- Option 2: simplify, clarify and modernise existing legislation
- Option 3: expand the reporting population to designated non-financial businesses and professions (DNFPBs)
- Option 4: both simplify, clarify and modernise legislation, and expand reporting population to DNFBPs.

The IA presents Option 4 as the preferred option. This option is expected to deliver the significant law enforcement benefits from the expansion of the AML/CTF regime to DNFBPs (or 'tranche two' entities in the Australian context), with the additional benefit of improved compliance across regulated entities and tranche two entities due to the reforms to simplify the regime, including AML/CTF program and Customer Due Diligence (CDD) requirements.

These benefits will harden Australia's financial ecosystem against criminal exploitation and likely increase the identification, restraint and confiscation of criminal assets and reduce opportunities for criminals to reinvest illicit funds into further criminal activities. Option 4 will also provide the greatest benefit for improving Australia's Financial Action Taskforce (FATF) compliance and minimising the likelihood of grey-listing and any associated economic and reputational damage to Australia.

The costs of Option 4 are estimated to be up to $13.9 billion for businesses and $209 million for consumers over 10 years (in net present value terms). The total quantifiable benefits are estimated at up to $13.1 billion over 10 years (in net present value terms), with the full range of anticipated benefits, including those that cannot be quantified, expected to represent a much higher value.

Australian Communications and Media Authority

Requirements to identify and manage mobile phones unable to access the Triple Zero (000) Emergency Call Service

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: Australian Communications and Media Authority (ACMA) estimates the average annual regulatory costs of option 2 (additional to business as usual) result in an increase of $14.9 million per year, over ten years.

The problem examined in this IA is that on 28 October 2024, once Australia's remaining 3G mobile networks operated by Optus and Telstra are shut down, some customers with affected mobile phones will not be able to make calls to Triple Zero. This not only includes 3G-only handsets but 4G handsets that cannot support calls to emergency services except over 3G.

There are no mandatory requirements on carriers or carriage service providers for customers to be notified of this or to provide assistance on how to obtain a mobile phone that is capable of making emergency calls.

Without action, a subset of the population will be unaware their mobile phone will not be able to make an emergency call with the risk that this could lead to loss of life or property.

Those most likely to be impacted are elderly customers who use older devices, customers who are not confident with technology and prefer to use older, less-complex devices, customers from lower socio-economic backgrounds that are less likely to have updated their mobile phones, and customers experiencing financial hardship unable to afford newer mobile phones.

On 21 August 2024, the Minister for Communications directed the Australian Communications and Media Authority (ACMA) to amend the *Telecommunications (Emergency Call Service) Determination 2019* (ECS Determination) (the Direction) to include requirements for carriers to:

- Identify mobile phones unable to access Triple Zero
- Notify customers about the limitations with mobile devices unable to access the emergency call service.
- Not supply carriage services to mobile devices unable to access the emergency call service.

On 24 September 2024, the ACMA published proposed amendments for consultation in line with the Direction inviting feedback from stakeholders by 8 October 2024.

The IA considers options available to the ACMA to provide protections for affected customers, within existing powers, and enable them to continue to access Triple Zero services after the network shutdown. These include:

- Option 1: Status quo – Under this option the government retains the status quo, refraining from amending the current Emergency Call Service (ECS) Determination.
- Option 2 (Preferred): Direct Regulation – Implementing the Direction (amend the Emergency Call Service Determination). Option 2 is to amend the ECS Determination to include necessary obligations on carriers and carriage service providers to better facilitate end-user mobile phones to make emergency calls.
- Option 3: Industry self- or co-regulation, i.e. voluntary actions by providers, supported by an industry guideline or registered code. Under this option, government would rely on providers to voluntarily take active steps to identify and assist customers with mobile phones unable to make an emergency call after all 3G mobile networks are shutdown.

Improving Telco Communications to Stakeholders During Outages

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: The ACMA estimates regulatory costs for Option 2 is in the order of $14.78 million per year over the next 10 years for substantive compliance costs that fall to carriers and carriage service providers (CSPs).

The Optus outage of 8 November 2023 exposed the importance of customer communication during and in relation to outages. The outage had a significant impact on a wide range of Australians, affecting emergency services, government services, businesses and vulnerable people. Customers experienced delays in receiving advice or a detailed explanation about the cause and impact of the outage, or timeframes for rectification.

There are currently no mandatory requirements for the way in which telecommunications providers communicate with customers in relation to outages. In August 2024, the Minister for Communications, the Hon Michelle Rowland MP, directed ACMA to determine a standard under subsection 125AA(1) of the *Telecommunications Act 1997* that deals with information to be provided or made available by carriers and CSPs relating to major outages that impact a telecommunications network used to supply carriage services to end-users.

The IA considers the following four options.

- Option 1: Status quo. Under this option the government retains the status quo, refraining from introducing new regulation and relying on the current Industry Guideline.
- Option 2: Direct regulation (Industry Standard). The Minister's Direction provides the legal authority for ACMA to make a new industry standard under section 125AA of the *Telecommunications Act 1997*. Under the Direction, the Standard must require carriers and CSPs to ensure that communications with end-users during or in relation to a major outage will be timely, up-to-date, and accessible through a mix of public and direct communication channels.
- Option 3: Direct regulation (amend the Telecommunications (Emergency Call Service) Determination 2019. Under this option instead of an Industry Standard (Option 2), ACMA could develop a determination requiring carriers to communicate specific information to customers during and about outages.
- Option 4: Co-regulation (Industry Code). Under this option, the ACMA could request the Communications Alliance to develop a code that places obligations on carriers and CSPs in relation to customer communications during major outages.

Based on the analysis outlined in the IA, Option 2 has the highest overall net benefit and is in line with the Minister's Direction.

