



11 October 2022
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Mr Jason Lange
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Email: helpdesk-OBPR@pmc.gov.au

Dear Mr Lange

CERTIFICATION OF INDEPENDENT REVIEW: CONSUMER DATA RIGHT: NON-BANK LENDING SECTORAL ASSESSMENT

I am writing to certify that Treasury has undertaken a process and analysis equivalent to a Regulation Impact Statement (RIS) that meets best practice consistent with the *Australian Government Guide to Regulation* in developing the following:

- Consumer Data Right Non-Bank Lending Sectoral Assessment: Consultation Paper
- Consumer Data Right Non-Bank Lending Sectoral Assessment: Final Report.

I certify that these documents adequately address all seven RIS questions outlined in the *Guide to Regulatory Impact Analysis* and are submitted to the Office of Best Practice Regulation for the purposes of a final policy decision.

Treasury conducted the sectoral assessment of the non-bank lending sector in accordance with section s56AE of the *Competition and Consumer Act 2010*, which requires the Secretary to the Treasury to arrange for analysis, consultation and a report on the appropriateness of designating a sector to the Consumer Data Right (CDR). This report informs the Minister's decision to designate a sector and must consider a range of statutory factors, similar to those required by a RIS. It contains a detailed examination of the various benefits involved in designating the non-bank lending sector, including benefits to consumers, competition and innovation. It also contains a substantial regulatory impact analysis containing qualitative and quantitative assessments of regulatory impacts.

Treasury's sectoral assessment considered the views of affected stakeholder groups. We received 29 submissions on the Consultation Paper and held bilateral meetings with a range of potential data holders, data recipients, consumer advocates, and regulators. We also held dedicated regulatory impact meetings with key stakeholders to determine the expected regulatory impacts of a designation on the sector.

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 recommendations in the policy proposal.

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 this proposal will increase regulatory burden. No offset measure has been identified, but Treasury did engage with industry participants to find ways to reduce the regulatory burden. For example, information received during consultation informed our recommendations to carve-out small lenders (a *de minimis* threshold) and provide lenders with a trial period on new products to reduce regulatory burden.

Designation captures classes of data holders and information. The rule-making stage specifies the scope of data holders with mandatory obligations and the datasets required to be shared. The regulatory burden estimate recognises that decisions made at the rule-making stage will impact the cost for industry of implementing the proposal. Treasury will continue to work closely with industry throughout implementation to minimise regulatory burden where possible.

Regulatory burden estimate table				
Average annual regulatory costs (from business as usual)				
Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs
Total, by sector	\$15.7m-18.6m	\$0.0m	\$0.0m	\$15.7m-18.6m

Accordingly, I am satisfied that the attached documents are consistent with the Australian Government Guide to Regulatory Impact Analysis.

Yours sincerely,



Robert Jeremenko
Acting Deputy Secretary
Markets Group, Treasury