

s 22(1)(a)(ii)

From: s 22(1)(a)(ii) <[redacted]@treasury.gov.au>
Sent: Thursday, 14 March 2019 2:28 PM
To: Helpdesk-OIA
Cc: [redacted] s 22(1)(a)(ii) IFSU Dispute Resolution
Subject: RIS - Rec 7.1 of the Royal Commission [SEC=UNCLASSIFIED]
Attachments: 190313 - RIS - Rec 7.1 Royal Commission.docx

Hi,

Please find attached the preliminary assessment for the implementation of Recommendation 7.1 from the Financial Services Royal Commission. Please feel free to contact [redacted] s 22(1)(a)(ii) [redacted] s 22(1)(a)(ii) or myself to discuss.

Kind regards,

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Financial System Division

The Treasury, Langton Crescent, Parkes ACT 2600

Phone: + [redacted] s 22(1)(a)(ii) | E-mail: [redacted] s 22(1)(a)(ii) <[redacted]@treasury.gov.au>

The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

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Preliminary Assessment Form	
Overview	
Name of department/agency:	Treasury
Name of proposal:	Government response to the Royal Commission – Recommendation 7.1 – Compensation Scheme of Last Resort
Description of the problem:	<p>The system of resolving financial sector disputes has failed to provide all individual and small business consumers with due compensation.</p> <p>In particular:</p> <p><i><u>Problem 1</u></i> – some individual and small business consumers have not received compensation awarded to them by an authorised external dispute resolution (EDR) scheme because the financial firm responsible for the wrongdoing has become insolvent.</p> <p><i><u>Problem 2</u></i> – some individual and small business consumers with past disputes have been unable to access redress because their dispute was outside EDR time limits, or were above the monetary caps for EDR schemes.</p> <p><i><u>Problem 3</u></i> – financial firms have taken too long to design and implement remediation programs and have inconsistently offered compensation to consumers that have suffered misconduct.</p>
Outline of the objectives of government action:	<p>As part of its response to recommendation 7.1 of the Royal Commission on Misconduct in the Banking, Superannuation and Financial Services Industry (Royal Commission), the Government agreed to:</p> <ol style="list-style-type: none"> 1. establish an industry-funded forward looking compensation scheme of last resort (CSLR); 2. fund the payment of legacy unpaid determinations from the Financial Ombudsman Service (FOS) and Credit and Investments Ombudsman (CIO) (Unpaid EDR Determinations); 3. require the Australian Financial Complaint’s Authority (AFCA) to consider disputes dating back to 1 January 2008, if the dispute falls within AFCA’s thresholds as they stand today (Historical Redress Scheme); and 4. strengthen regulatory oversight and transparency of remediation activities through increasing the role of AFCA in the establishment and public reporting of firm remediation activities (Remediation Activities). <p>Under the Government’s proposed reforms:</p> <ul style="list-style-type: none"> • the CSLR and Unpaid EDR Determination measures seek to resolve Problem 1; • the Historical Redress Scheme measure seeks to resolve Problem 2; and • the measure to strengthen the oversight and transparency of Remediation Activities seeks to resolve Problem 3. <p>The regulatory impact of these proposals has been self-certified as part of the Government Response to the Final Report of the Royal Commission (OBPR Reference 24849).</p> <p>The purpose of this preliminary assessment form is to outline Treasury’s position on the regulatory costings for these measures and to seek OBPR agreement.</p>

Outline of the options available:			
Measure	Options		
	Status quo	Self-regulation	Regulation
1. CSLR	Consumers seek recourse via the courts or via the wind-up process.	AFCA members could establish an independent fund to pay out this class of consumer.	Government could establish a CSLR funded by industry.
2. Unpaid EDR Determinations			Government could compensate consumers that have existing unpaid EDR determinations from the FOS and CIO.
3. Historical Redress Scheme	Remediation programs are regulated as a condition of licensing for financial firms.	AFCA members could collectively establish a framework for remediation activities that strengthens transparency and AFCA's role.	Government could require AFCA to consider disputes outside current time limits.
4. Remediation Activities	Remediation programs occur: <ul style="list-style-type: none"> voluntarily by the financial firm; as a result of an enforceable undertaking (or negotiation) from Australian Securities and Investments Commission (ASIC); or when AFCA has identified a systemic issue that requires remediation. 		Government could increase the role of AFCA in the establishment and public reporting of remediation activities.

Other elements of your proposal (including consultation undertaken or proposed):

Under the Government's proposed reforms:

- the CSLR would be established as a part of AFCA;
- the Department of Industry, Innovation and Science (DIIS) would administer the payments of unpaid EDR determinations through the Industry Grants Hub; and
- AFCA would be required to establish a Historical Redress scheme for past disputes in the financial sector.

AFCA, ASIC and DIIS have been consulted in developing the Government's response to the Royal Commission.

s 47E(d)

Likely impact on businesses, community organisations

Is your proposal likely to have any regulatory impacts? If so, please specify.