Future use of the upper 6 GHz band

IA Status: Compliant

Assessment Rating: N/A (Impact Analysis Equivalent)

PIR Required: No

Regulatory Burden: The ACMA estimates implementation of Option 4 will result in an increase in average regulatory costs of around $38 million per year, over ten years – reflecting the estimated relocation costs for affected incumbent services.

The upper 6 GHz band (6425-7125 MHz) has received significant interest, both domestically and internationally, for the potential introduction of Radio Local Area Network (RLAN) and/or wide-area wireless broadband (WA WBB) services.

In Australia, the upper 6 GHz band is currently used by fixed satellite services, point-to-point fixed links and television outside broadcast services. However, current planning arrangements do not support the widespread introduction of RLAN or WA WBB services in the upper 6 GHz without intervention by the ACMA.

Four policy options were explored in the *Options paper: Future use of the upper 6 GHz band* and the *Outcomes paper: Future use of the upper 6 GHz band*:

- Option 1: Maintain existing arrangements, with potential reconsideration at a later date.
- Option 2: Introduce arrangements to enable RLAN access to some or all of the upper 6 GHz band, via a variation to the Low Interference Potential Devices (LIPD) class licence. There would be no arrangements introduced for WA WBB.
- Option 3: Introduce arrangements to enable WA WBB access to some or all of the upper 6 GHz band, under apparatus and/or spectrum licensing. There would be no arrangements introduced for RLANs.
- Option 4: Introduce arrangements to enable both RLAN and WA WBB access to different frequency segments within the upper 6 GHz band, using the respective authorisation arrangements in options 2 and 3.

The preferred option was Option 4 as it represents the optimal use and greatest public net benefit that can be derived from the use of the upper 6 GHz band.

Australian Competition and Consumer Commission

ACCC: safety risks posed by infant inclined products

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: The ACCC estimates the *Consumer Goods (Infant Products) Information Standard 2024* will result in an increase in average regulatory costs of between $0.63 and $1.35 million over the next 10 years.

The ACCC estimates the *Consumer Goods (Infant Sleep Products) Safety Standard 2024* will result in an increase in average regulatory costs of between $2.77 and $161.83 million per year for the first two years, and between $1.20 and $4.33 million from year three onwards.

Australia's product safety regime does not have a general safety provision that prohibits unsafe goods being supplied or any mandatory standards which specifically capture all Infant Sleep Products. There is currently no single Australian or international standard that can be adopted to address all risks identified for Infant Sleep Products.

Fatalities associated with Infant Sleep Products and Inclined Sleep Products and Inclined Non-Sleep Products will continue to occur if no government action is taken. The ACCC considers the risk to infants posed by unsafe Infant Sleep Products is significant and likely to become more prominent in the future.

The proposal is to make a mandatory safety standard, mandatory information standard for Infant Sleep Products and Inclined Non-Sleep Products and revoke the household and folding cots mandatory standards, plus an education campaign.

The ACCC considers this will best improve safety and address the risks associated with Infant Sleep Products and Inclined Non-Sleep Products.

Department of Climate Change, Energy, the Environment and Water

Implementing a Guarantee of Origin Scheme

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: The Department of Climate Change, Energy, the Environment and Water estimates the Guarantee of Origin (GO) scheme option would increase annual regulatory costs by approximately $20.2 million, on average over 10 years. This represents an average annual cost of $16.9 million to the renewable electricity sector (including participants transitioning from the Renewable Energy Target Scheme from 2030) and $3.3 million to the hydrogen and other sectors.

Within Australia there is a lack of transparent, consistent, and trusted, consistent, information on low-emission and clean Australian-made products, and no enduring mechanism to provide certification on renewable electricity.

The deficiency of product information restricts the capacity for consumers to ascertain the difference between carbon-intensive and low-emission goods that are physically identical. Without this information, buyers and sellers of these kind of products are unable to efficiently transact and co-ordinate their activities, inhibiting the development of markets for low-emission goods. Consumers may not be willing to pay a premium for a good described as ‘low emission’, ‘green’, or ‘renewable’ without robust evidence that the low

emissions attributes of the product are correct. Additionally, the absence of product information could limit the ability of government incentive programs to discriminate and target support towards low emissions or renewable products.

Renewable electricity certification exists in Australia under the Renewable Energy Target (RET) scheme. However, the RET scheme, including the ability to certify renewable electricity, is legislated to end in 2030 and only applies to a subset of total renewable electricity generation in Australia.

The IA considers three policy options:

- Option 1: Status-quo (non-regulatory) – Australian industry would develop emissions accounting and certification frameworks as required without Australian Government involvement
- Option 2: Publish framework with no government administration (quasi-regulatory) – The Australian Government would develop an emissions accounting framework for hydrogen that industry could voluntarily choose to adopt and apply to their certification schemes for clean products for both domestic and export. This option would not apply to renewable electricity
- Option 3: Australian Government administered Guarantee of Origin Scheme (regulatory) – The Australian Government would implement and administer a voluntary scheme, the Guarantee of Origin or 'GO' scheme, to measure, track and verify emissions information related to products, and provide an enduring certification mechanism for renewable electricity.

The preferred policy option is Option 3, the Guarantee of Origin (GO) scheme, as this option would provide the necessary investment certainty, achieve greater integrity and unlock greater economic opportunities over the medium-to-long term.

Department of Employment and Workplace Relations

Import Ban On Engineered Stone

IA Status: Compliant

Assessment Rating: N/A (Impact Analysis Equivalent)

PIR Required: No

Regulatory Burden: The Department of Employment and Workplace Relations estimates implementing this proposal to ban the import of engineered stone will result in an increase in regulatory costs of $14.3 million per year, averaged over ten years.

There has been a dramatic increase in cases of silicosis and silica-related disease in Australia in recent years, particularly in workers exposed to silica dust emissions produced during the processing of engineered stone, which is predominantly sourced from overseas. Engineered stone workers are over-represented amongst people diagnosed with silicosis.

