



Mr Adam Sheppard
Acting Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Dear Mr Sheppard

CERTIFICATION OF INDEPENDENT REVIEW: PRODUCTIVITY COMMISSION REVIEW OF EFFICIENCY AND COMPETITIVENESS OF THE AUSTRALIAN SUPERANNUATION SYSTEM

I am writing to certify that the Productivity Commission's review *Superannuation: Assessing Efficiency and Competitiveness* was a process that provided analysis equivalent to a Regulation Impact Statement (RIS). The final report of the review is attached.

I certify that the review has adequately addressed all seven RIS questions. The final report is submitted to the Office of Best Practice Regulation to satisfy the regulation impact requirements ahead of announcing a package of superannuation reforms that have been informed by the findings and recommendations of the Productivity Commission's report.

I am satisfied that the scope of the problem and the recommendations identified in the certified review are substantially the same as the identified problem and policy decisions in the Government's superannuation reforms announced in the 2020-21 Budget. The attached document provides further information on these reforms and relevant findings and recommendations from the Productivity Commission Report.

In recommending a number of areas of reform, the Productivity Commission's report found the regulatory burden is appropriate given the size of the superannuation system, its compulsory nature for members and the necessary focus on protecting the interests of members.

The regulatory burden to business, community organisations or individuals is quantified using the Australian Government's Regulatory Burden Measurement framework and is provided below.

I note that the implementation of these proposals will result in a small increase in regulatory burden. The Treasury portfolio has made every effort to meet its regulatory objective, as per the Budget Process Operational Rules. Contributions have been made by the Treasury portfolio through the Government's deregulation agenda in the 2020-21 Budget. This includes virtual meetings, electronic document execution, consumer credit and insolvency reforms to support small business recovery.

Regulatory burden estimate table				
Average annual regulatory costs (from business as usual)				
Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs
Your superannuation follows you and Empowering members ¹	12.5	0.0	(15.5)	(3.0)
Holding funds to account for underperformance	1.9	0.0	4.5	6.4
Increasing trustee accountability	1.7	0.0	0.0	1.7
Total, by sector	16.1	0.0	(11.0)	5.1

Note: Positive figures indicates a cost and negative figures indicates a benefit.

¹Your superannuation follows you and Empowering members have been costed together due to policy interactions.

Accordingly, I am satisfied that the attached report now meets best practice consistent with the *Australian Government Guide to Regulatory Impact Analysis*. Should the Office of Best Practice Regulation have any further queries in relation to this matter please contact [REDACTED]

Yours sincerely



Meghan Quinn
Deputy Secretary, Markets Group
Treasury