



# Australian Government Impact Analysis status, 2022-23

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 regulatory announcements, in consultation with the relevant agency.

This compliance report covers IAs uploaded to the OIA website in the period 1 July 2022 to 30 June 2023. 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 that 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 46 proposals finalised between 1 July 2022 and 30 June 2023.

For 15 of these proposals, the IA requirements were met by certifying an independent review or IA-like process. The OIA does not assess these certifications for quality, only for relevance.

In the reporting period, OIA also assessed and released two Early Assessment IAs for consultation.

One Prime Minister's Exemption was also published.

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# Summary of compliance

Figure 1. Summary of compliance

Type	2021-22 (as at 1 July 2022)	%	2022-23 (as at 30 June 2023)	%
Not compliant / Insufficient	0/35	0	1/31	3
Adequate	19/35	54	18/31	58
Good Practice	16/35	46	10/31	32
Best practice (old system)	N/A	N/A	N/A	N/A
Exemplary (new system)	0/35	0	2/31	6
IA Compliance	35/35	100	30/31	97
Independent Reviews <sup>a</sup>	13	-	15	-
Overall compliance	49/49	100	45/46	98
Exceptional circumstances <sup>b</sup>	1	-	1	-
Estimated annual impact on Regulatory Burden <sup>c</sup>	\$136.03 million <sup>d</sup>	-	\$1,616.75 million <sup>d</sup>	-

<sup>a</sup> Independent reviews are included in overall compliance.

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

<sup>c</sup> Positive 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.

<sup>d</sup> This figure represents an estimated regulatory costing.

## Impact Analysis compliance summary by Department or Agency, 2022-23

### Prime Minister's Exemptions

Figure 2. Compliance summary: Prime Minister's Exemptions

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Department of Climate Change, Energy, the Environment and Water Expansion of functions and powers of the Australian Energy Market Operator (AEMO)	Compliant	N/A	Yes	N/A
Total proposals	1/1	-	1/1	-

## Attorney-General's Department

Figure 3. Compliance summary: Attorney-General's Department

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Legislating a right to ten days paid family and domestic violence leave	Compliant	Independent Review	No	\$0.6m
Fully Implement the Respect at Work Report Package	Compliant	Independent Review	No	\$226.4m
Total proposals	2/2	-	0/2	-

## Australian Communications and Media Authority

Figure 4. Compliance summary: Australian Communications and Media Authority

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Reducing the impact of SMS scams	Compliant	Good Practice	No	N/A
Spectrum Pricing Review: 2nd Tranche of Reform Options	Compliant	Good Practice	No	-
3.4-4 GHz remote allocation of area-wide licences	Compliant	Adequate	No	-
Total proposals	3/3	-	0/3	-

## Australian Competition and Consumer Commission

### Early Assessment IA - Infant Inclined Products and Infant Sleep Products

Figure 5. Compliance summary: Australian Competition and Consumer Commission

Proposal	IA Compliance
Infant Inclined Products and Infant Sleep Products	Compliant
Total proposals	1/1

## Australian Prudential Regulation Authority

Figure 6. Compliance summary: Australian Prudential Regulation Authority

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Review of Prudential Standard APS 111 Capital Adequacy	Compliant	Independent Review	No	\$0.74m

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Certification of APRA's Review of the Private Health Insurance Capital Framework	Compliant	Independent Review	No	\$1.8m
<b>Total proposals</b>	<b>2/2</b>	<b>-</b>	<b>0/2</b>	<b>-</b>

## Australian Securities and Investment Commission

Figure 7. Compliance summary: Australian Securities and Investment Commission

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Updating the ASIC Derivative Transaction Rules (Reporting) 2013	Compliant	Independent Review	No	\$3.7m
<b>Total proposals</b>	<b>1/1</b>	<b>-</b>	<b>0/1</b>	<b>\$3.7m</b>

## Department of Agriculture, Fisheries and Forestry

Figure 8. Compliance summary: Department of Agriculture, Fisheries and Forestry

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Biosecurity sustainable funding submission	Compliant	Adequate	No	\$1m
Improving illegal logging traceability and timber identification testing	Compliant	Good Practice	No	\$2.8m
Changes to regulatory charging for biosecurity activities	Compliant	Good Practice	No	-
<b>Total proposals</b>	<b>3/3</b>	<b>-</b>	<b>0/3</b>	<b>\$3.8m</b>

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

Figure 9. Compliance summary: Department of Climate Change, Energy, the Environment and Water

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Certification of Final Report of the EPBC Act Review	Compliant	Independent Review	No	-
Chubb Review of Australian Carbon Credit Units	Compliant	Independent Review	No	-
Reforms to the Safeguard Mechanism	Compliant	Adequate	Yes	\$4.5m
Product Stewardship for Oil scheme	Compliant	Independent Review	No	\$34.75m <sup>a</sup>



Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Certification of Independent Review of the Greenhouse and Energy Minimum Standards (GEMS) Act 2012	Compliant	Independent Review	No	-
Commencing a Nature Repair Market	Compliant	Adequate	No	\$1.7m
<b>Total proposals</b>	<b>6/6</b>	<b>-</b>	<b>1/6</b>	<b>\$7.16m<sup>b</sup></b>

a Includes regulatory burden of \$0.96m for joint proposal with Department of the Treasury: Options for Energy Price Relief – refer to Department of the Treasury section of this report

b The Department has estimated that this decision will have annual average regulatory costs of \$34.75 million across the Australian community. OIA notes that the estimated value of additional revenue (i.e. the change in the amount paid through the levy) should not be included in the regulatory costs calculation as it is outside the scope of the Australian Government's Regulatory Burden Measurement Framework.

