BVOD services available on those devices without fee, payment or other form of consideration, consistent with ‘minimum prominence requirements’ determined via regulations. Minimum prominence requirements would include the pre-installation or automatic installation of free-to-air TV service Apps and the availability of linear TV services and BVOD apps of free-to-air broadcasters from the ‘front page ’of the device’s user interface.
* Compliance with the obligation to be subject to free-to-air broadcasters offering services (for their linear TV and BVOD services) that meet reasonable technical standards, with free-to-air broadcasters responsible for maintaining and updating the software for their respective apps and for handling any consumer complaints regarding the operation and functionality of those apps.
* No restriction on the ability of the manufacturers of regulated TV devices to seek payment, fees or any other form of consideration for the promotion of apps or content on relevant devices from any party, provided that the minimum prominence requirements are upheld for free-to-air broadcasting services. Search functions or other features of regulated TV devices that operate in response to user input or requests would not be subject to the minimum prominence requirements.

Anti-siphoning Scheme Reform

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

In the 2022 election, the Government committed to review (www.infrastructure.gov.au/department/media/publications/anti-siphoning) the anti-siphoning scheme and the anti-siphoning list. The review found that changes in technology and media markets have created a latent but material risk that nationally important and culturally significant events will migrate behind online paywalls, and no longer be available for free to Australian audiences. The review also found that there is a case to reconsider the composition of the anti-siphoning list with respect to women’s sports events and Para-sports. This analysis has been undertaken to assess proposed reforms that aim to address the findings of the review.

The proposal seeks to establish:

* a ‘broadcast safety net’ model for the anti-siphoning scheme - this would expand the current scheme to prevent the acquisition of a listed event to Australians by any ‘content service provider’ until a free-to-air broadcaster has acquired a right to televise the event on a broadcasting service, or the event is automatically delisted (12 months prior to the event commencing) and,
* a ‘modernised’ list option - this responds to the finding of the review that the current list is outdated and proposes to make inclusions to the list to better reflect the modern media landscape and moderately broaden the composition of nationally important and culturally significant events.

### Australia Post Modernisation and Long-Term Financial Sustainability

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

Australia Post is a national institution that provides essential services to Australian communities, particularly in rural and remote Australia. With the digitisation of the economy changing how people and businesses use postal services, it is essential to ensure postal services meet the needs of the Australian community both now and into the future. The modernisation of Australia Post is essential for it to remain financially sustainable, able to invest in their products and services and continue to employ thousands of people to support national productivity and supply chain resilience.

A combination of reforms will be introduced to the existing regulatory framework including:

1. Reduction of delivery frequency and relaxation of the timetable for letter delivery;
2. Adoption of modern area classification definitions in the Performance Standards Regulations;
3. Removal of the regulated requirement for a priority letter service; and,
4. Reform of letter pricing oversight.

### Cleaner, Cheaper to Run Cars: The Australian New Vehicle Efficiency Standard

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: $1.2 million per year

Australia and Russia are among the only advanced economies without a new vehicle efficiency standard (NVES) so Australians spend more on fuel and have fewer choices of cleaner, cheaper-to-run cars.

The primary problems that Government is trying to solve is how to: save Australians money on fuel; reduce carbon-dioxide (CO2) emissions from new cars; and stimulate the supply of more fuel-efficient, low and zero emission vehicles into the Australian market.

Cleaner, cheaper-to-run cars will support achievement of the emissions reduction targets established under the *Climate Change Act 2022* and Australia’s updated Nationally Determined Contribution (NDC) under Article 4 of the Paris Agreement.

A NVES works by imposing a limit on CO2 (measured in grams per kilometre or CO2 g/km) each year across the fleet of vehicles that a supplier brings into the country. Each year the limit is reduced, so the standard becomes more stringent.

Compared to the status quo (no policy change), the IA considers three broad options for a NVES and, informed by these options, a ‘Best Option’.

Option A – Slow Start. An NVES starting slow and with a broadly equivalent rate of decline as the United States (US).

Option B – Strong, ambitious and achievable. An NVES that seeks to catch up with the US around 2028 and then match the stringency of the US standards, while not seeking to go beyond those standards.

Option C – Aggressive. An NVES that catches up with the US around 2026 and then brings forward US targets for 2029-2031 to the Australian NVES in 2028 and 2029.

Best Option - A strong, ambitious and achievable NVES that retains key design elements of Option B while substantively aligning with the standard proposed in the US. Two CO2 targets, one for passenger vehicles and sports utility vehicles (SUVs) and a higher target for utes, vans and some 4WD vehicles.