This IAE considers enforcement and deterrence measures at the Australian border to complement previous efforts of state and territory work health and safety regulators to introduce model work health and safety laws to prohibit the use of engineered stone. These model work health and safety laws have been supported by previous Decision Regulatory Impact Statements (DRISs) prepared by Safe Work Australia:

- Managing the risks of respirable crystalline silica at work; and
- Prohibition on the use of engineered stone.

Department of Finance

Electoral Expenditure and Gift Cap Reforms

IA Status: Compliant

Assessment Rating: N/A (Impact Analysis Equivalent)

PIR Required: No

Regulatory Burden: The Department of Finance expects the additional regulatory burden to business, community organisations or individuals in relation to electoral expenditure and gift cap reforms will not be material relative to current regulatory costs.

In August 2022 the Joint Standing Committee on Electoral Matters (JSCEM) was asked to inquire into and report on all aspects of the 2022 federal election and related matters, including consideration of reforms to political donations laws, the applicability of 'real time' disclosure, reduction of the disclosure threshold, reforms to funding of elections, electoral expenditure caps and public funding of parties and candidates.

The JSCEM Final Report identified a need for reforms to the Commonwealth system of political donations and electoral expenditure, noting "Australia's electoral system is strong, however there are areas which are clearly in need of strengthening to improve transparency and integrity, reduce the potentially corrosive influence of big money and level the playing field, while allowing for continued participation in our elections from members of the public, political parties, civil society and business."

Electoral reform was both an election commitment as well as a commitment made as part of the Australian Government's *Third Open Government Partnership National Action Plan 2024-25*.

The JSCEM in its Interim and Final Reports recommended reforms to improve transparency and accountability across Australia's electoral system.

The Electoral Legislation Amendment (Electoral Reform) Bill 2024 proposes to implement gift caps, expedited disclosure of gifts, and a reduction in the disclosure threshold to $1,000 (indexed). The Bill also proposes amendments to introduce electoral expenditure caps, increase public funding of parties and candidates, as well as streamline and modernise administrative processes to support the Australian Electoral Commission's delivery of electoral events.

Department of Foreign Affairs and Trade

Australia - United Arab Emirates Comprehensive Economic Partnership Agreement (UAE CEPA)

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: The Department of Foreign Affairs and Trade estimates that the CEPA will not impose any regulatory burden on Australian businesses, communities or individuals.

Australia needs to strengthen and diversify its exports to support its prosperity and build national economic resilience. Australia also needs to attract investment in order to address key national priorities, such as the clean energy transition.

Australia and the UAE currently have a positive economic relationship. However, our competitiveness and attractiveness as a trade and investment partner will not reach its full potential, and may even erode, particularly as the UAE implements free trade agreements (FTAs) with other countries. If other countries negotiate preferential trade agreements with the UAE, particularly those countries who provide similar goods and services to Australia, it is likely that the UAE will buy the goods and services from those countries with lower tariff rates and fewer barriers.

The IA considers the following two options:

- Option 1: Do not sign the CEPA (status quo):
    - This option would involve continuing the status quo and relying on any further trade liberalisation with the UAE to proceed under the auspices of the World Trade Organisation rules, which is slower and not guaranteed of progress. This option would also mean relying on a unilateral decision by the UAE to reform domestic regulatory settings applicable to all trading partners.
- Option 2: Sign and implement the CEPA:
    - For goods, the UAE will fully eliminate tariffs on 98.2 per cent of its schedule, covering 99.9 per cent of Australia's exports to the UAE market by value. Tariff elimination by the UAE will be either immediate on entry into force or phased over three or five stages.
    - For services, the CEPA will include a comprehensive set of rules to provide Australian service suppliers with greater certainty and predictability to support their operations in the UAE. These rules will address restrictions and discrimination when accessing the UAE services market, as well as behind-the-border procedural and related domestic regulation barriers that have a negative impact on two-way trade and investment in services.
    - For investment, the CEPA package will include an Investment Agreement which will include investment protections that provide certainty to Australian and UAE investors. A Council on

Investment will also be established to facilitate continued political level exchanges on the investment relationship. Five Investment Cooperation Memorandum of Understandings (MOUs) will also form part of the CEPA package in sectors of national priority including Green and Renewable Energy, Data Centres and Artificial Intelligence Projects, Food and Agriculture, Minerals and Infrastructure.

- For skilled labour mobility, the CEPA will support the flow of skilled personal and business visitors. The CEPA will guarantee temporary entry for service providers, investors, and other business visitors.
- As a modern trade agreement, the CEPA includes commitments on inclusive and sustainable trade through promoting internationally recognised labour standards; supporting women's access to the full benefits and opportunities that flow from trade and investment; and ensuring high levels of environmental protection. The CEPA will also be Australia's first trade agreement to establish a framework for cooperation to promote First Nations trade and investment interests.

The preferred policy option is Option 2. Signing CEPA would open opportunities for trade and investment outcomes with a dynamic and growing globally focused strategic partner. The CEPA is expected to diversify trade and investment opportunities and strengthen Australia's strategic engagement with an important partner in the Middle East Region. Estimated potential financial benefits could be as high as $678 million per year. This equates to a 16 per cent increase in annual Australian exports to the UAE. The main cost associated with the CEPA is likely to be a lowering of tariff revenue for UAE imports, estimated to be $16 million in 2025-26 and increasing to $23 million per year by 2029-30, when all tariff reductions are fully implemented. The broader economy-wide benefits of the agreement will far exceed this revenue cost.

Department of Health and Aged Care

Aged Care Bill 2024

IA Status: Compliant

Assessment Rating: N/A (Impact Analysis Equivalent)

PIR Required: No

Regulatory Burden: The Department of Health and Aged Care estimates these measures will result in a decrease in regulatory costs of around $4.8 million per year, averaged over ten years.