## Department of Defence

### Early Assessment IA - Regulation of Commonwealth Explosives

Figure 10. Compliance summary: Department of Defence

Proposal	IA Compliance
Regulation of Commonwealth Explosives	Compliant
<b>Total proposals</b>	<b>1/1</b>

## Department of Employment and Workplace Relations

Figure 11. Compliance summary: Department of Foreign Affairs and Trade

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill	Compliant	Adequate	Yes	-
<b>Total proposals</b>	<b>1/1</b>	<b>-</b>	<b>1/1</b>	<b>-</b>

## Department of Foreign Affairs and Trade

Figure 12. Compliance summary: Department of Foreign Affairs and Trade

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
WTO Services Domestic Regulation Joint Statement Initiative	Compliant	Adequate	No	-
<b>Total proposals</b>	<b>1/1</b>	<b>-</b>	<b>0/1</b>	<b>-</b>

## Department of Health and Aged Care

Figure 13. Compliance summary: Department of Health and Aged Care

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Capping Home Care Administration and Management Charges	Compliant	Adequate	No	\$4.7m
Lowering the Costs of Medicines through Changes to Maximum Dispensing Quantities	Compliant	Adequate	No	-
Primary Health Care Reform (Voluntary Patient Registration)	Compliant	Adequate	No	-
Support at Home Single Comprehensive Assessment System	Compliant	Adequate	No	\$4.34m
<b>Total proposals</b>	<b>4/4</b>	<b>-</b>	<b>0/4</b>	<b>\$9.04m</b>

## Department of Home Affairs

Figure 14. Compliance summary: Department of Home Affairs

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Critical Infrastructure Risk Management Program	Compliant	Good practice	Yes	\$1,150.4m
<b>Total proposals</b>	<b>1/1</b>	<b>-</b>	<b>1/1</b>	<b>\$1,150.4m</b>

## Department of Industry, Science, Energy and Resources

Figure 15. Compliance summary: Department of Industry, Science, Energy and Resources

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Securing Australia's Domestic Fuel Stocks and Refining Capacity – Addendum	Compliant	Adequate	No	-
Measurement Law Review	Compliant	Exemplary	No	-\$8.5m
<b>Total proposals</b>	<b>2/2</b>	<b>-</b>	<b>0/2</b>	<b>-\$8.5m</b>

## Department of Industry, Science and Resources

Figure 16. Compliance summary: Department of Industry, Science and Resources

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
ADGSM - Refining the Australian Domestic Gas Security Mechanism	Compliant	Adequate	Yes	-
Total proposals	1/1	-	1/1	-

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

Figure 17. Compliance summary: Department of Infrastructure, Transport, Regional Development, Communication and the Arts

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Heavy Vehicle Emission Standards for Cleaner Air	Compliant	Good Practice	No	\$2.063m
Remaking the Broadcasting Services Exclusion Determination	Compliant	Adequate	No	-
Australia's Accession to the Nairobi International Convention on the Removal of Wrecks	Compliant	Exemplary	No	-
Total proposals	3/3	-	0/3	\$2.063m

## Department of the Prime Minister and Cabinet

Figure 18. Compliance summary: Department of the Prime Minister and Cabinet

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Changes to the Workplace Gender Equality Act 2012 and Associated Instruments	Compliant	Good Practice	No	-\$0.12m
Total proposals	1/1	-	0/1	-\$0.12m

## Department of Social Services

Figure 19. Compliance summary: Department of Social Services

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Enhanced Paid Parental Leave for Families	Compliant	Adequate	No	\$7.48

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Abolish the Cashless Debit Card	Compliant	Adequate	No	-\$21.5
Additional Support for Single Parents	Compliant	Adequate	No	-
<b>Total proposals</b>	<b>3/3</b>	<b>-</b>	<b>0/3</b>	<b>-\$14.02</b>

## Department of the Treasury

Figure 20. Compliance summary: Department of the Treasury

Proposal	IA Compliance	Rating	PIR Required	Regulatory Burden (\$m)
Small Amount Credit Contracts and Consumer Lease Reforms	Compliant	Independent Review	No	\$17.62m
Regional First Home Buyer Guarantee	Compliant	Adequate	No	-
Improving insurance outcomes in natural hazard-prone regions	Compliant	Independent Review	No	\$0.7m
Options for Energy Price Relief <sup>b</sup>	Compliant	Adequate	Yes	\$0.96m
CDR Non-bank lending sectoral assessment	Compliant	Independent Review	No	\$18.6m
Competition in Clearing and Settlement in Cash Equities	Compliant	Independent Review	No	\$0.27m
Future Directions of the Consumer Data Right	Compliant	Independent Review	No	\$15.3m
Reducing tax concessions on superannuation balances exceeding \$3 million	Non-compliant	Insufficient	Yes	-
Unpaid Superannuation Guarantee Package	Compliant	Adequate	No	\$135.6m
Two-Pillar Solution: addressing the tax challenges arising from the digitalisation of the economy	Compliant	Good Practice	No	\$32.3m
Buy Now Pay Later Credit Products	Compliant	Good Practice	No	\$15m
Financial adviser education standards	Compliant	Good Practice	No	-
<b>Total proposals</b>	<b>11/12</b>	<b>-</b>	<b>2/12</b>	<b>\$236.35m</b>

<sup>b</sup> Joint proposal with Department of Climate Change, Energy, the Environment and Water.

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## Detailed information on proposals requiring Impact Analysis, 2022-23

### Prime Minister's Exemptions

IA Status: Compliant

Assessment Rating: PM Exemption

PIR Required: Yes

Regulatory Burden: N/A

On 28 October 2022 Energy Ministers agreed the Government will expand the functions and powers of AEMO under the National Gas Law to ensure it can address east coast gas system reliability and supply adequacy issues ahead of Winter 2023. The expanded powers will ensure AEMO can:

- Obtain the information it requires to identify if there are shortfall risks emerging in the east coast gas supply demand outlook (e.g. supply injections, storage levels, southern gas flows);
- Issue notifications to the east coast gas market about identified issues and the outcome that needs to be achieved to address emerging shortfalls (e.g. extra volumed/day required to flow south over a defined period); and
- As a last resort, direct market participants to take or refrain from actions.

The Prime Minister granted an exemption from the need to complete an Impact Analysis (IA) due to truly urgent and unforeseen circumstances requiring a decision before an adequate IA could be undertaken.

### Attorney-General's Department

#### Legislating a right to ten days paid family and domestic violence leave

IA Status: Compliant

Assessment Rating: Independent review

PIR Required: No

Regulatory Burden: \$0.6 million

The Government introduced legislation to amend the Fair Work Act 2009, to provide for ten days of paid family and domestic violence leave in the National Employment Standards (NES). This replaced the existing entitlement in the NES to five days of unpaid family and domestic violence leave. Introducing the scheme was an election commitment, and was part of a national push to help close the gender pay gap.