<i>Measure</i>	<i>Impact</i>
1. CSLR	<p>This measure would have insignificant administrative costs.</p> <p>AFCA is an EDR scheme operated by an independent not-for-profit company that has been authorised to do so by the responsible Minister under the <i>Corporations Act 2001</i>.</p> <p>This measure would impose minor reporting obligations on AFCA for two grant payments and a general annual reporting obligation on the CSLR.</p> <p>The relevant reports would be undertaken by AFCA's Finance and Facilities area and would not create new compliance costs. In addition, AFCA will be required to provide an audit opinion from a registered company auditor, verifying that expenditure was incurred in accordance with the Grant Agreement. This is expected to be a one-off expense of less than \$100,000.</p> <p>This measure would not impose regulatory costs on the broader industry. Any levy imposed on industry to fund the CSLR would be considered a direct financial cost and would be administered under existing levy structures for AFCA members.</p>
2. Unpaid EDR Determinations	<p>This measure does not have regulatory costs.</p> <p>The proposed measure would be funded and administered by Government. It would not impose regulatory costs on industry or AFCA.</p>
3. Historical Redress Scheme	<p>This measure would have insignificant administrative costs.</p> <p>This measure would impose minor reporting obligations on AFCA for a one-off grant payment to facilitate the establishment of a historical redress scheme.</p> <p>The reports would be undertaken by AFCA's Finance and Facilities area and would not create new compliance costs. In addition, AFCA will be required to provide an audit opinion from a registered company auditor, verifying that expenditure was incurred in accordance with the Grant Agreement. This is expected to be a one-off expense of less than \$100,000.</p> <p>This measure would not impose regulatory costs on the broader industry. Any levy imposed on AFCA members to fund AFCA for administering this measure would be non-compliance/enforcement costs and would be administered under existing levy structures.</p>
4. Remediation Activities	<p>This measure would have insignificant administrative costs.</p> <p>This measure would impose minor reporting obligations on AFCA to provide transparency on relevant remediation activities.</p> <p>An annual report would be undertaken by AFCA's Finance and Facilities area and would not create new compliance costs.</p> <p>This measure would not impose regulatory costs on the broader industry. Any fine imposed on AFCA members to fund AFCA for administering this measure would be non-compliance/enforcement costs and would be administered as part of the dispute fees that AFCA collects from certain members.</p>

Is your proposal likely to affect regulatory costs (including administrative, substantive compliance costs and delay costs)? If so, how? If known, are the average annual regulatory costs likely to be: **less than \$100,000** \$100,000 or above but less than \$2 million \$2 million or more?

Have you considered whether small businesses should have different obligations from larger businesses in relation to

the operation of the possible regulation? Yes No

Have you designed the operation of the possible regulation taking into account the impact on small business?
 Yes No

The Australian Small Business and Family Enterprise Ombudsman's (ASBFEO) office should be contacted to help assess this (contact: s 47E(d) [@asbfeo.gov.au](mailto:s47E(d)@asbfeo.gov.au))

If you answered yes above:	1. Have you contacted the ASBFEO's office? <input type="checkbox"/> Yes <input type="checkbox"/> No
	2. How does the design of the proposed regulation take into account the impact on small business?

Is your proposal likely to have any international trade and investment law impacts? Yes No

The Trade and Investment Law Branch at the Department of Foreign Affairs & Trade [s 47E\(d\) @dfat.gov.au](mailto:s47E(d)@dfat.gov.au) can help you assess these impacts.

Timing

Key dates and timeline
Commencement Dates
AFCA Redress – 1 July 2019

1. **CSLR**
 - 1.1. TBA: Commencement date
2. **Unpaid EDR Determinations**
 - 2.1. 4 April 2019– Draft amending regulations considered by Federal Executive Committee on
 - 2.2. 1 July 2019– Payments for eligible determinations commence;
3. **Historical Redress Scheme**
 - 3.1. 1 July 2019– 30 June 2020: eligible complaints from all consumers are heard;
4. **Remediation Activities**
 - 4.1. TBA: Commencement date

Contact information (Please enter your contact information below)

Name: s 22(1)(a)(ii)

s 22(1)(a)(ii) [@treasury.gov.au](mailto:s22(1)(a)(ii)@treasury.gov.au)

s 22(1)(a)(ii)

Date: 14 March 2019

Please forward the completed form to OBPR at [s 47E\(d\) @pmc.gov.au](mailto:s47E(d)@pmc.gov.au) or call [s 47E\(d\)](tel:s47E(d)) do discuss your proposal with an OBPR officer.

s 22(1)(a)(ii)

From: Helpdesk-OIA
Sent: Thursday, 14 March 2019 2:49 PM
To: s 22(1)(a)(ii)
Cc: Helpdesk-OIA
Subject: RE: RIS - Rec 7.1 of the Royal Commission [SEC=UNCLASSIFIED]

Follow Up Flag: Follow up
Flag Status: Completed

UNCLASSIFIED

Good afternoon,

Thank you for your email to the Office of Best Practice Regulation (OBPR) help desk.

The OBPR acknowledges receipt of your request for a preliminary assessment.

Your request will be forwarded to an OBPR officer for assessment.

You should receive a response within five working days about the RIS requirements for your proposal.

