



Australian Government
Department of the Prime Minister and Cabinet
Office of Impact Analysis

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Mr John Lonsdale
Chair
Australian Prudential Regulation Authority

Dear Mr Lonsdale

Certification of Australian Prudential Regulation Authority's Review of the *Prudential Standard CPS 230 Operational Risk Management*

Thank you for your letter certifying the Australian Prudential Regulation Authority (the Authority's) development of the *Prudential Standard CPS 230 Operational Risk Management* which undertook a process and analysis equivalent to an Impact Analysis (IA).

The Office of Impact Analysis (OIA) acknowledges the certification as an Impact Analysis Equivalent (IAE). Under the Australian Government Guide to Policy Impact Analysis, the OIA does not assess the adequacy of the analysis contained in an IAE but does assess whether the options analysed in the certified documents are relevant to the policy proposal. The OIA also assesses whether the independent review or certification letter identifies regulatory costs.

In this case, the OIA's assessment is that the options analysed in the IAE are sufficiently relevant to the regulatory proposal. The OIA also notes the Authority has estimated there will be an increase in regulatory burden of \$22.9 million per annum.

We would appreciate you advising us when a final decision has been announced and forwarding a copy of the reports in a form meeting the Government's accessibility requirements. The OIA will publish the reports, along with your certification, on the OIA's website at oia.pmc.gov.au.

Further, where a regulation is tabled in Parliament, the IAE needs to be included in the explanatory statement, as stipulated in the User Guide to the Australian Government Guide to Policy Impact Analysis.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mick Graham', with a long horizontal flourish extending to the right.

Mick Graham
Acting Executive Director
14 July 2023