The Royal Commission into Aged Care Quality and Safety (the Royal Commission) found that at least 1 in 3 people accessing residential aged care and home services have experienced substandard care, and that the objectives, regulation and funding of the Australian aged care system is complex and piecemeal.

These issues are expected to compound over the coming years due to Australia's changing demographics, patterns of disease and dependency, and community expectations for quality care of older people – placing

pressure on the aged care workforce and funding to support growing demand for aged care services. For example, the Royal Commission identified that the number of Australians aged 85 years and over is projected to increase from 515,700 in 2018–19 (around 2.0% of the Australian population) to more than 1.5 million by 2058 (around 3.7% of the population). Further, over this time the number of working age people (15-64 years) for every Australian aged 65 years+ is projected to decrease from 4.2 in 2019 to 3.1 in 2058.

The Aged Care Bill 2024 intends to give effect to the Government's election commitments to deliver improved transparency and accountability, and protect the safety, dignity and wellbeing of people accessing aged care services. The Bill delivers on a number of Royal Commission recommendations, including additional regulatory requirements on aged care providers, a new Support at Home program, and a new funding models for specialist programs. The Bill also seeks to clarify obligations on aged care providers and workers with a focus on continuous improvement in delivery of high quality care and services, and ensure the sustainability of the aged care system.

Health Legislation Amendment (Modernising My Health Record—Sharing by Default) Bill 2024

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: The Department of Health and Aged Care estimates these measures will result in an increase in average regulatory costs of $10.94 million in the first year. Costs for ongoing years will be determined following evaluation and monitoring of mandate outcomes.

Pathology and diagnostic imaging reports are not reliably available to consumers and their healthcare providers. Consumers expect a more connected experience where their health information follows them so they can fully participate and be partners in their own healthcare. Further, there are fragmented patient outcomes and experiences of care.

Option 1 would create a legislative requirement on prescribed healthcare providers to share key health information to consumers' My Health Record (preferred option).

Option 2 would see the maintenance of the current status quo where it would remain voluntary for pathology and diagnostic imaging providers to upload reports to My Health Record.

Option 1 would see benefits in the reduction of duplicate/ unnecessary pathology and diagnostic imaging tests. This would in turn benefit consumers in reducing unnecessary follow up appointments. Healthcare providers would also benefit from workflow efficiencies. Pathology and diagnostic imaging providers would have some costs in the first year to uplift their workforce and for some providers to connect to My Health Record conformant software.

Department of Home Affairs

Cyber Security Legislation: Mandatory Ransomware Payment Reporting – Cyber Security Bill 2024

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: The Department of Home Affairs estimates the three reforms in preferred Option 3B will increase average regulatory costs by $4.77 million per year.

Ransomware uses malicious software to cripple operations by encrypting devices, folders and files, rendering essential computer systems inaccessible unless a ransom is paid, and remains the most destructive cybercrime threat to Australians. Cyber extortion is on the rise. In 2022-2023, the Australian Signals Directorate (ASD) responded to 127 extortion-related incidents, 118 of these incidents involved ransomware or other forms of restriction to systems, files or accounts. Throughout this period, ASD reported that cybercriminals constantly evolved their tactics and operations to extract maximum payments from victims, fuelled by a global industry of access brokers, extortionists and ransomware-as-a-service operators.

Under the 2023-2030 Australian Cyber Security Strategy, the Australian Government has committed to disrupting the ransomware business model and preventing cybercriminals from profiting from attacks on Australian businesses and citizens. However, under-reporting of ransomware payments limits the Australian Government's understanding of the cyber threat landscape, which is essential to facing increased extortion-related cyber security incidents and developing policy options to break the ransomware business model.

This IA considers four options.

- Option 1 – maintain the status quo (no regulatory change).
- Option 2 – encourage voluntary reporting of ransomware demands and payments.
- Option 3 – legislate mandatory reporting of ransomware payments.
- Option 4 – legislate mandatory reporting of ransomware demands and payments.

For options 3 and 4, two thresholds to apply the reporting obligation were considered.

- Option A – entities with an annual turnover of greater than $10 million.
- Option B – entities with an annual turnover of greater than $3 million.

The preferred policy option is Option 3B.

Cyber Security Legislation: Amendments to the Security of Critical Infrastructure Act 2018

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: The Department of Home Affairs anticipated the regulatory costs of preferred Option 2 could range from $0.5m to $50m per cyber incident, with an expected incident frequency of one in every three years, suggesting an increase in average regulatory costs by between $0.1m and $16.7m per year.

The identification and protection of critical infrastructure is essential for Australia's social and economic prosperity, national security and defence, and facilitating the provision of essential services. The *Security of Critical Infrastructure Act 2018* (*SOCI Act*) represented a significant enhancement to Australia's regulatory framework when enacted, however evolving geopolitical and cyber threats requires regular review of existing settings to ensure the security and resilience of our critical infrastructure.

This IA considers potential reforms to the *SOCI Act* to address three issues with the current regulatory settings.

- There are a growing number of cyber incidents which impact non-operational data storage systems held by critical infrastructure entities which can often be a point of entry for malicious actors.
- Businesses face difficulties responding effectively in the aftermath of significant incidents because of legal risks and government's limited ability to support with post-incident consequence management.
- When an entity is unwilling to comply with the regulator's recommendations to enhance a risk management program (RMP), there is limited ability for the regulator to issue a direction that the entity remedy the deficient RMP in a timely fashion.

This IA considers three options.

- Option 1: maintaining the status quo (no regulatory change).
- Option 2: Implementing three reforms to the *SOCI Act*, including:
    - clarification of definitions to capture systems holding business critical data
    - legislating an all-hazards consequence management power and
    - a new directions power to address seriously deficient risk management obligations.
- Option 3: enhanced collaboration between industry and Government, through use of the Trusted Information Sharing Network (TISN).

