



Australian Government

The Treasury

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

3 November 2021

Dear Mr Lange

Regulation Impact Statement – Retirement Income Covenant – Second Pass Final Assessment

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the Retirement Income Covenant.

I am satisfied that the RIS addresses the concerns raised in your letter of 26 October 2021. Specifically further detail has been included in Section 5 addressing the concerns raised by stakeholders in consultation regarding Option 2 and Option 4 and addressing the question of regulatory burden. Option 3 has not been consulted on.

In addition, further detail has been provided in relation to quantifying regulatory burden of the three options. The final net regulatory burden of both Options 3 and 4 remains unquantifiable. However, the RIS now clearly details steps taken in attempting to quantify these options and providing some estimates of regulatory burden where possible, and explains the specific reasons that prevent a full quantification of regulatory burden for each option.

Option 2 now includes a quantification of regulatory burden and provides an annual average over a ten-year period.

The regulatory costs are \$20.167 million per year. A regulatory offset has not been identified. However, Treasury is seeking to pursue net reductions in compliance costs and will work with affected stakeholders and across Government to identify regulatory burden reductions where appropriate

Accordingly, 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 PSM
Deputy Secretary, Markets Group
The Treasury, Langton Crescent
PARKES ACT 2600

FIND TREASURY ON   