



Australian Government Regulation Impact Statement status - by agency: 2017–18

The Office of Best Practice Regulation (OBPR) publishes Regulation Impact Statements (RISs) on its website as soon as practicable from the date of regulatory announcements, in consultation with the relevant agency. Consequently, the RIS status in aggregate and by agency is also reported 'live' in the following tables. RIS compliance for previous years is also available on the OBPR website.

As at the week ending 11 May 2018, 19 Australian Government RISs have been completed and published for the 2017-18 period. All 19 RISs were compliant with the RIS requirements. The OBPR assessed 16 of these RISs as achieving best practice.

Under the March 2014 Australian Government Regulatory Impact Analysis (RIA) process, the OBPR publishes the RIS, the associated agency certification letter and the OBPR assessment letter. A RIS can evolve during the policy development process, and can also be published for consultation at an early stage. The OBPR assesses RISs for compliance and best practice at the final decision point.

RIS Summary of compliance

| Stage | 2016–17 | | 2017–18 ^a | |
|---|-----------------------------|-----|-----------------------------|-----|
| | ratio | % | Ratio | % |
| RIS compliant | 40/40 | 100 | 19/19 | 100 |
| Best practice | 33/40 | 83 | 16/19 | 84 |
| RISs for consultation | | 4 | | 1 |
| Exceptional circumstances | | 1 | | 0 |
| Estimated annual impact on Regulatory Burden^b | \$24.7 million ^c | | \$19.7 million ^c | |

^a Year to date.

^b Regulatory burden in RISs are estimated using the Commonwealth Regulatory Burden Measurement framework and are assumed to be spread over 10 years. The estimate is based on RISs published at the final decision point.

^c The total estimated annual impact on regulatory burden may differ from the other figures in this document due to rounding.

Regulation Impact Statement compliance 2017-18 (by proposal)

| | RIS Compliance | Best practice | PIR required | Regulatory Burden (\$m) |
|---|----------------|---------------|--------------|-------------------------|
| Agriculture and Water Resources | 3/3 | 3/3 | | -\$4.6 |
| <i>Department of Agriculture and Water Resources</i> | 3/3 | 3/3 | | -\$4.6 |
| Improvements to Agricultural Export Legislation | Compliant | Yes | No | -\$0.4 |
| Reforming Australia's illegal logging regulations | Compliant | Yes | No | -\$4.2 |
| Thoroughbred Horse Breeding Levy | Compliant | Yes | No | \$0.0 |
| Attorney-General's | 1/1 | 1/1 | | -\$36.1 |
| <i>Attorney-General's Department</i> | 1/1 | 1/1 | | -\$36.1 |
| Anti-money laundering and counter-terrorism financing | Compliant | Yes | No | -\$36.1 |
| Environment and Energy | 1/1 | 1/1 | | -\$0.1 |
| <i>Department of the Environment and Energy</i> | 1/1 | 1/1 | | -\$0.1 |
| Management plans for 44 Australian Marine Parks | Compliant | Yes | No | -\$0.1 |
| Industry, Innovation and Science | 1/1 | 0/1 | | \$5.0 |
| <i>Department of Industry, Innovation and Science</i> | 1/1 | 0/1 | | \$5.0 |
| Australian Design Rule 33/01 – Brake Systems for Motorcycles and Mopeds | Compliant | Yes | No | \$5.0 |
| Infrastructure and Regional Development | 4/4 | 4/4 | | -\$15.3 |
| <i>Department of Infrastructure and Regional Development</i> | 4/4 | 4/4 | | -15.3 |
| Australian Design Rule 33/01 – Brake Systems for Motorcycles and Mopeds | Compliant | Yes | No | \$5.0 |
| Coastal Shipping Regulation Amendments | Compliant | Yes | No | -\$1.4 |
| Review of the Motor Vehicle Standards Act 1989 | Compliant | Yes | No | -\$19.6 |
| Strengthening Airside Security at Major Australian Airports | Compliant | Yes | No | \$0.7 |