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## Fully Implement the Respect at Work Report Package

IA Status: Compliant

Assessment Rating: Independent review

PIR Required: No

Regulatory Burden: \$226.4 million

The Government has introduced the Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Bill 2022 which would implement seven of the recommendations from the Respect@Work Report regarding discrimination and workplace gender equality, including:

- introducing a positive duty on employers to take reasonable and proportionate measures to eliminate specified forms of unlawful sex discrimination, including sexual harassment, as far as possible, and
- providing the Australian Human Rights Commission with new functions to assess and enforce compliance with the positive duty.

## Australian Communications and Media Authority

### Reducing the impact of SMS scams

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: N/A

Scam activity impacts directly on the financial and emotional wellbeing of many Australians. It also undermines confidence in our telecommunications services and legitimate marketing. Bad actors (or scammers) are increasingly finding new ways to target business processes and technologies to perpetrate scams on and through telecommunications services. This includes scams delivered by short message service (SMS).

The government's policy objective is to reduce the incidence of fraud and identity crime from scams delivered by SMS occurring, given the realised harms and potential for Australians to experience significant impacts.

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## Spectrum Pricing Review: 2nd Tranche of Reform Options

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: N/A

The Impact Analysis (IA) identifies a number of inefficiencies in existing pricing arrangements for holders of radio communications apparatus licences, following recommendations from the Spectrum Pricing Review (SPR) made by the Department of Infrastructure, Transport, Regional Development and Communications. The SPR was endorsed by the then government in February 2018.

This IA extends on the implementation of reforms under the 1st tranche of the Spectrum Pricing Review in June 2021. An independent review was certified in lieu of an IA regarding the 1st tranche of the review.

The IA proposes that the preferred option is to update the pricing formula to better reflect current demand with the intention to smooth demand across spectrum locations and geographic locations.

### 3.4-4 GHz remote allocation of area-wide licences

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

Demand for spectrum in the 3.4 - 4.0 GHz band from local area wireless broadband services in remote areas is expected to grow. This demand arises in smaller, localised areas (such as from wireless internet service providers) and in business enterprise services operated by private entities on their own premises or estate (such as a hospital or industrial facility). While the Australian Communications and Media Authority (ACMA) can facilitate these services using 'service-specific' apparatus licences, this does not provide flexibility to use this spectrum for a variety of services, uses, applications and technologies.

To accommodate expected demand, the ACMA would introduce area-wide licences (AWLs). An AWL is more flexible than existing licences as it can be designed to fit the needs of a range of service types and does not tie licensees to specific site locations, topologies or exact technical parameters. Introducing AWLs in remote areas to the 3.4-4GHz band requires regulatory changes to the Radiocommunications (Area-Wide Licences) Licence Conditions Determination 2020 and the Radiocommunications (Transmitter Licence Tax) Determination 2015.

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## Australian Prudential Regulation Authority

### Review of Prudential Standard APS 111 Capital Adequacy

IA Status: Compliant

Assessment Rating: Independent review

PIR Required: No

Regulatory Burden: \$0.74 million

On 5 August 2021, the Australian Prudential Regulation Authority (APRA) announced a final revised Prudential Standard APS 111 Capital Adequacy: Measurement of Capital (APS 111).

The updates to the Prudential Standard on capital adequacy are designed to reinforce financial system resilience, promote simple and transparent capital issuance through removing the allowance for the use of special purpose vehicles (SPVs) in regulatory capital issuance, and clarify aspects of APS 111 to assist Authorised Deposit-Taking Institutions issue capital instruments.

### Certification of APRA's Review of the Private Health Insurance Capital Framework

IA Status: Compliant

Assessment Rating: Independent review

PIR Required: No

Regulatory Burden: \$1.8 million

On 27 September 2022, the Australian Prudential Regulation Authority (APRA) announced that it had finalised the capital framework for private health insurers. The new framework is designed to enhance policyholder protection by ensuring that private health insurers maintain an appropriate level of financial resilience. The new prudential standards better reflect the risks faced by insurers, improve comparability across insurers and align with international best practice. The new standards also align with the introduction of new accounting standards for insurance AASB 17 Insurance Contracts. The framework takes effect from 1 July 2023.

## Australian Securities and Investment Commission

### Updating the ASIC Derivative Transaction Rules (Reporting) 2013

IA Status: Compliant

Assessment Rating: Independent Review

PIR Required: No

Regulatory Burden: \$3.7 million



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To update the Rules in line with Australia's Group of Twenty (G20) commitments and the expectations of the Financial Stability Board so that they are:

- harmonised to international standards resulting in reduced cost and complexity for industry, improved data quality for the Australian regulators, more comprehensive and fit-for-purpose trade details and improved inter-jurisdictional data handling
- simplified by the removal of outdated transitional provisions and consolidation of exemptions within the Rules
- fit-for-purpose as to the scope of reporting entities, derivative products and lifecycle transaction events that are subject to the Rules and clear as to the roles and responsibilities of entities submitting derivative transaction reports.

## Department of Agriculture, Fisheries and Forestry

### Biosecurity sustainable funding submission

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: \$1 million

An open public consultation process obtained feedback on what sustainable funding and resourcing for Australia's biosecurity system might look like. Stakeholders' views were incorporated into implementation considerations. Findings and recommendations of previous reports into the biosecurity system were also considered.

Both stakeholders and previous biosecurity reports have highlighted the need for more funding avenues for biosecurity. In response to this, the Department of Agriculture, Fisheries and Forestry (DAFF) developed two revenue proposals. Together, these two new revenue streams would improve the alignment of funding mechanisms to beneficiaries and risk creators while supporting the delivery of a stronger and more sustainably funded biosecurity system.

### Improving illegal logging traceability and timber identification testing

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: \$2.8 million

Pilot testing suggests that there may still be volumes of illegal timber on the market in Australia, as the species and origin have been incorrectly identified. Under current regulations, verifying if timber was legally

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harvested, identifying breaches and taking appropriate and timely action is challenging. This is because due diligence information is provided after timber is imported or processed. It is also difficult to prove that timber was illegally harvested without using timber testing technologies. The current reliance on desktop audits for compliance action can be inefficient and ineffective in some scenarios.

