Mr Jason Lange

Executive Director

Office of Impact Assessment

Department of the Prime Minister and Cabinet

1 National Circuit

BARTON ACT 2600

Email: helpdesk-OBPR@pmc.gov.au

Dear Mr Lange

# Policy Impact Analysis – Unpaid Superannuation Guarantee Package – Second Pass Final Assessment

I am writing in relation to the attached Policy Impact Analysis (PIA) prepared for the Unpaid Superannuation Guarantee (SG) Package.

I am satisfied that the revised PIA (Attachment A) addresses the concerns raised in your letter of 30 March 2023. Specifically, the following additional content has been incorporated:

* The Background section now includes the status of the PIA at each major decision point, notably, that the PIA has been finalised prior to the Government making the initial formal decision on whether to proceed with options to address the issue of unpaid SG as measures in the 2022-23 Budget.
* In Sections 4.2 and 4.3, further information is provided on the competition impacts of each of the proposed options, in particular, that options to recover unpaid SG in a more timely manner would reduce the current competitive advantage of employers which do not comply with their SG obligations.
* In Section 4.3, the PIA now describes in more detail the impact of Option 3 on the superannuation clearing house sector. Specifically, it describes the potential regulatory burden which commercial clearing houses would be exposed to and the implications that a shorter payment time frame may have for their revenue models.
* Section 4 and Appendix C now include further explanation of how cost estimates for each of the options have been calculated, including all assumptions.
* Section 5 now includes further detail on why the market sensitivity of the proposed change has limited the ability for Treasury to consult earlier due to the risk of unacceptable market advantage, particularly with the superannuation clearing house sector. Further details have been added on the post-decision consultation strategy which would be completed to inform the administrative and legislative design features of the package, with consideration for the potential impost and risks on superannuation clearing houses.

The overall regulatory costs for proceeding with Options 2 and 3 as recommended have been adjusted for accuracy from the First Pass Assessment to $135.6 million per year.

Accordingly, I am satisfied that the PIA 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 PIA to the Office of Impact Assessment for formal final assessment.

Yours sincerely

Brenton Philp

Deputy Secretary, Markets Group

The Treasury, Langton Crescent

4 April 2023