| | | | | |
|--|------------|------------|----|---------------|
| Treasury | 9/9 | 6/9 | | \$75.6 |
| <i>Australian Competition and Consumer Commission</i> | 1/1 | 1/1 | | \$0.3 |
| Decorative Alcohol Fuelled Devices | Compliant | Yes | No | \$0.3 |
| <i>Australian Prudential Regulation Authority</i> | 1/1 | 1/1 | | \$1.7 |
| Residential mortgage reporting requirements for Authorised Deposit-taking institutions | Compliant | Yes | No | \$1.7 |
| <i>Australian Taxation Office</i> | 1/1 | 1/1 | | \$4.0 |
| Improving the collection of GST on property transactions | Compliant | Yes | No | \$4.0 |
| <i>Department of the Treasury</i> | 6/6 | 4/6 | | \$69.6 |
| Annual Members' Meetings for Superannuation Funds | Compliant | No | No | \$14.6 |
| Banking Executive Accountability Regime | Compliant | No | No | \$11.5 |
| Crowd-sourced Equity Funding for Proprietary Companies | Compliant | Yes | No | \$26.8 |
| Enhanced Whistleblower Protections | Compliant | Yes | No | \$15.4 |
| Non-Authorised Deposit-taking Institutions (ADI) Lender Rules | Compliant | Yes | No | \$1.2 |
| Register of Foreign Ownership of Water Entitlements | Compliant | Yes | No | \$0.1 |

Totals may not match exactly due to rounding.

Contents

- Detailed information 5
 - Department of Agriculture and Water Resources..... 5
 - Attorney-General's Department..... 5
 - Environment and Energy 5
 - Industry, Innovation and Science..... 6
 - Infrastructure and Regional Development 6
 - Australian Competition and Consumer Commission 7
 - Australian Prudential Regulation Authority..... 7
 - Australian Taxation Office 7
 - Department of the Treasury..... 7
- Appendix A – RISs used for consultation during 2017–18..... 9

Detailed information

Department of Agriculture and Water Resources

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|---|------------|---------------|--------------|-------------------------|
| Improvements to Agricultural Export Legislation | Compliant | Yes | No | -\$0.4 |
| New legislation was introduced to make it easier to understand, administer and use the export legislation, while also safeguarding Australia's reputation as a reliable, high-quality source of exports for trading partners. | | | | |

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|--|------------|---------------|--------------|-------------------------|
| Reforming Australia's illegal logging regulations | Compliant | Yes | No | -\$4.2 |
| Improvements to the Illegal Logging Prohibition Regulation will streamline and simplify arrangements for importers or processors of timber products certified under the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) schemes while also removing unnecessary costs. | | | | |

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|--|------------|---------------|--------------|-------------------------|
| Thoroughbred Horse Breeding Levy | Compliant | Yes | No | \$0.0 |
| The introduction of a levy will provide certainty to the industry as it funds long-term research and development, targeting better disease control, stronger foals and horse welfare measures. | | | | |

Attorney-General's Department

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|---|------------|---------------|--------------|-------------------------|
| Anti-money laundering and counter-terrorism financing | Compliant | Yes | No | -\$36.1 |
| The proposed changes will strengthen and streamline Australia's money laundering and counter-terrorism financing regime. It will remove a regulatory gap, provide regulatory relief to industry, give police and customs officers' broader search and seizure powers at the border and enhance the Australian Transaction Reports and Analysis Centre's (AUSTRAC) investigation and enforcement powers. | | | | |

Environment and Energy

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|--|------------|---------------|--------------|-------------------------|
| Management plans for 44 Australian Marine Parks | Compliant | Yes | No | -\$0.1 |
| The five management plans covering 44 Australian Marine parks will provide for the protection and conservation of biodiversity and other natural, cultural and heritage values of marine parks while ensuring that the use and enjoyment of the natural resources within the marine parks is consistent with the plans objectives. | | | | |