### Improving Pedestrian Safety - Acoustic Vehicle Altering Systems for Quiet Road Transport Vehicles

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: $17.6 million per year

As Australia continues to decarbonise its road transport sector, there will be an increasing number of quiet road transport vehicles (QRTVs) on our roads, mainly comprised of electric and hybrid vehicles. These vehicles are typically very quiet at low speeds, when tyre and wind noise is negligible, which can make it difficult for pedestrians, particularly those with low vision to hear these vehicles, increasing the risk of a collision. This is a particular issue for the blind and low vision community, given their reliance on sound to negotiate the road network independently.

To address the risk QRTVs pose for vulnerable road users safety, the United Nations (UN) World Forum for the Harmonization of Vehicle Regulations (known as WP.29) has established UN Regulation 138/01 in the RVSA to require Acoustic Vehicle Alerting Systems (AVAS) to be installed in new hybrid and electric vehicles. AVAS are sets of components installed in QRTVs for the purpose of emitting a sound external to the vehicle to improve its audibility to vulnerable road users.

The IA considered the case for mandating UN Regulation 138/01 as a New Australian Design Rule under the *Road Vehicle Standards Act 2018*. The IA considered three options for the introduction of AVAS that would result in different adoption rates.

Option 1 relies on the business as usual approach where the market determines the introduction of these systems.

Option 2 mandates the fitment of AVAS to new light QRTVs (up to 3.5 tonnes gross vehicle mass) from January 2025.

Option 3 is effectively the same as Option 2 but also mandates the fitment of AVAS to heavy QRTVs from November 2025. Two timeframes for Option 3 were evaluated:

* 3a - mandating AVAS for light vehicles from January 2025 and heavy vehicles from November 2025, and
* 3b - mandating AVAS for light vehicles and heavy vehicles from November 2025.

## Department of the Treasury

### Multinational Tax Transparency

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: $2.97 million per year

The Government’s intent is to introduce targeted and balanced tax transparency initiatives directed at Multinational Enterprises (MNEs) that, as part of the broader regulatory mix, are intended to moderate corporate tax-aggressiveness.

This option would address information asymmetries with the current tax transparency regime by enhancing the public reporting requirements of MNEs and public companies operating in Australia via Australian companies disclosing information on their subsidiaries.

This measure was developed in place of the Government’s originally announced election commitment that companies disclose to shareholders their business in a jurisdiction with a tax rate less than 15 per cent), in response to stakeholder feedback (see consultation section).

Separately, this option would also require tenderers for Australian government contracts (worth more than $200,000) to disclose their country of tax domicile.

The $200,000 value is an existing threshold in the Commonwealth Procurement Framework. It is the second highest threshold.

This element does not require legislative amendments and will instead be implemented via administrative changes to the Commonwealth Procurement material.

### Tackling multinational tax avoidance

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: $14.0 million per year

The Government is seeking to raise revenue by implementing targeted changes to Australia’s thin capitalisation rules. These changes will limit an entity’s interest expenses in line with their taxable earnings before interest, tax, depreciation and amortisation (EBITDA) – in line with OECD/G20 Base erosion and Profit Shifting Project Action 4, 2016 update. Additionally, the Government seeks to stop related party borrowings from being deductible for tax purposes under an Australian specific third-party debt test.

The Government is also seeking to protect revenue from arrangements that involve intangibles that avoid Australian tax and seek to achieve overall low tax outcomes by denying tax deductions for payments that relate to intangible assets connected with low- or no-tax jurisdictions.

### Operational risk management

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: $22.9 million per year

The proposal is to review and update two existing cross-industry prudential standards, Prudential Standard CPS 231 Outsourcing (CPS 231) and Prudential standard CPS 232 Business Continuity Management (CPS 232) and introduce a new cross-industry standard, Prudential Standard CPS 230 Operational Risk Management. This standard will set out minimum standards for managing operational risk, including updated requirements for business continuity and service provider management. This new standard will subsume CPS 231 and CPS 232.

### Petroleum Resource Rent Tax: Gas Transfer Pricing Review

IA Status: Compliant

Assessment Rating: N/A (Independent Review or IAE)

PIR Required: No

Regulatory Burden: N/A

There have been significant developments in global energy markets and local energy demand since 2019, including the increasing importance of gas in supporting the transition to low-emissions energy generation and the changing role of LNG in supplying gas to Western Australia and the Northern Territory.   
Given these developments, and the Callaghan Review finding that ‘a change to the transfer pricing arrangements could have major implications for existing projects’, The *Petroleum Resource Rent Tax: Review of Gas Transfer Pricing Arrangements Final Report* (GTP Review) has considered alternative approaches consistent with the overall intent of the Petroleum Resource Rent Tax (PRRT) to ensure the Australian community receives an equitable return for the extraction of its oil and gas resources, while not discouraging investment in exploration and development in the industry.