The preferred policy option is Option 2.

Aviation and Maritime Transport Security Reforms

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: The Department of Home Affairs estimates the regulatory burden from implementing Option 4 will result in one-off costs of $190 million across the aviation and maritime sectors, and ongoing average annual costs of $115 million. The cost to each individual entity will be determined by their existing

maturity, and the size and complexity of their operations. Costs are likely to be lower for entities with mature security practices in place, or for small businesses.

Security of Australia's transport sector is regulated through the transport security legislative frameworks which includes the *Aviation Transport Security Act 2004* (ATSA), the *Maritime Transport and Offshore Facilities Security Act 2003* (MTOFSA) and supporting regulations. The transport security legislative frameworks require the transport sector to mitigate the threat of unlawful interference, such as terrorism, and serious crime within an entity's physical boundary or geographical location.

However, the limited focus of the transport security legislative frameworks does not reflect the new or emerging threat environment nor the range of risks the Australian transport sector faces. There is a growing number of all hazards security threats, particularly risks of cyber incidents, increasing the need to prepare for, mitigate, and respond to these threats.

This IA considers four options to meet increased all hazard security risks for the aviation and maritime transport sectors.

- Option 1: maintain the status quo.
- Option 2: encourage industry to voluntarily uptake all hazards risk management.
- Option 3: switch on critical infrastructure risk management program (CIRMP) obligations for 'critical aviation assets' and 'critical ports' under the *Security of Critical Infrastructure Act 2018*, requiring a small subset of critical aviation assets and critical ports to establish, maintain, and comply with a written risk management program.
- Option 4 (the preferred option): amend the transport security legislative frameworks to enact mandatory security obligations.

Under Option 4, the introduction of the all hazards security frameworks are expected to proactively address and mitigate material risks and hazards, thereby reducing the likelihood and severity of incidents and disruption to supply chains across the economy. Given the increasing frequency of all hazards security incidents in the aviation and maritime transport sectors, the likely benefits to the economy of Option 4 are expected to be more than the direct cost of regulation over time (indirect costs may be passed on to consumers).

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

Online Misinformation and Disinformation Reform

IA Status: Compliant

Assessment Rating: Exemplary

PIR Required: No

Regulatory Burden: The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) estimates regulatory costs in the order of $16.3 million per year over the next 10 years for effected businesses, noting that any additional standards in the future are not included in this regulatory cost.

Misinformation and disinformation, rapidly disseminated via digital communications platforms, poses a threat to the health, wellbeing, economy, and democracy of Australia. Misinformation is false information that is spread due to ignorance, or by error or mistake, without the intent to deceive. Disinformation is knowingly false information designed to deliberately mislead and influence public opinion or obscure the truth for malicious or deceptive purposes.

Although the spread of misinformation and disinformation is not a new problem, digital communications platforms have enabled seriously harmful content to be distributed further and faster than previously possible, particularly as Australians are increasingly relying on social media as a source of news.

The IA considers options to place new core obligations on platforms to increase transparency and better empower users, as well as imposing mandatory requirements for online platforms to address seriously harmful misinformation and disinformation on their services. The proposal also considers options to strengthen the role of the ACMA to require improvements and stronger protections where necessary through information powers, code registration and standard making powers. ACMA would play a more active role in encouraging transparency on misinformation and disinformation and potentially imposing more obligations on digital communication platforms. Any additional standards in the future have not been factored into this IA.

Sydney Airport Demand Management

IA Status: Compliant

Assessment Rating: N/A (Impact Analysis Equivalent)

PIR Required: No

Regulatory Burden: DITRDCA estimates these measures will result in an increase in average regulatory costs of $12,800 per year, over ten years.

The *Sydney Airport Demand Management Act 1997* (the Act) regulates the allocation and use of slots for aircraft to take off and land at Sydney Airport. The Act established the Sydney Airport Demand Management Framework, which provides a planning mechanism for runway movements at the airport to manage congestion, reduce delays and support efficient use of the airport.

The operational context for Sydney Airport has changed significantly since privatisation in 2002 and continues to evolve. While the Sydney Airport Demand Management Framework was updated in 2012-2013, rigidities in the Framework have resulted in inefficiencies that stifle opportunities for new services and competition that would help meet growing demand while balancing industry and community interests. The inability of Sydney Airport to operate to its full and permitted potential is holding the wider aviation

industry back, to the Australian community's detriment with fewer choices in destinations, flight times and prices.

The Productivity Commission's 2019 *Economic Regulation of Airports* inquiry (PC inquiry) recommended enhanced transparency over airport performance and to more readily detect any future exercise of market power by airport operators. Following the PC inquiry, Peter Harris AO was commissioned to undertake an independent review to consider the fitness for purpose of the Sydney Airport Demand Management Framework. The *Review of the Sydney Airport Demand Management Scheme* (Harris Review) was released by the Australian Government on 18 June 2021.

As recommended in the Review of the Sydney Airport Demand Management Scheme (Harris Review), key reforms to the Sydney Airport Demand Management Framework include:

- improving access for new entrants by broadening relevant definitions and principles;
- mandating airline reporting of slot management data and publishing that data;
- implementing the recovery period, particularly the temporary increase to the movement cap; and
- reducing the peak period and providing procedures for re-timing slots.

Social Media Age Limit

IA Status: Compliant

Assessment Rating: N/A (Impact Analysis Equivalent)

PIR Required: No

Regulatory Burden: DITRDCA estimates these measures will result in an increase in average regulatory costs of $6.69 million per year, over ten years.

The current social media landscape is exposing young Australians to a range of risks and harm. Young people are particularly vulnerable to the effects of online harm.

Currently in Australia there is no legislated minimum age for accessing social media. While all major social media services have minimum age requirements under their Terms of Service, existing safeguards to protect children from the negative impacts of social media are not in step with community expectations.

