



25 March, 2021  
File: OBPR ID 42722

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

Dear Mr Lange

**REGULATION IMPACT STATEMENT – MODERNISING BUSINESS COMMUNICATIONS – IMPROVING THE TECHNOLOGY NEUTRALITY OF TREASURY PORTFOLIO LAWS – SECOND PASS FINAL ASSESSMENT**

Thank you for your feedback in relation to the Regulation Impact Statement (RIS) prepared for Modernising Business Communications – Improving the Technology Neutrality of Treasury Portfolio Laws. I am satisfied that the attached updated RIS addresses the matters raised by you as part of the first pass assessment.

As requested in your letter, we have provided more detailed descriptions of the options under consideration and further explained how they would operate. This includes expanding on each proposed legislative change in Legislation Package 1 and providing additional information in the RIS regarding proprietary companies with a sole director and no company secretary.

In response to your query about proposed changes with sole director companies, this small class of companies would have benefitted from the temporary relief when it was granted, had they been captured under a relevant provision of the *Corporations Act 2001*. The proposed reform rectifies an anomaly in the legislation that only allowed a director of a proprietary company to execute a document if they also have a company secretary.

Throughout the RIS, we have provided further detail on how consultation was conducted and how it influenced the development and analysis of the options. The updated RIS incorporates the proposed principles to guide legislative change that were informed through consultation and the feedback provided through this process. Further, we have attributed stakeholder comments where possible and elaborated on concerns raised.

The RIS now has a greater explanation of the interaction between the RIS and the policy development process. The net benefits for the impact analysis has also been updated to reinforce that the changes proposed are seeking to increase flexibility for stakeholders to use their preferred method of communication and therefore, flow-on effects with negative impacts and additional obligations on businesses are not anticipated at this time.

FIND TREASURY ON   

Signature provisions in Treasury legislation govern a diverse range of interactions between a wide spectrum of stakeholders, including businesses, consumers and government agencies. Despite our best efforts, reliable parameters to quantify the regulatory benefits for each affected stakeholder under each of the 200 signature provisions identified to date have not been possible to obtain. Given this circumstance and the large number of variables, we would not have confidence in a quantitative costing.

In relation to benefits to consumers from proposed reforms to credit legislation, the RIS has been updated to reflect that the main benefit to consumers relates to ensuring they receive relevant information by credit providers having the correct address, with the benefit to consumers of having access to information unquantifiable. Any benefit to changing an address in writing or over the phone is assumed to be similar for the consumer as it is likely to be conducted alongside other business, and therefore does not feature in our quantified estimate of benefits.

The proposed approach for the preferred option would support the needs of vulnerable people, small businesses and other segments of society that may be less likely to embrace digital technologies. This would occur by ensuring that more traditional options such as paper-based communication are retained. For example, where a shareholder or consumer cannot receive electronic communications, does not have the ability to access online information or chooses to engage using paper-based communication, businesses would need to continue to provide the shareholder or consumer with hard copy communication to meet their regulatory obligations.

The RIS has also been updated to reflect anticipated challenges and transitional arrangements, noting that the proposed reforms could require providing a transitional period to allow adequate time for businesses to change their internal processes, should they wish to do so. The RIS also outlines the key challenge of maintaining consistency in the application of the proposed principles-based approach during implementation of the proposal.

As well as the changes raised in this letter, we have also made a range of additional improvements to address comments made by OBPR.

In light of the changes made to the RIS, I am satisfied that the RIS is now consistent with the six principles for Australian Government policy makers as specified in the *Australian Government Guide to Regulatory Impact Analysis*.

I submit the RIS to the Office of Best Practice Regulation for formal final Assessment.

Yours sincerely



Meghan Quinn  
Deputy Secretary  
Markets Group  
Department of the Treasury  
25 March 2021