The department will pursue seven reforms to the legislation to ensure that the illegal logging laws create an efficient regulatory framework in line with international best practice. Amendments to due diligence requirements and the implementation of timber testing technologies, supported by sampling and seizure powers, will support industry and regulators to verify claims about timber species, origin, and legality. This option will also ensure that regulatory impacts do not burden businesses and individuals any more than necessary.

### **Changes to regulatory charging for biosecurity activities**

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: N/A

Biosecurity activities manage the risk of pests and diseases that threaten Australia's economy and environment. The Department of Agriculture, Fisheries and Forestry (DAFF) undertakes a range of regulatory activity and recovers the costs associated with this activity to ensure that the Australian biosecurity system remains robust, responsive to emerging risks and enables market access for Australian products.

The biosecurity cost recovery arrangement was last reviewed in 2015, prior to the commencement of the Biosecurity Act 2015 and Biosecurity Regulations 2016. Since the 2015 review, both the Australian and global economy have changed significantly and Australia's biosecurity system has become more complex. These changes have placed pressure on DAFF's resources and ability to continue to deliver biosecurity activities effectively.

As fees and charges have not kept pace with inflationary pressures, there is now a large gap between the cost of the regulatory activity and recovered revenue. This increasing gap is unsustainable and will impact delivery of existing regulatory activities and DAFF's ability to manage the risk of pests and diseases entering the country.

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

### Certification of Final Report of the EPBC Act Review

IA Status: Compliant

Assessment Rating: Independent Review

PIR Required: No

Regulatory Burden: N/A

On 8 December 2022 Minister Plibersek released the Australian Government response to the Samuel Review, Nature Positive Plan: better for the environment, better for business. The Nature Positive Plan fully responds to the recommendations of the Samuel Review, and sets out the government's commitment to reform Australia's environment laws to better protect, restore and manage the environment.

Key reforms include: delivering National Environmental Standards, improving environmental data and information, progressing regional planning, improving conservation planning, reform of approaches to environmental offsets and enhancing First Nations partnerships to give First Nations peoples a stronger voice in our system of environmental protection.

### Options for Energy Price Relief

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: Yes

Regulatory Burden: \$0.96 million.

On 9 December 2022 the Prime Minister announced a combination of three Commonwealth responses to address the problem:

- Introducing a mandatory code of conduct for the wholesale gas market that includes a reasonable pricing provision
- Introducing a temporary 12-month gas price cap
- Bringing forward commencement of reforms to the Australian Domestic Gas Security Mechanism (ADGSM)

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## Chubb Review of Australian Carbon Credit Units

IA Status: Compliant

Assessment Rating: Independent Review

PIR Required: No

Regulatory Burden: N/A

On 9 January 2023 Minister Bowen released the Australian Government response to the Chubb Review, which concluded that the ACCU scheme arrangements are essentially sound, incorporating mechanisms for regular review and improvement. It found that after 11 years of operation there is room for further improvement.

The Government has agreed in principle to the 16 recommendations, which include a range of proposals to improve the operation of the scheme, including for the accreditation and regulation of carbon service providers and carbon market advisors.

## Reforms to the Safeguard Mechanism

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: Yes

Regulatory Burden: \$4.5 million

The Government is reforming the Safeguard Mechanism to support Australia's largest industrial greenhouse gas emitters to gradually and predictably reduce their emissions, delivering on an election commitment within the Powering Australia plan. The reformed Mechanism will help Australia achieve a 43 per cent reduction of emissions on 2005 levels by 2030 and net zero emissions by 2050. Under the three proposed options, Safeguard covered emissions take on a proportional share of the national emissions target to 2030 and reach net zero by 2050.

## Product Stewardship for Oil scheme

IA Status: Compliant

Assessment Rating: Independent Review

PIR Required: No

Regulatory Burden: The Department has estimated that this decision will have annual average regulatory costs of \$34.75 million across the Australian community. OIA notes that the estimated value of additional revenue (i.e. the change in the amount paid through the levy) should not be included in the regulatory costs

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calculation as it is outside the scope of the Australian Government's Regulatory Burden Measurement Framework.

The Product Stewardship for Oil (PSO) Scheme pays incentives to industry to encourage the environmentally sustainable management and re-refining of used and recycled oil. There have been minimal changes to the PSO scheme since it was established in 2000. This has led to the PSO scheme not meeting its original policy intent, due to the increase in the volume of oil products recycled, and the stagnation of the levy collected to cover this growing cost.

There are three aspects to this issue:

1. The PSO scheme provides significant environmental benefits but is not financially sustainable;
2. There has been no adjustment to the benefits paid to oil recyclers in more than 20 years; and
3. There are significant information gaps that prevent an appropriate understanding of the level of access regional areas have to the scheme; and therefore if environmental protection objectives of the scheme are achieved in regional and remote Australia.

To address the problem, the policy will increase scheme benefits to ensure that the PSO provides sufficient incentives to recycle waste oil and raise the levy to make the PSO Scheme financially sustainable. Additional 'light touch' reporting requirements for the waste oil collection industry will be implemented to deliver additional oversight to the Department of the PSO Scheme.

## **Certification of Independent Review of the Greenhouse and Energy Minimum Standards (GEMS) Act 2012**

IA Status: Compliant

Assessment Rating: Independent Review

PIR Required: No

Regulatory Burden: N/A

The Greenhouse and Energy Minimum Standards Act 2012 (the GEMS Act) permits the Australian Government to set mandatory minimum efficiency requirements for products, which helps drive greater energy efficiency and exclude the poorest performing products from the market. The GEMS Act also allows the Australian Government to set nationally consistent labelling requirements to increase consumers' awareness of options to improve energy efficiency and reduce energy consumption, energy costs and greenhouse gas emissions.

The Final Report on the Independent Review of the GEMS Act (the Review) was released by the then Department of the Environment and Energy on 12 September 2019. The review was undertaken in accordance with Section 176 of the GEMS Act, which specifies a review of the operation of the Act be

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commenced as soon as possible after the fifth anniversary of its commencement date. The Review made 39 recommendations.