The Government committed to introduce legislation in 2024 to enforce a minimum age for access to social media. Policy options explored in the IAE included:

- Option 1 - status quo
- Option 2 – minimum age of 16 with no parental consent
- Option 3 – minimum age of 14 with parental consent required at 14 and 15 years old (South Australian proposal).

The preferred option was Option 2 – minimum age of 16 with no parental consent. The proposed legislation under this option would apply to specified social media platforms and include an exemption framework to

accommodate access to social media services that demonstrate harm minimisation. The minimum age of 16 years old (without a parental consent) option is preferred as it achieves the most effective balance between protecting children from harm and preventing their isolation, without imposing additional burden on parents or carers or exposing users to increased privacy risks.

Consultation undertaken by the DITRDCA has highlighted support for a legislated minimum age to be somewhere between 14 and 16 years old, with some support for 18 years old.

SMS Sender ID Register

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: DITRDCA estimates implementing mandatory registration (Option 3) would increase regulatory costs to industry (e.g. registration and fees) by around $21.5 million per annum over the next 10 years.

Scams affect all sectors of the community. In 2023, the Commonwealth Government service Scamwatch received over 8,000 reports of investment scams with total reported losses of $292 million.

This IA examines how best to implement a Short Message Service (SMS) Sender Identification (ID) Register (the Register) as part of the Government's suite of initiatives to combat scams and to protect Australians from financial harm. The Register aims to protect consumers and brands by disrupting SMS impersonation scams where scammers send SMS with alphanumeric sender identifications (IDs) to imitate well-known brands such as banks, government agencies or retailers in order to deceive victims, to steal their money or personal information.

Under the *Telecommunications Amendment (SMS Sender ID Register) Act 2024*, which will commence no later than 6 March 2025, the ACMA must establish the Register "as soon as practical" after the Act commences. The IA considers three options for implementing the Register.

- Option 1: Status quo. Under this option ACMA would continue to monitor and enforce the existing *Reducing Scam Calls and Scam SMs Code 2022* industry code requiring telecommunications providers to identify and block scam calls and SMS. SMS messages with sender IDs would continue to be subject to impersonation by scammers, causing ongoing harm to consumers and to the reputation of retail brands and government entities.
- Option 2: Voluntary registration of sender IDs. Under this option, entities would be able to register SMS alphanumeric sender IDs on a voluntary basis. If the sender ID is registered but the sender is not the registered party, the SMS would be either blocked or tagged as a possible scam. Under this model, a separate 'blocklist' could be maintained, where variations of registered sender IDs (e.g.

Auspost instead of AusPost) are also blocked. Unregistered sender IDs would not be blocked or tagged, and could still be used for scams.

- Option 3: Mandatory registration of sender IDs. Under this option, all brands and entities wishing to send SMS with alphanumeric sender IDs would be required to register these as sender IDs. Unregistered sender IDs would either be blocked or tagged as a possible scam. Telecommunications providers involved in sending SMS with alphanumeric sender IDs would be subject to enforceable rules and prohibited from sending SMS with alphanumeric tags unless the tag is registered and the messages originate from a legitimate sender.

The IA estimates the benefits outweigh the costs for both mandatory registration and voluntary registration, with mandatory registration (Option 3) delivering a greater net benefit. Under the mandatory option, consumers are estimated to receive $192 million in benefits from avoided financial costs and avoided time spent resolving scams. Entities using sender ID receive $65 million in benefits from avoided costs of resolving impersonation scams. Mandatory registration also most effectively delivers on the policy objectives to safeguard consumers and entities against SMS sender ID impersonation scams by protecting the legitimacy of SMS sender IDs.

Department of the Treasury

Supporting social and affordable housing under the Housing Australia Future Fund and the National Housing Accord

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: The Treasury estimates these measures will result in an increase in regulatory costs of an average of $1.5 million per year over five years.

The Housing Australia Future Fund (HAFF) and the National Housing Accord (Accord) are seeking to increase the supply of social and affordable housing for vulnerable and low-income households.

To help address the consistent undersupply of social and affordable housing, the Government committed to establishing the $10 billion HAFF as part of its 2022 election platform. The HAFF is a perpetual fund under the management of the Future Fund Management Agency that provides an ongoing funding stream of a minimum $500 million per year, indexed to the consumer price index from 2029-30, to fund new social and affordable housing and address acute housing needs. The Government's commitment specifically sets out that this includes the delivery of 30,000 new social and affordable rental homes over five years as well as funding of $324 million over five years to address acute housing needs.

In addition, the Government committed, as part of the Accord signed in October 2022, to fund an additional 10,000 affordable homes.

Use of genetic testing information by life insurers

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: The Treasury estimates these measures will result in an increase in average regulatory costs of approximately $9,000 per year, over ten years.

There are significant individual, public health, and scientific benefits associated with the use of genetic testing, whether undertaken for individual health reasons or medical research. However, many Australians report delaying or foregoing potentially lifesaving, clinically relevant genetic testing, or not participating in medical research involving genetic testing, for fear it will affect their ability to obtain affordable life insurance. This is due to the current regulatory framework, under which life insurers are able to request and use consumers' genetic testing results when considering whether, and on what terms, to offer life insurance policies. This ability exists regardless of whether the genetic testing is undertaken as part of an individual's medical treatment, or as part of research.

The proposal is to implement a total ban on the use of adverse genetic testing results by life insurers.

Under a total ban, life insurers would be prohibited from requesting or using any adverse genetic testing results to inform their underwriting calculations. This approach would reflect the recommendations of the 2023 Australian Genetics & Life Insurance Moratorium: Monitoring the Effectiveness & Response (A-GLIMMER) report. Insurers would retain the ability to require individuals provide information about personal and family medical histories, and consumers would still be required to disclose any diagnosed condition, regardless of how that diagnosis was obtained (via genetic testing or other diagnostic methods).