Industry, Innovation and Science

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|---|------------|---------------|--------------|-------------------------|
| Additional methods to determine export prices for goods subject to anti-dumping reviews | Compliant | No | No | \$0.0 |

The proposed change provides for legal certainty underpinning the use of additional methodologies to determine an export price for goods, thereby addressing situations where the actions of a foreign exporter during the period examined for the purpose of the anti-dumping measures review mean that the export price of the goods cannot be reliably determined. These actions result in the application of reduced rates of duty, as provided for by the existing law, that do not remedy the effects of dumping. The OBPR did not consider the RIS as best practice as the policy development process as described in the RIS would have benefited from broad-based consultation.

Infrastructure and Regional Development

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|---|------------|---------------|--------------|-------------------------|
| Australian Design Rule 33/01 – Brake Systems for Motorcycles and Mopeds | Compliant | Yes | No | \$5.0 |

The proposal mandates advanced braking systems (such as Anti-lock Braking Systems (ABS) and Combined Braking Systems (CBS)), this measure will assist in reducing the risk of serious and fatal trauma crashes.

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|--|------------|---------------|--------------|-------------------------|
| Coastal Shipping Regulation Amendments | Compliant | Yes | No | -\$1.4 |

The amendments will reduce the regulatory burden arising from the *Coastal Trading (Revitalising Australian Shipping) Act 2012* while expanding the coverage of activities included in the Act.

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|---|------------|---------------|--------------|-------------------------|
| Review of the <i>Motor Vehicle Standards Act 1989</i> | Compliant | Yes | No | -\$19.6 |

The proposal will provide an updated legislative framework that strengthens and modernises the regulation of road vehicles supplied to Australia, by controlling the safety, environmental and anti-theft performance of all new and used road vehicles entering the Australian market for the first time.

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|---|------------|---------------|--------------|-------------------------|
| Strengthening Airside Security at Major Australian Airports | Compliant | Yes | No | \$0.7 |

These regulations strengthen airside security for Australia's nine major airports, by requiring screening on entry to and within security restricted areas (SRAs) and identity check and security awareness training for airport and airline workers who conduct duties within the SRA.

Australian Competition and Consumer Commission

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|----------|------------|---------------|--------------|-------------------------|
|----------|------------|---------------|--------------|-------------------------|

| | | | | |
|------------------------------------|-----------|-----|----|-------|
| Decorative Alcohol Fuelled Devices | Compliant | Yes | No | \$0.3 |
|------------------------------------|-----------|-----|----|-------|

The new safety standard for decorative alcohol fuelled devices will prevent the supply of table top devices (devices which weigh less than 8 kilograms or have a footprint less than 900 square centimetres). The standard will require freestanding and fixed devices to meet stability tests, require a fuel container with a flame arrester (or an automatic fuel pump system) to be applied, and include display warnings on the device about refuelling hazards.

Australian Prudential Regulation Authority

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|----------|------------|---------------|--------------|-------------------------|
|----------|------------|---------------|--------------|-------------------------|

| | | | | |
|--|-----------|-----|----|-------|
| Residential mortgage reporting requirements for Authorised Deposit-taking institutions | Compliant | Yes | No | \$1.7 |
|--|-----------|-----|----|-------|

The new reporting standard ARS 223.0 Residential Mortgage Lending for authorised deposit-taking institutions (ADI) require for ADIs to report on portfolio stock and new lending activity each quarter. This measure allows APRA to monitor potential prudential and financial stability risk in residential mortgage lending practices.

