



Ms Joanna Abhayaratna  
Executive Director  
Office of Impact Analysis  
Department of the Prime Minister and Cabinet  
1 National Circuit  
BARTON ACT 2600

Email: [helpdesk-OIA@pmc.gov.au](mailto:helpdesk-OIA@pmc.gov.au)

Dear Ms Abhayaratna

## **Impact Analysis – Second Pass Final Assessment – Transport Security Amendment (Security of Australia’s Transport Sector) Bill 2024**

I am writing in relation to the attached Impact Analysis (IA) prepared for the Transport Security Amendment (Security of Australia’s Transport Sector) Bill 2024.

I am satisfied that the IA addresses the matters raised in your letter of 14 October 2024. Specifically, all of your stated issues have been addressed including:

### **1. Better describe the options being considered**

Additional detail describing the options considered has been included. This includes additional information about the status quo, the 15 legislative measures included as part of option 4 and the application of the *Security of Critical Infrastructure Act 2018* to the aviation and maritime sectors. We have added an appendix with the complete proposal of regulatory obligations to be facilitated for measures which we anticipate costs may emerge for industry. This includes expanding the definition of unlawful interference, the introduction of the all hazards security framework, and the concept of security controlled activities.

### **2. Provide justifications for using breakeven and qualitative analysis**

Additional justification has been included under question 4 to support the use of breakeven and qualitative analysis in this IA. This justification notes that the total benefits of option 4 consist of the avoided or mitigated costs of future all hazard security incidents. It should be noted the total annual benefit cannot be reliably estimated because there is no data on the frequency and size of future avoided incidents. Any estimate of total benefits would be highly uncertain and reliant on assumptions. The use of a breakeven analysis avoids the need for this information, and instead uses an assessment of the reasonableness of the number of avoided incidents required for option 4 to equal or exceed the costs of the option.

Further, for the other options where it is not possible to quantify their cost and benefits, justification has been included to support the use of qualitative analysis.

### **3. Apply CGE modelling approach to all the alternative options**

Additional information has been included under options 1 and 2 to better quantify the costs of these options, including CGE information for option 1 and justification for its omission from option 2. CGE modelling is now demonstrated for options 1, 3 and 4.

#### 4. Provide quantification of option 2 – Voluntary uptake of all hazards security

Quantification of the costs of option 2 has been included. The costs and benefits of this option are dependent on the extent that industry participants voluntarily choose to address all hazard security threats and consider mitigation strategies for the risks facing their businesses. The assumptions underlying the estimate of total cost are also outlined in the updated IA.

#### 5. Better articulate key measures of success and provide an evaluation plan.

To address this point, key measures of success have been identified with associated metrics and targets set out in sections 2 and 7. These have been ordered by relative importance, and include a likelihood of measurement. These measures provide industry participants with guidance on how the implementation of the proposed regulatory changes will be evaluated over time.

The regulatory burden to business, community organisations or individuals for the preferred option 4 is quantified using the Australian Government's Regulatory Burden Measurement framework and is provided below.

#### 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 one-off cost, by sector	190	Nil	Nil	190
Total ongoing cost, by sector	115	Nil	Nil	115

Accordingly, I am satisfied that the IA is consistent with the six principles for Australian Government policy makers as specified in the *Australian Government Guide to Policy Impact Analysis*.

I submit the IA to the Office of Impact Analysis for formal final assessment.

Yours sincerely



Hamish Hansford