Ban on advertising of superannuation funds during onboarding

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: The Treasury estimates these measures will result in an increase in regulatory costs of between $480,000 and $1.16 million per year, averaged over ten years. This estimate consists of $480,000 and $2.8 million in one off costs, and ongoing costs of between $440,000 and $880,000 per year.

Retirement outcomes are not served by employees making uninformed or disengaged choices about their superannuation fund. Where employees are uninformed or disengaged, stapling and default superannuation fund arrangements protect consumers. Advertising of superannuation products during onboarding can confuse or pressure employees to make uninformed decisions, open inappropriate products and unintentionally create duplicate accounts.

A limited ban on superannuation product advertising during onboarding to protect employees from being influenced to join inappropriate products, in combination with adjustments to stapling policy to reduce the number of unintentional duplicate accounts. Products could be prohibited from advertising during onboarding if they: are not MySuper products; have failed the annual Australian Prudential Regulation Authority (APRA) superannuation performance test; or are related to the onboarding service provider. This limited ban would reduce consumer harm.

Merger Reform: A Faster, Stronger and Simpler System for a More Competitive Economy

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: The Treasury estimates Option 2 will increase regulatory costs by $10.8 million per year.

While most mergers and acquisitions are unlikely to raise competition concerns, some can harm competition, allowing businesses to raise prices and not pass on economic gains to consumers. Australia's merger control system plays a crucial gatekeeper role in preventing these mergers from harming consumers and the wider economy.

Analysis shows that competition in Australia has been declining since the 2000s. There is evidence emerging that the intensity of competition has weakened across many parts of the economy, accompanied by increasing market concentration and markups in many industries. Discouraging anti-competitive mergers and acquisitions, and stopping those that try to proceed, is crucial for maintaining downward pressure on the cost of living and creating a stronger, more competitive and more productive economy.

The IA considers four options.

- Option 1: Status quo – Australia currently has a prohibition on acquisitions of shares or assets that would have the effect, or be likely to have the effect, of substantially lessening competition (SLC) in any market. These are reviewed through one of three pathways: voluntary informal merger review; voluntary merger authorisation; or Federal Court of Australia (Federal Court) proceedings.
- Option 2: Mandatory and suspensory administrative system with an extended SLC test – introduces a single mandatory and suspensory administrative merger control system for mergers that meet certain thresholds that will replace the multiple voluntary pathways of the status quo. A merger will be permitted to proceed, unless the ACCC is satisfied that it is likely to SLC, including if it creates, strengthens, or entrenches substantial market power. Merger parties may also, following the competition assessment, seek for the merger to be approved if the ACCC is satisfied the merger would result, or be likely to result, in a benefit to the public that outweighs the detriment of the merger.
- Option 3: Mandatory and suspensory administrative system with a satisfaction test – this is an alternative version of Option 2 in that it also introduces a mandatory and suspensory administrative

merger control system. It differs from Option 2 in that mergers and acquisitions can only proceed if the ACCC is satisfied a merger is not likely to SLC including if it creates, strengthens, or entrenches substantial market power.

- Option 4: Mandatory and suspensory judicial enforcement system with an SLC test – this is an alternative version of Option 1 that would replace the voluntary informal merger review with a mandatory and suspensory system, and retain the existing model of judicial enforcement with the SLC test. Option 4 would retain a separate merger authorisation process.

Option 2 is the recommended option as it strengthens Australia's merger control approach by improving the ACCC's ability to effectively and efficiently detect, review and act against anti-competitive mergers and acquisitions. Mandatory notification requirements would mean that mergers and acquisitions more likely to impose risks for the economy must be notified to the ACCC. Suspensory timeframes for review and upfront information requirements will enhance predictability and certainty for stakeholders.

The benefits of an efficient and effective merger control system are significant. Applying analysis from overseas to Australia would imply benefits of between $340–732 million per year. Greater certainty and speed will reduce costs and facilitate valuable investment in pro-competitive and benign mergers. Consumers and businesses, along with the broader community, will be better informed and more confident that the ACCC has the toolkit to perform its gatekeeper role, prevent anti-competitive mergers and maintain competitive markets in Australia.

Scams Prevention Framework

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: The Treasury estimates on average over the first 10 years industry would be expected to incur $102.1 million in annual regulatory costs across the three sectors designated under the Scams Prevention Framework.

Scams are a significant source of financial crime that inflict unacceptably high levels of harm to Australian consumers and industry. Scams target a wide range of people by exploiting the social and technological vulnerabilities in the way Australians interact and do business online. Scams are often linked to other crimes, including identity theft and cybercrime.

Scams are attempts, directly or indirectly, to deceive a consumer into obtaining financial benefits or personal information. Scams can be carried out through a wide range of communication channels, including phone, text message, social media, and email.

Current industry initiatives lack a coordinated cross-sector approach to protect Australians from scams. Without government action, industries providing services that are vectors of scam activity are unlikely to be sufficiently incentivised and coordinated to respond to the rising cost of harms from scams.

In response to the rising impact of scams, the Government made an election commitment to introduce tough, new mandatory industry codes for banks, telecommunication providers and social media companies to combat scams.

The IA considered two options.

- Option 1: Maintain the status quo.
- Option 2: Introduce new mandatory industry codes (initially applying to banks, telecommunications providers and certain digital platforms) to outline the responsibilities of the private sector in relation to scam activity under an overarching Scams Prevention Framework. If the entities in these industries fail to comply with their obligations, they may be subject to penalties or be liable to compensate consumers for losses experienced due to these failures.

A new framework that creates mandatory obligations for sectors targeted by scammers would provide appropriate guardrails to reduce the scam threat activity across key sectors and make Australia a less attractive target for scammers.