On 15 June 2023, the Greenhouse and Energy Minimum Standards Amendment (Administrative Changes) Bill 2023 was introduced an initial tranche of administrative changes to address some of the recommendations of the Review.

More complex changes to the GEMS Act, to address the remaining recommendations, will be pursued following an in-depth consultative process with stakeholders.

## **Commencing a Nature Repair Market**

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: Yes

Regulatory Burden: \$1.7 million

The Government announced the intention to develop legislation to establish a Nature Repair Market (NRM) in August 2022. This voluntary market would establish and allow the trading of Biodiversity Certificates, for undertaking successful projects that provide biodiversity outcomes such as the regeneration of landscapes, and the protection and enhancement of remnant vegetation and habitats for native species. OIA acknowledged the difficulty in the assessment of costs and benefits before the individual methodology determinations are established. As such, the Department of Climate Change, Energy, the Environment and Water is required to test each draft methodology against IA requirements with OIA, which may result in additional analysis.

## **Department of Employment and Workplace Relations**

### **Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill**

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: Yes

Regulatory Burden: N/A

The Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill seeks to implement enterprise bargaining outcomes from the Australian Jobs and Skills Summit by amending the Fair Work Act (2009) in five areas;

- Limiting the termination of nominally expired workplace agreements.

- Automatically sunseting 'zombie' agreements made prior to the commencement of the Fair Work Act and subsequent bridging period.
- Expanding access to single and multi-employer agreements.
- Removal of unnecessary complexity and making the Better Off Overall Test simple, flexible and fair.
- Expanding the capacity of the Fair Work Commission to address bargaining disputes.

## Department of Foreign Affairs and Trade

### WTO Services Domestic Regulation Joint Statement Initiative

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

Implementing the Domestic Regulation Joint Statement Initiative, by modifying Australia's WTO GATS schedule alongside the 68 other participating WTO Members, will improve the business environment, and reduce costs and uncertainty for Australian services exporters. This will provide critical support to the sector, which represents a significant proportion of Australian exports, to recover from the sharp decline resulting from the COVID-19 pandemic. It will also signal Australia's support for rule-making through the WTO and reinforce the WTO's role at the centre of the rules-based international trading system.

## Department of Health and Aged Care

### Capping Home Care Administration and Management Charges

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: \$4.7 million

The Australian Government has committed to cap administration and management charges in the Home Care Packages (HCP) Program. The proposed changes outlined in the Impact Analysis (IA) include:

- Capping care management at 20 per cent of the package level, update definition and require all providers to charge separately for this as a mandatory service;
- Capping package management at 15 per cent of the package level, update definition and continue to allow providers to roll into direct service costs;
- Eliminating the ability for providers to charge package management where the care recipient receives no services (other than care management) in a month;

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- d) Specify that providers may charge 25 per cent of the agreed price for care management when a care recipient receives no other services in a month;
  - e) Eliminating charges for brokerage and subcontracting of third-party services; and
  - f) Once implemented, considering the need for additional caps to apply from July 2023.

The Government agreed to all of the above, except for d).

## **Lowering the Costs of Medicines through Changes to Maximum Dispensing Quantities**

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

This proposal will enable consumers to have an increased maximum dispensed quantity (MDQ) of certain Pharmaceutical Benefits Scheme (PBS) medicines used for common and chronic diseases, as recommended by the independent Pharmaceutical Benefits Advisory Committee (PBAC). An increase to the MDQ will mean that consumers with chronic, stable medical conditions will be able to collect a two-month supply of some medicines rather than a one-month supply, when they fill their script. As well as direct savings on payments to fill prescriptions, patients may realise savings from avoided visits to the pharmacy and to a GP or other prescriber to obtain repeat prescriptions. Pharmacies will receive less dispensing remuneration from the Government, as well as other related income due to the proposed changes. The Government intends to reinvest savings from the proposal to support the development of new and/or expanded existing programs and services by community pharmacy.

## **Primary Health Care Reform (Voluntary Patient Registration)**

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

This proposal recommends the implementation of Voluntary Patient Registration (VPR) to promote continuity of care, strengthen the relationship between a patient, their General Practice and preferred care team, and help participating practices and providers better understand and meet their patients' needs.

The implementation of VPR was a recommendation of the Strengthening Medicare Taskforce Report and is proposed to be implemented from 1 October 2023. It will be voluntary for patients, providers and practices and available to all Australians. Patients will be able to choose to register with their regular general practice and nominate their preferred provider. This information will be available on the patient's My Health Record



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to assist with coordination of care across the health sector. This will provide greater visibility over their patients' care and support a cohesive team care approach among different health professionals. VPR will also enable access to person-centred funding packages to drive quality, continuous care for people who need it most.

### **Support at Home Single Comprehensive Assessment System**

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: \$4.34 million

The proposed reforms would streamline the assessment pathway for the 470,000 older people who enter aged care each year such that all assessment organisations can assess for all aged care services as well as conducting residential funding assessments. This will involve expanding the role of existing assessment organisations through direct negotiations with States and Territories on the role of ACATs, and a limited tender with Regional Assessment Organisations and AN-ACC assessment providers.

To ensure cultural safety, Indigenous-specific assessment organisations will be established to conduct aged care assessments of First Nations people with the new organisations expected to be established across 2024-25. Assessors across all organisations will also have undertaken training in cultural safety and trauma-informed approaches.

The proposed reforms will commence on 1 July 2024.

## **Department of Home Affairs**

### **Critical Infrastructure Risk Management Program**

IA Status: Compliant

Assessment Rating: Good practice

PIR Required: Yes

Regulatory Burden: \$1,150.4 million

Critical infrastructure is essential for Australia's social and economic prosperity, national security and defence, and facilitating the provision of essential services across Australia. However, risks to Australia's critical infrastructure have evolved in recent years. These risks are inherently complex and reflect factors including increased cyber connectivity and greater participation in, and reliance on, global supply chains to support the provision of essential services. The increased threat environment requires a regulatory environment that is proportionate to the potential damage caused by the disruption of one or many critical infrastructure assets.