The Government will proceed with 8 of 11 recommendations by the GTP Review.

* Recommendation 1c: Limit deductible expenditure of PRRT assessable receipts in respect of each project in the relevant income year (applied after mandatory transfers of exploration expenditure).
* Recommendation 3: Require projects to make an irrevocable election to use the shorter or longer asset life formula.
* Recommendation 5: If the Residual Pricing Method (RPM) is retained, equalise the treatment of the notional upstream and downstream entities between loss situations and profit situations.
* Recommendation 6: Update the comparable uncontrolled price rules to align with the OECD guidelines.
* Recommendation 7: Modify the Advance Pricing Arrangement (APA) rules to provide guidance to industry and the Commissioner of Taxation on the principles that the Commissioner must have regard to in agreeing an APA.
* Recommendation 8: Update the regulations for tolling arrangements to support the effective operation of the RPM.
* Recommendation 9: Update both the PRRT general anti-avoidance rule and the arm’s length rule to clarify that they apply to the GTP Regulation.
* Recommendation 11: Update the GTP Regulation to ensure that where an LNG facility enters the PRRT regime (either solely for the purposes of the GTP Regulation or for broader PRRT calculations) for the first time for backfill or tolling purposes, the value of the plant for use in PRRT calculations is the historical cost of the LNG facility, uplifted by the GDP deflator to the date of first production for PRRT purposes.

## Department of the Treasury

### Climate risk disclosure

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: $1.0 to 1.3 million per year per entity

Climate change is having an impact on the financial prospects of companies, for better and for worse. It is increasingly recognised that companies need to manage and disclose those risks. This is becoming a mainstream part of corporate governance and strategy. To do this effectively, the financial impacts of climate change need to be identified and disclosed to the market.

While existing guidance from regulators in Australia has led to an increase in the number of companies disclosing climate-related risks, investors note that existing climate risk disclosures are often inconsistent or contain insufficient information to support decision-making. To appropriately price climate-related risks and opportunities, value assets and allocate capital efficiently, investors need information on climate risks and opportunities and the actions being taken by individual companies to meet their climate change targets. Investors also note the lack of standardisation makes disclosures difficult to compare, which impacts their decisions.

As part of the ‘Powering Australia’ policy, the Government has committed to introducing a standardised, internationally aligned requirements for mandatory disclosure of climate-related financial risks and opportunities in Australia for large businesses. Improving climate disclosures will support regulators to assess and manage systemic risks to the financial system as a result of climate change and efforts taken to mitigate its effects. This is necessary to sustain Australia’s reputation as a destination for the international capital that will be inevitably needed in the transition to net zero.

Climate-related financial disclosures will be mandated through amendments to the *Corporations Act 2001* (Commonwealth) and related legislation. Detailed sustainability and assurance standards will be made and maintained by the Australian Accounting Standards Board (AASB) and the Australian Auditing and Assurance Standards Board (AUASB). The new requirements build on the existing financial reporting framework through inclusion of a new ‘sustainability report’ that is required to be prepared for certain entities. As a part of this report, entities will be required to report on their climate strategy and governance processes as well as scope 1 and 2 emissions from commencement, with scope 3 reporting being required as the reforms mature. Entities will also be required to conduct scenario analysis from commencement. Assurance requirements will be phased in and a modified liability regime will operate for the first three reporting years.

## Department of the Prime Minister and Cabinet

### Support for Workers during the Net Zero Transition

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: $1.5 million per year.

The upcoming announced closure of coal-fired and gas-fired power stations and dependent supplier businesses is likely to have significant negative employment and other social impacts on workers and regional communities, as evidenced by literature from past closure events and feedback received from stakeholders. Job losses will likely arise as stations close, both at the facilities themselves and in companies providing supplies and services to them. Communities are concerned there will be insufficient job opportunities available for retrenched workers based on previous closure events. Careful consideration is required to mitigate the risks of poor social and economic outcomes associated with long-term unemployment in regional communities that may result from facility closures.

