



Australian Government

Department of the Prime Minister and Cabinet

Office of Best Practice Regulation

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Ms Meghan Quinn
Deputy Secretary
The Treasury

Dear Ms Quinn

Regulation Impact Statement – Second-Pass Final Assessment – Licensing debt management firms

Thank you for your letter received on 8 April 2021 submitting a Regulation Impact Statement (RIS) on licensing debt management firms for formal second-pass Final Assessment. I note the RIS has been formally certified at the Deputy Secretary level consistent with the *Australian Government Guide to Regulatory Impact Analysis*.

I appreciate the Department's engagement on the RIS.

The Office of Best Practice Regulation's (OBPR's) assessment is that the quality of the regulatory impact analysis in the RIS, and the process that underpinned it, is adequate.

The RIS addresses the seven RIS questions and provides good case studies to detail the nature of the problem. However, for the RIS to be considered 'good practice' against the Government's requirements, the policy analysis and process could have been improved by:

- providing a more fulsome description of all the impacts associated with each option, based on evidence and consultation feedback, in addition to the estimated regulatory costs;
- providing a more robust analysis of total costs and benefits for options two and three, and clarifying whether yearly regulatory costs would be expected to change over time using the Regulatory Burden Measurement Framework; and
- formally consulting on *all options* proposed in the final RIS.

The OBPR notes that the Treasury consulted many relevant stakeholders and the RIS highlights that debt management firms did not engage with Treasury's broad consultation prior to, during, or after consultation. While the absence of a single industry association would no doubt have made engaging with such firms more challenging, the RIS does not articulate why the Treasury was unable to engage with those firms individually, or at least a cross-selection of such firms.

The RIS may now be provided to the decision-maker to inform a final decision.

I would appreciate the Treasury advising the OBPR when a final decision has been announced and forwarding a copy of the RIS in a form meeting the Government's accessibility requirements. The OBPR will publish the RIS, along with your certification and this assessment, on the OBPR's website at <https://ris.pmc.gov.au/>

If you have any further queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jason Lange', written in a cursive style.

Jason Lange
Executive Director
13 April 2021