



Australian Government

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

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Ms Katherine Jones
Deputy Secretary
National Security and Criminal Justice Group
Attorney-General's Department

Dear Ms Jones

Final Assessment Regulation Impact Statement – Telecommunications Sector Security Reform

Thank you for forwarding the Regulation Impact Statement (RIS) for the above proposal for final assessment on 15 October 2014. I note that you have formally certified the RIS as required by the best practice regulation requirements.

The Office of Best Practice Regulation's (OBPR) final assessment is that the Attorney-General's Department is compliant with the Government's requirements and is consistent with best practice. This assessment is based on:

- the department having twice submitted the certified RIS for the OBPR's assessment prior to a decision being taken;
- your letter of 15 October 2014 certifying that the revised RIS responds to the OBPR's formal assessment of the RIS on 1 August 2014; and
- the regulatory cost and offset estimates having been agreed with the OBPR.

In addition, I note that the RIS, in answering the seven questions:

- does not contain obvious errors;
- identifies the nature of the problem with the current regulatory framework;
- includes at least three options for consideration, one of which is non-regulatory;
- presents an impact analysis of the proposed options, including the status quo, commensurate with the size of the problem and potential regulatory impact;
- refers to consultation undertaken on the proposed reforms and feedback from stakeholders; and
- recommends an option with the highest net benefit.

I note that the RIS has been considerably revised from the previous version seen by the OBPR and as a result earlier concerns have been addressed.

The OBPR notes that the RIS identifies that existing arrangements are generally achieving desired telecommunications security outcomes, but that they rely heavily on industry goodwill and cooperation, which is starting to come under pressure as the telecommunications industry becomes increasingly competitive. The policy options you have considered are:

- the status quo;
- development of an industry code to support existing regulation;
- introduction of a legislative security framework; and
- introduction of a legislative security framework that requires annual investment plans.

The OBPR notes that the RIS identifies that each of the options have strengths and weaknesses, but on balance a legislative security framework without the added expense of annual investment plans is likely to best balance cost with improved efficiency and effectiveness in engagement between the industry and government on security matters.

The OBPR maintains a RIS website and the Government requires that RISs be posted within five business days of a regulatory decision being publicly announced. We would appreciate you advising us when a decision on this proposal is announced, and forwarding a final copy of the RIS in *Microsoft Word .doc* format in a form meeting the Australian Government's *Web Content Accessibility Guidelines*.

Please retain this letter as a record of the OBPR's advice. Our reference number for this issue is 17266. If you have any further queries, please do not hesitate to contact me.

Yours sincerely



Jason McNamara
Executive Director
Office of Best Practice Regulation

17 October 2014