The IA focusses on power stations with sizeable workforces and announced closure dates, which are predominantly coal-fired power stations. The analysis considers the potential impact of three different policy options on employers, workers, governments and communities. The net benefits of two policy options through to 2035 have been estimated using an abridged cost benefit analysis (CBA) framework and a combination of quantitative and qualitative analysis. The three policy options are:

Option 1: a ‘status quo’ option, in which existing supports for workers are relied on, with no further intervention from the Australian Government

Option 2: implementing a pooled redeployment policy for workers at closing coal-fired power stations, some gas-fired power stations and dependent suppliers, with all parties participating voluntarily

Option 3: implementing a pooled redeployment policy for workers at closing coal-fired power stations, some gas-fired power stations and dependent suppliers, underpinned by a legislative framework that:

* includes the ability to require closing power station operators and their dependent suppliers to participate in pooled redeployment arrangements; and
* requires participating closing employers and dependent suppliers to take actions to support employees to achieve employment outcomes including participation in the redeployment pool, subject to their operational requirements.

## Sport Integrity Australia

### Safety in Sport

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

Sport Integrity Australia's remit has expanded beyond its role as Australia's National Anti-Doping Organisation and now encompasses the safeguarding of the integrity of Australian sports. Over 50 per cent of the Sport Integrity Australia's funding is tied to terminating measures ceasing on 30 June 2024, therefore it will not be financially viable for the agency to absorb the cost of addressing matters of safety.

The proposal seeks to put forth a range of options with increasing levels of capability. Each option seeks to improve safety among at risk groups, provide evidence-based policies, programs and services and ensure all participants of sport are informed, educated, and supported. The *Sport Integrity Act 2020* only allows the agency to charge for functions relating to Anti-doping, therefore cost recovery was not considered to be a viable option.

The Safety in Sport program entails increasing the capacity of Sports Integrity Australia to respond to reports associated with bullying, harassment, racism and discrimination, expanded education campaign to cover bullying, harassment, racism and discrimination and development and implementation of a First Nations skills program, Women in Leadership program and Sport Culture and Diversity Strategy.

The IA considers three levels of funding for the Safety in Sport program:

Option One: will allow the agency to adequately address current safety in sport issues.

Option Two: will provide sufficient level of staffing resources and expertise to proactively address current and future safety in sport issues and implement robust frameworks that prevent integrity issues including new and emerging threats.

Option Three: will provide optimal level of staffing resources and expertise to proactively address current and future safety in sport issues.

Sport Integrity Australia determined through analysis and consultation that Option Three would best support the Government’s objectives, will have the greatest impact across the entire sport ecosystem through to grassroots sport and at-risk demographics, and future proof sport from growing and emerging integrity threats by investing in strategies informed by research and stakeholder engagement. Key initiatives included in Option Three are new integrity managers embedded within state/territory sports and representation agencies of Community Sport Australia, establishment of a new Sport Integrity Research Institute, new strategic intelligence capability to strengthen our understanding of key issues impacting the sports integrity threat environment, a sports cultural hub and media studio that recognises and promotes First Nations peoples, those from culturally and linguistically diverse backgrounds and people with a disability and new social media analytics capability.

### Terminating Measure - Sport Integrity Australia - Funding

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: $42 million cost to government with no regulatory burden cost

Sport Integrity Australia's responsibilities include being Australia’s National Anti-Doping Organisation, providing a comprehensive anti-doping program for the Australian sport community and administering the National Integrity Framework which is a set of policies all members of sports need to follow when it comes to their behaviour and conduct in sport. Despite threats to sport becoming more sophisticated, over 50% of the Sport Integrity Australia's funding is tied to terminating measures ceasing on 30 June 2024. Without integrity underpinning participation, the benefits that sport delivers to the Australian community are at risk of being lost.

The proposal seeks to address and stay ahead of highly sophisticated and evolving doping methodologies and integrity threats within the context of heightened public expectations and external scrutiny.

The options propose a scalable approach to address and manage these evolving threats. The IA frames these options against recommendations of the 2018 review of Australia’s sports integrity arrangements (the Wood Review) and the 2019 Government response to the Wood Review - *The Safeguarding the Integrity of Sport.*

The IA considers four levels of funding for Sport Integrity Australia:

Option One: will maintain the current status-quo, where the Anti-Doping program returns to pre-2018 levels and Sport Integrity Australia is unable to deliver on its broader integrity obligations.

Option Two: will ensure Sport Integrity Australia has baseline level capability to respond to threats and opportunities, including minimum resourcing to continue activities and services tied to terminating measures.

Option Three: will provide a modest uplift in capability, including the staff and resources to sufficiently deliver the priority activities and services of Sport Integrity Australia.

Option Four: will provide a major uplift in capability, including investment in research and evaluation to understand the needs of participants, and ensure Sport Integrity Australia’s activities and services are evidence based, fit for purpose, and support the Government’s objectives.