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The Impact Analysis (IA) focuses on four key problems:

1. There are growing risks to critical infrastructure assets.
2. Existing legislative arrangements are insufficient for the current threat environment.
3. The Government has limited visibility of current risk management practices, and limited ability to ensure that risks are appropriately managed across sectors.
4. A stronger partnership between Government and industry is needed to drive a wholesale uplift in security and resilience. Department of Industry, Science, Energy and Resources

## **Securing Australia's Domestic Fuel Stocks and Refining Capacity – Addendum**

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

Introduction of measures to improve Australia's fuel security:

- A Minimum Stockholding Obligation (MSO) on industry to put a floor under stocks of primary transport fuels held in Australia, providing greater security of supply in the event of a significant disruption to local fuel supplies.
- A Fuel Security Services Payment (FSSP) to maintain a sovereign refining capability for primary transport fuels, in recognition of the security it provides to Australia.
- Support for refiners to undertake the infrastructure investment required to comply with improved fuel quality standards

## **Department of Industry, Science and Resources**

### **ADGSM - Refining the Australian Domestic Gas Security Mechanism**

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: Yes

Regulatory Burden: N/A

On 25 October 2022, the government announced the ADGSM would be reformed to incorporate the following three elements, which were selected from a broader set of options considered within the IA:

- Activation to be considered every three months to align risk mitigation timelines with risk emergence timelines.

- All LNG exporters in a shortfall market to share the shortfall liability equally (in volumetric terms). This would ensure enough gas stays in Australia to prevent an emerging shortfall, and is administratively simple.
- Export permissions to be made tradable to improve the economic efficiency of an activated ADGSM.

## Measurement Law Review

IA Status: Compliant

Assessment Rating: Exemplary

PIR Required: No

Regulatory Burden: -\$8.5 million

Australia's measurement legislation underpins significant economic and social outcomes. The current legislation is outdated, imposes unnecessary regulatory burden and does not adequately support future industry or government needs. Modern legislation will minimise burden on industry, ensure continued confidence in measurement and adapt to evolving measurement needs.

The National Measurement Institute created three options, alongside the status quo, through the development of this RIS:

- Option 1 (streamline with minimal change) simplifies the legislation and reduces prescription by taking a principles-based approach with minimal change in scope.
- Option 2 (flexible and future-focused) proposes option 1's changes, plus further reform by significantly increasing flexibility and support for innovation.
- Option 3 (flexible with additional regulatory powers) extends option 2 with appropriate powers to regulate measurements relied upon by other policy owners.

Through analysis and consultation, the National Measurement Institute recommended Option 2 as the preferred option as it:

- Provides the equal highest quantifiable reduction in annual regulatory burden of \$8.5 million.
- Offers the greatest alignment with policy objectives, ensuring industry is best positioned to develop and adopt new technologies under modern regulation.
- Balances flexibility for industry with ensuring continued confidence in the measurement system both domestically and internationally.
- Provides the greatest net benefit to affected stakeholders.

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

### Heavy Vehicle Emission Standards for Cleaner Air

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: -\$2.063million

Australia currently mandates the international Euro V noxious emissions standards for all heavy vehicles manufactured from 1 January 2011. This IA evaluates whether the Australian Government should mandate the latest international standards for heavy vehicles, known as Euro VI.

### Remaking the Broadcasting Services Exclusion Determination

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

The proposal seeks to remake the Broadcasting Services ("The Broadcasting Service" Definition - Exclusion) Determination 2019. This excludes live online streaming from the broadcast regulatory framework (e.g. online television simulcasts, online radio stations, and live streaming functions on social media platforms).

### Australia's Accession to the Nairobi International Convention on the Removal of Wrecks

IA Status: Compliant

Assessment Rating: Exemplary

PIR Required: No

Regulatory Burden: N/A

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts proposes that Australia become a party to the Nairobi International Convention on the Removal of Wrecks 2007 (the Nairobi Convention). The Nairobi Convention provides an internationally uniform legal framework for States to remove, or have removed, wrecks in the Exclusive Economic Zone that have the potential to adversely affect the environment, safety of lives, goods and property at sea.

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## Department of the Prime Minister and Cabinet

### Changes to the Workplace Gender Equality Act 2012 and Associated Instruments

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: -\$0.12million

The Review of the Workplace Gender Equality Act 2012 (released March 2022) concluded that the gender pay gap in Australia was not closing at a fast enough rate. Work to progress women's economic equality in Australia has been fragmented, leading to slow progress on closing the gender pay gap, which according to the Workplace Gender Equality Agency's latest data, has stalled at 22.8 per cent in 2021 and 2022. Estimates indicate, at the current rate of progress, it would take approximately 26 years to close the full-time gender pay gap.

The proposal is to amend the Workplace Gender Equality Act 2012 to improve gender equality in employment and in the workplace by boosting pay gap transparency and encouraging action to close gender pay gaps within organisations.

## Department of Social Services

### Enhanced Paid Parental Leave for Families

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: \$7.48 million p.a. for 10 years

On 29 March 2022 the previous government announced reforms to the Paid Parental Leave (PPL) scheme that were subject to an IA process and which have not yet been implemented. Since that announcement, a new proposal was provided to encapsulate parental caregivers and address gender inequities.

The additional changes, announced 25 October 2022 were:

- Introduce a more gender-neutral claim process, meaning either parent can claim PPL first.
- Reserve two weeks of PLP as a 'use it or lose it' entitlement for each parent.
- Allow parents to take one or more days of PLP concurrently.
- Extend PPL from 20 weeks to 26 weeks by 2026, through two week increments per financial year from FY2024 to FY2026.

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## Abolish the Cashless Debit Card

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: -\$21.5 million p.a. for 10 years

The Australian Government has committed to abolish the CDC program and reform Income Management. The Government will deliver a staged approach with the first stage being exiting people off the CDC program shortly after the passage of legislation. Participants will be given an alternative to quarantine their income support payments for essential items if that is what they want to do. Those who volunteer will be provided with card technology that provides more functions such as tap and go and BPAY which will provide a better service than the current BasicsCard. Further reforms to IM, such as future card technology, a national expansion or roll out of further community-based models, are considered at a high level in this document but are still subject to further consultation and decisions by government. This IA was drafted to inform decisions of Government at a point in time. As a result the IA may not always reflect the actual final policy as agreed by Government.

