



Australian Government

Department of the Prime Minister and Cabinet Office of Best Practice Regulation

Reference: 17874, 19265, 19302, 19288, 19301, 19268, 19269, 19244, 19299, 19252, 19246, 19130, 19300, 19319, 19318, 19270, 19308, 19320, 19247, 19248, 19277, 19253

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Mr Michael Willcock
Acting Deputy Secretary
Markets Group
Treasury

Dear Willcock

Re: Early Assessment Regulation Impact Statement - Government Response to the Financial System Inquiry

Thank you for your letter of 24 July 2015 certifying the Financial System Inquiry's (the Inquiry's) Interim Report and Final Report as an independent review that undertook a process and analysis equivalent to an early assessment Regulation Impact Statement (RIS).

The Office of Best Practice Regulation (OBPR) acknowledges Treasury's certification and advises that it does not assess the adequacy of independent reviews in meeting the Government's RIS requirements.

I note that regulatory costs have been agreed with the OBPR for 19 of the Inquiry's recommendations. This includes regulatory costs of \$330.6 million per year, and regulatory savings of \$497.5 million per year, with a total regulatory saving of \$166.9 million per year for the overall package of reforms included in the Government's response to the Inquiry. Therefore, Treasury is consistent with the Government's best practice regulation requirements at this stage of the policy process.

Please note that RISs should pass through an early assessment by the OBPR for all major decisions that are not final, and RISs should pass through a final assessment by the OBPR for a final decision. Regulatory costs and offsets should also be agreed with the OBPR at each major decision point.

Publication requirements

I note that Treasury published the Inquiry's Interim Report in July 2014 and published the Final Report in December 2014. Therefore, consistent with best practice publication requirements for an early assessment RIS, the OBPR will also publish a link to the Inquiry's Interim and Final Report's on the OBPR's website. The website provides a public comment

facility on RISs posted on the site. The OBPR moderates this facility for offensive content but does not moderate debate.

Please retain this letter as a record of the OBPR's advice. Our reference number for the Financial Systems Inquiry is 17874. If you have any further queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to be 'J. McNamara', followed by a horizontal line extending to the right.

Jason McNamara
Executive Director
28 July 2014