Department of Veterans' Affairs

Veterans' Compensation and Rehabilitation Legislation Reform

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: The Department of Veterans' Affairs estimates these measures will result in an estimated reduction in regulatory costs of $5.5 million per year, averaged over ten years.

The current veterans' compensation and rehabilitation legislation framework is governed by three separate Acts, with fundamental structural differences. Determining which compensation is to be provided to veterans and veterans' families depends not only on the nature of the service undertaken, but also on the date a particular member joined the Australian Defence Force (ADF). The complexity in this multi-Act approach contributes to claims processing delays and uncertainty for veterans and families as to what they may be entitled to as current or former serving members of the ADF. Furthermore, compensation outcomes for veterans can differ significantly over the different frameworks for similar conditions or injuries, depending on the claimant's individual circumstances.

Various Government and independent reviews have identified that the framework is extremely complex and in need of simplification. The Productivity Commission found that the existing framework is not-fit-for-purpose and

requires fundamental reform. The Interim Report of the Royal Commission into Defence and Veteran Suicide found that this complexity could adversely affect the mental health of veterans.

The IA considers four options to reform the veterans' compensation and rehabilitation framework:

- Option 1 – Status Quo
- Option 2 – Small-scale improvements that do not require large scale Government investment and can be implemented at a policy level or by minor legislative amendment
- Option 3 – Move to a two-scheme approach based on the Productivity Commission's 2019 report 'A Better Way to Support Veterans". This option entails compensation and rehabilitation delivered under two schemes – the current *Veterans' Entitlements Act 1986* (VEA) and the *Military Rehabilitation and Compensation) Act 2004* (MRCA) harmonised with the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA)
- Option 4 – All future claims received will be determined under the *Military Rehabilitation and Compensation Act 2004* (MRCA) as the single ongoing act, irrespective of when and where the veteran served, or when their injury or illness occurred. This option also seeks to implement further improvements to the veterans' support system such as aligning benefits across the compensation system. From a future date, the VEA and DRCA would be closed to claims.

The IA identifies Option 4 as the preferred option.

National Indigenous Australians Agency

Resolution to the collapse of the Youpla Group

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: The National Indigenous Australians Agency (NIAA) estimates the preferred option would result in a regulatory cost of $1,276,152.

The Youpla Group (formerly the Aboriginal Community Benefits Fund) was a funeral expenses insurer that primarily marketed its products to First Nations people, often using misleading and deceptive practices. The Youpla Group entered into liquidation in March 2022, leaving its policy holders without funeral cover to conduct Sorry Business, a tradition of mourning with deep cultural importance for First Nations peoples. This collapse therefore inflicted significant cultural and emotional harm to many First Nations people and communities.

The proposal aims to deliver a culturally appropriate resolution that reduces financial stress relating to Sorry Business and provides closure on this matter for former Youpla Group policy holders.

Three cohorts of people who held a policy with the former Youpla Group were identified:

- Cohort A: 2020 policy holders estimated to impact 7,850 policy holders with total premiums paid of $66 million
- Cohort B: 2015 policy holders estimated to impact 13,700 policy holders with total premiums paid of $106 million
- Cohort C: 2001 policy holders estimated to impact 31,400 policy holders with total premiums paid of $164 million.

The proposed resolution payment scheme consists of variations on the implementation of cash payments and/or funeral bonds.

- Option 1: Choice between cash payment or funeral bonds.
- Option 2: Funeral bonds set as a default; option to receive cash payment
- Option 3: Funeral bonds are mandated, with specific exemptions.

The IA details the impacts of each resolution payment option across each cohort. Cohort B and Option 2 is identified as the preferred option.

Replacing the Community Development Program

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: The NIAA estimates reforming the Community Development Program (CDP) would increase average regulatory costs by $9.764 million per year, over three years.

Remote Australia generally has thin labour markets and lower employment rates compared to non-remote areas. Many remote communities have a dearth of job opportunities, associated with economic and social issues. Job seekers may not be prepared to enter the workforce immediately when opportunities arise and may face significant barriers to obtaining employment.

Job seekers in remote Australia are currently serviced by the CDP which helps support people interacting with labour markets in 60 CDP regions. The CDP was introduced in 2015 and sought to implement a typical work week, with participants completing work-like activities in remote areas to better prepare them for employment.

The Australian Government has committed to replacing the CDP with real jobs, proper wages and decent conditions. The commitment stems from the need to address thin labour markets in remote Australia, which are unlikely to naturally resolve into positive outcomes. Remote job seekers require a high quality, fit for purpose employment service to achieve positive outcomes.

The Australian Government has consulted with remote communities, job seekers, employers, CDP providers, local corporations, council members and other stakeholders on how to replace the CDP. Phase 1 of the consultations heard from over 2,250 people in over 100 remote communities, seeking to listen to and learn

from the views of remote community members. Phase 2 of consultations tested the design of the Remote Jobs and Economic Development program and heard from over 3,000 people in around 200 remote communities, with over 80 survey and submission responses received, and eight roundtables attended by community organisations, private sector organisations and state/territory and federal government representatives were held.

The NIAA considered two options to address comparatively lower employment outcomes for Australians in remote communities:

- Option 1: Retain the status quo by continuing the CDP.
- Option 2: Replace the CDP with two complementary programs:
    - the new Remote Jobs and Economic Development program to create 3,000 jobs with fair pay and conditions
    - a new remote employment service to provide tailored support to remote job seekers considering their individual goals, barriers, needs and proximity to the labour market.

Based on the information gathered through the consultation process, NIAA considers the preferred approach to be Option 2.

While Option 2 has a higher regulatory burden, this option is more likely to benefit job seekers, remote communities, local employers and community organisations. Option 2 would help to address barriers to employment that are prevalent in remote communities, including training and skills development opportunities, as well as linking participants with suitable employment opportunities. Option 2 includes a new remote employment service designed to better support remote job seekers through a case-management approach to drive engagement and aspiration among participants.