## Additional Support for Single Parents

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

Expand support for single principal carers of a dependent child. The preferred policy proposal is to extend the eligibility for Parenting Payment (Single) to principal carers with a youngest child under 14 years of age (currently under 8 years of age) and maintain mutual obligations. The proposal extends the existing maximum basic rate of \$922.10 per fortnight to the cohort with children age between 8 and 13 years (inclusive) – higher than the maximum basic rate for JobSeeker Payment recipients who are single, with dependent child or children (\$745.20).

## Department of the Treasury

### Small Amount Credit Contracts and Consumer Lease Reforms

IA Status: Compliant

Assessment Rating: Independent Review

PIR Required: No

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Regulatory Burden: \$17.62 million

The 2016 Review of Small Amount Credit Contract (SACC) Laws made a number of recommendations aimed at increasing financial inclusion and consumer protections for SACCs and consumer lease consumers. In particular:

- while SACCs can be used as an emergency source of funding for one-off expenses, some customers engage in repeat borrowing which can, over time, become unaffordable
- consumer leases can be high cost and are provided to financially vulnerable consumers through Centrepay, a voluntary deduction service for Centrelink recipients.

The Department of the Treasury is seeking to progress a list of reforms relating to SACCs and consumer leases to address the outstanding response to the Review of Small Amount Credit Contract Laws

## **Regional First Home Buyer Guarantee**

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: N/A

The purpose of the National Housing Finance and Investment Corporation Investment Mandate Amendment (Regional First Home Buyer Guarantee) Direction 2022 is to amend the National Housing Finance and Investment Corporation Investment Mandate Direction 2018 to establish the Regional First Home Buyer Guarantee (RFHBG). The RFHBG is an election commitment. The RFHBG is designed to support certain eligible first home buyers living in regional areas to purchase a home in a regional area with a deposit of as little as five per cent. Home buyers (or at least one borrower when applying as a couple) must have lived in the regional area or adjacent regional area they are purchasing in, for the preceding 12-month period to the date they execute their home loan agreement.

## **Improving insurance outcomes in natural hazard-prone regions**

IA Status: Compliant

Assessment Rating: Independent Review

PIR Required: No

Regulatory Burden: \$0.7 million

The Australian Competition and Consumer Commission Northern Australian Insurance inquiry and the Royal Commission into National Natural Disaster Arrangements outline options including:

- Better data on affordability and coverage - build an enduring dataset on insurance coverage and affordability to better inform policy and decision making and measure impacts over time.

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- Review standard insurance definitions and the standard cover regime - investigate standardising natural hazard definitions (e.g., 'storm surge') in insurance and review the standard cover regime to improve consumer product choice.
  - Targeted mitigation funding - invest more in resilience/mitigation projects to reduce risk, targeted to areas that are most prone to natural hazard risk and/or have the most significant insurance issues.
  - Improved engagement between the public sector and insurers - establish institutional arrangements to promote cooperation between government and the insurance industry on issues and solutions across the public and private sector.



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## Options for Energy Price Relief

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: Yes

Regulatory Burden: \$0.96 million.

On 9 December 2022 the Prime Minister announced a combination of three Commonwealth responses to address the problem:

- Introducing a mandatory code of conduct for the wholesale gas market that includes a reasonable pricing provision
- Introducing a temporary 12-month gas price cap
- Bringing forward commencement of reforms to the Australian Domestic Gas Security Mechanism (ADGSM)

## CDR Non-bank lending sectoral assessment

IA Status: Compliant

Assessment Rating: Independent Review

PIR Required: No

Regulatory Burden: \$15.7 - \$18.6 million per year, averaged over ten years.

The Consumer Data Right (CDR) is designed to allow Australians to safely and securely unlock the value of information held about them by businesses. CDR gives consumers the ability to opt in and determine when and how they share their data with other businesses and professionals of their choosing.

## Competition in Clearing and Settlement in Cash Equities

IA Status: Compliant

Assessment Rating: Independent Review

PIR Required: No

Regulatory Burden: \$0.27 million

ASIC is given a rule making power to enforce the regulatory expectations in the event that the ASX remains the sole provider of CS services and set and enforce minimum conditions for clearing and minimum conditions for settlement in the event that a competitor emerges. The Australian Competition and Consumer Commission is given power to provide for recourse to binding arbitration in disputes about the terms of access to ASX's cash equity clearing and settlement services.

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## Future Directions of the Consumer Data Right

IA Status: Compliant

Assessment Rating: Independent Review

PIR Required: No

Regulatory Burden: \$15.3 million

The Consumer Data Right (CDR) provides consumers with greater access to their personal information, giving them the ability to instruct businesses to provide safe and secure access of their data to accredited third parties. The Inquiry into the Future Directions for the Consumer Data Right examined how the CDR could be expanded in functionality and leveraged with other initiatives in the digital economy.

On 14 December 2021, the previous Government released its response to the Final Report of the Inquiry into Future Directions for the Consumer Data Right following extensive targeted engagement with interested parties. The response committed to significantly strengthen and deepen the CDR's functionality and use through the implementation of third-party action and payment initiation reforms, along with other recommended reforms to grow the CDR ecosystem and foster greater international engagement.

## Reducing tax concessions on superannuation balances exceeding \$3 million

IA Status: Non-compliant

Assessment Rating: Insufficient

PIR Required: Yes

Regulatory Burden: -

On 28 February 2023, the Treasurer, The Hon Dr Jim Chalmers MP, and the Assistant Treasurer, The Hon Stephen Jones MP, announced that the Australian Government will reduce the tax concessions available to individuals whose total superannuation balances exceed \$3 million at the end of the financial year, commencing on 1 July 2025.

The policy intends to ensure superannuation tax breaks are better targeted and sustainable.

As this policy will likely have major impacts on affected individuals and superannuation funds, an Impact Analysis (IA) was required to be prepared but was not completed. Therefore, as per the Australian Government Guide to Policy Impact Analysis, the Office of Impact Analysis considers the measure is insufficient to meet the Government's Impact Analysis requirements.