Australian Taxation Office

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|----------|------------|---------------|--------------|-------------------------|
|----------|------------|---------------|--------------|-------------------------|

| | | | | |
|--|-----------|-----|----|-------|
| Improving the collection of GST on property transactions | Compliant | Yes | No | \$4.0 |
|--|-----------|-----|----|-------|

The proposed changes will require purchasers of new residential premises and new subdivisions to remit GST at the time of settlement. This measure addresses the risk that some businesses in the property development industry will fail to remit GST, either through intentionally dissolving a business to avoid remitting GST or through a business not sufficiently budgeting to meet GST obligations.

Department of the Treasury

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|----------|------------|---------------|--------------|-------------------------|
|----------|------------|---------------|--------------|-------------------------|

| | | | | |
|--|-----------|----|----|--------|
| Annual Members' Meeting for Superannuation Funds | Compliant | No | No | \$14.6 |
|--|-----------|----|----|--------|

The proposal seeks to increase engagement of members with their superannuation funds and the accountability of fund trustees. The OBPR did not assess the RIS as best practice considering that more evidence was needed to support the case that the recommended option of new Government regulation would improve outcomes for members and therefore deliver a net benefit for the community.

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|----------|------------|---------------|--------------|-------------------------|
|----------|------------|---------------|--------------|-------------------------|

| | | | | |
|---|-----------|----|----|--------|
| Banking Executive Accountability Regime | Compliant | No | No | \$11.5 |
|---|-----------|----|----|--------|

The proposal establishes a strengthened responsibility and accountability framework for the most senior and influential executives and directors in Authorised Deposit-taking Institutions (ADIs) and their subsidiaries – the Banking Executive Accountability Regime (BEAR). The RIS significantly departed from best practice as the department provided only one week for affected stakeholders to consider and comment on draft legislation.

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|---|------------|---------------|--------------|-------------------------|
| Crowd-sourced Equity Funding for Proprietary Companies | Compliant | Yes | No | \$26.8 |
| <p>The proposed changes to <i>the Corporations Act 2001</i> will balance improved access to finance for small and innovative business with maintaining investor protections through requiring a minimum of two directors, annual financial and directors' reports and restrictions on related party transactions.</p> | | | | |

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|--|------------|---------------|--------------|-------------------------|
| Enhanced Whistleblower Protections | Compliant | Yes | No | \$15.4 |
| <p>The proposed changes to the <i>Corporations Act 2001</i>, will see a single strengthened whistleblower protection regime that covers the corporate, financial and credit sectors. The proposal will primarily affect companies and other entities that will be required to develop whistleblower policies and/or potentially deal with greater whistleblowing activity.</p> | | | | |

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|--|------------|---------------|--------------|-------------------------|
| Non-Authorised Deposit-taking Institutions (ADI) Lender Rules | Compliant | Yes | No | \$1.2 |
| <p>The proposed amendments to the <i>Banking Act 1959</i> will provide the Australian Prudential Regulation Authority (APRA) with the power to make rules that would apply to the provision of finance by lenders that are not Authorised deposit-taking institutions (non-ADI lenders).</p> | | | | |

| Proposal | RIS Status | Best practice | PIR required | Regulatory Burden (\$m) |
|--|------------|---------------|--------------|-------------------------|
| Register of Foreign Ownership of Water Entitlements | Compliant | Yes | No | \$0.1 |
| <p>The proposal establishes a Register of Foreign Ownership of Water Entitlements.</p> | | | | |

Appendix A – RISs used for consultation during 2017–18

The RISs listed below have been certified by the authoring agencies, subject to an early assessment by the OBPR and published for consultation during the current financial year.

| Proposal | Agency | Closing date |
|--|--------------------------|--------------|
| Proposed amendments to the <i>Safety, Rehabilitation and Compensation Act 1988</i> | Department of Employment | |

The Department of Employment developed a RIS to inform its targeted consultation on proposed amendments to the *Safety, Rehabilitation and Compensation Act 1988*. These proposed reforms aim to improve early intervention and rehabilitation, the effectiveness of claims management and dispute resolution and the quality of medical treatment and household and attendance care.