Accordingly, a post-implementation review is required to be completed within two years of its implementation.

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## Unpaid Superannuation Guarantee Package

IA Status: Compliant

Assessment Rating: Adequate

PIR Required: No

Regulatory Burden: \$135.6 million

Unpaid superannuation has significant negative impacts on individuals, by reducing superannuation savings and delaying retirement. In 2019-20, more than \$3.3 billion in Superannuation Guarantee (SG) entitlements remained unpaid and owing to eligible employees. The Australian Taxation Office (ATO) is responsible for administering the SG scheme, including following up with employers where SG obligations go unpaid and administering the SG charge. However, due to the design of the SG system (including the frequency with which employers are required to pay SG, the operation of the SG charge, and limitations with the ATO's IT capabilities to identify unpaid SG), many SG obligations remain unpaid for extended periods of time. This causes significant issues when employers enter liquidation without having paid their SG obligations.

The proposal involves:

- Grant funding to the Australian Taxation Office (ATO) to develop capabilities to automatically match Superannuation Guarantee (SG) contributions data, which would enable near-real time visibility of any shortfalls in SG payments.
- Require that SG contributions are paid alongside wages instead of quarterly and
- align the SG compliance framework with this more frequent payment schedule.

## Two-Pillar Solution: addressing the tax challenges arising from the digitalisation of the economy

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: \$32.3 million

The Two-Pillar Solution aims to address challenges that governments and multinational businesses are facing with current international corporate tax settings. It has become harder for governments around the world to raise corporate income taxation revenue from large multinationals. This arguably stems from outdated international conventions for corporate income taxation. These conventions were established a century ago and so did not account for today's levels of digitalisation and globalisation. These problems require coordinated government action and cannot be addressed by market forces.

The Two-Pillar Solution is made up of Pillar One and Pillar Two. Pillar One seeks to ensure more of the profits of the largest and most profitable multinationals are taxed where the products or services are

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consumed. Pillar One is primarily an attempt to address the problem of ‘scale without mass’—being able to derive significant profits from a country without having the traditional physical presence (mass).

Pillar Two seeks to establish a global minimum tax on large multinationals. While it is primarily seeking to address the ‘race to the bottom’, it also helps to create a more level playing field between large multinationals and domestic businesses, which have little ability to access the same profit shifting strategies.

## Buy Now Pay Later Credit Products

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: \$15 million per year, averaged over ten years

Concerns have been raised by consumer groups, regulators and academics – supported by various studies and surveys – that some Buy Now, Pay Later (BNPL) borrowers are experiencing financial stress after being extended credit they cannot afford. Other possible consumer harms include those arising from poor complaint handling processes, cases of disproportionate fees, undesirable marketing practices, financial abuse and poor or inconsistent pre-contractual product disclosures. BNPL products are currently not regulated under the National Consumer Credit Protection Act 2009 (Credit Act), although some other consumer protection laws apply. Industry self-regulation has been only partially effective due to incomplete coverage of the industry Code of Practice, a lack of rigour in some industry commitments, insufficient compliance with some commitments and a lack of mechanisms to penalise or exclude bad actors.

The proposal is to bring BNPL within the Credit Act’s application to apply a tailored version of the Responsible Lending Obligations (RLO) to BNPL products. This seeks to address the key issue of unaffordable lending by applying the RLO framework which ensures that providers do not provide consumers with loans that are unsuitable for them, but in a way that allows for the RLO assessment to be scaled-down according to the risk of the product. Key features of the proposal include amending the Credit Act to require BNPL providers to hold an ACL, or be a representative of a licensee, with a requirement to comply with most general obligations of a licensee, including:

- Internal and external dispute resolution, hardship provisions, compensation arrangements, fee caps and marketing rules.
- The provisions could be calibrated to the level of risk of BNPL products and services. This could include exemptions from reference checking, and other obligations that do not relate to issues identified in the BNPL business practices.

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## Financial adviser education standards

IA Status: Compliant

Assessment Rating: Good Practice

PIR Required: No

Regulatory Burden: N/A

In their current form, the education requirements for financial advisers have failed to strike the right balance between ensuring consumers are receiving professional advice and encouraging experienced advisers to stay in the industry. Currently, existing advisers are required to have completed an 8-unit graduate diploma by 1 January 2026. The number of courses which need to be completed can be reduced through the recognition of prior learning, but years of experience do not reduce the number of units required to be completed. The Government made an election commitment to remove all tertiary education requirement for financial advisers with 10 or more years of experience and a clean disciplinary record.

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## Appendix A: IAs used for consultation, 2022-23

The IAs below have been certified by the authoring agencies, subject to an early assessment by the OIA and published during the current financial year.

### Australian Competition and Consumer Commission

#### Early Assessment IA - Infant Inclined Products and Infant Sleep Products

On 11 August 2022, the Australian Competition and Consumer Commission (ACCC) released a consultation paper which considers policy options to reduce the risk of death and injury associated with Infant Sleep Products, including Inclined Sleep Products and Inclined Non-Sleep Products.

This Consultation Paper is seeking views on the likely effectiveness and cost of options to address the known risks associated with Infant Sleep Products, including Inclined Sleep Products and Inclined Non-Sleep Products, such as a holistic mandatory safety standard for all Infant Sleep Products. It also includes questions about whether the existing mandatory safety standards for folding cots and household cots should be updated.

### Department of Defence

#### Early Assessment IA - Regulation of Commonwealth Explosives

The current Commonwealth explosives regulatory regime is comprised of a principal act, the Explosives Act 1961, and two subsidiary regulations – the Explosives Transport Regulations 2002 and the Explosives Areas Regulation 2003. These two regulations are due to sunset on 1 October 2024 and must be remade or replaced for Commonwealth explosives to continue to be regulated.

In early 2019, the Department of Defence conducted an initial review to consider whether the subsidiary regulations should sunset and if not, what action should be taken to ensure they are fit for purpose. The initial review concluded that the regulations should remain with amendment. A subsequent comprehensive review of the Commonwealth explosives regulatory regime identified avenues for reform across the entirety of the explosives legislative ecosystem, including both the principal act and subsidiary regulations.