For further queries, please email s 47E(d) [@pmc.gov.au](mailto:s 47E(d)@pmc.gov.au) or call s 47E(d)

OBPR Helpdesk

Office of Best Practice Regulation

Department of the Prime Minister and Cabinet

[s 47E\(d\)@pmc.gov.au](mailto:s 47E(d)@pmc.gov.au)

www.dpmc.gov.au | ris.dpmc.gov.au

PO Box 6500 Canberra ACT 2600

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Sent: Thursday, 14 March 2019 2:28 PM
To: Helpdesk-OBPR s 47E(d)@pmc.gov.au>
Cc: s 22(1)(a)(ii) <[redacted]@TREASURY.GOV.AU>; s 22(1)(a)(ii) <[redacted]@TREASURY.GOV.AU>; IFSU Dispute Resolution s 47E(d)@TREASURY.GOV.AU>
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Kind regards,

s 22(1)(a)(ii)

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Financial System Division

The Treasury, Langton Crescent, Parkes ACT 2600

Phone: + [REDACTED] | E-mail: [REDACTED] [treasury.gov.au](mailto:[REDACTED]@treasury.gov.au)

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s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Friday, 15 March 2019 12:12 PM
To: s 22(1)(a)(ii) Helpdesk-OIA
Cc: s 22(1)(a)(ii) IFSU Dispute Resolution
Subject: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi s 22(1)(a)(ii) and s 22(1)(a)(ii)

Thank you for your email of 14 March 2019 regarding OBPR ref ID 25101 - response to Royal Commission Rec 7.1, and s 22(1)(a)(ii) for your time on the phone today.

Before the OBPR finalises its advice on your current proposal, we just need a bit more of a feel for the size and scope of the potential impacts on those entities accessing the compensation scheme going forward, and those existing entities with unpaid EDR determinations, or who might still be seeking historical redress. With that in mind, can you please provide answers to the following:

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- How many entities might reasonably be expected to access or be eligible for the historical redress scheme? What eligibility requirements or otherwise would be placed upon them?

Once the OBPR has received this additional information, advice on your proposal can be finalised.

If you have any questions, please contact me on s 22(1)(a)(ii)

Regards,

s
22(1)

s 22(1)(a)(ii) | Adviser

Office of Best Practice Regulation | Department of the Prime Minister and Cabinet

p. s 22(1)(a)(ii)

e. s 22(1)(a)(ii) [pmc.gov.au](mailto:s 22(1)(a)(ii)@pmc.gov.au) | s 47E(d) [@pmc.gov.au](mailto:s 22(1)(a)(ii)@pmc.gov.au)

w. <http://ris.pmc.gov.au> | www.pmc.gov.au

One National Circuit Barton ACT 2600 | PO Box 6500 CANBERRA ACT 2600



The Department acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respect to their Cultures, Country and Elders both past and present.

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Sent: Thursday, 14 March 2019 2:28 PM
To: Helpdesk-OBPRS 47E(d) <[REDACTED]@pmc.gov.au>
Cc: s 22(1)(a)(ii) <[REDACTED]@TREASURY.GOV.AU>; s 22(1)(a)(ii) <[REDACTED]@TREASURY.GOV.AU>; IFSU Dispute Resolution s 47E(d) <[REDACTED]@TREASURY.GOV.AU>
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s 22(1)(a)(ii)

s 22(1)(a)(ii)
Financial System Division
The Treasury, Langton Crescent, Parkes ACT 2600
Phone: + s 22(1)(a)(ii) | E-mail: s 22(1)(a)(ii) <[REDACTED]@treasury.gov.au>

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s 22(1)(a)(ii)

From: s 22(1)(a)(ii) TREASURY.GOV.AU>
Sent: Tuesday, 19 March 2019 12:23 PM
To: s 22(1)(a)(ii) s 22(1)(a)(ii) Helpdesk-OIA
Cc: s 22(1)(a)(ii) IFSU Dispute Resolution
Subject: RE: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]
Attachments: 190318 - RIS - OBPR Ref ID 25101 - Questions re Rec 7.1.docx

Hi s 22(1)

Please find attached responses to your questions.

Please feel free to call me if you have any questions or concerns.

Regards

s 22(1)(a)(ii)

A/g Senior Adviser
 Insurance and Financial Services Unit | Financial System Division | Markets Group
 The Treasury, Langton Crescent, Parkes ACT 2600
 Phone: s 22(1)(a)(ii)
www.treasury.gov.au
 Follow us on social
 Twitter: @Treasury_AU
 Facebook: www.facebook.com/australian-treasury

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If you have any questions, please contact me on s 22(1)(a)(ii)

Regards,

s 22(1)

s 22(1)(a)(ii) | Adviser

Office of Best Practice Regulation | Department of the Prime Minister and Cabinet

p. (02) s 22(1)(a)(ii)

e. s 22(1)(a)(ii) pmc.gov.au | s 47E(d) [@pmc.gov.au](mailto:s 22(1)(a)(ii)@pmc.gov.au)

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Dispute Resolution s 47E(d) [@TREASURY.GOV.AU](mailto:s 47E(d)@TREASURY.GOV.AU)>

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s 22(1)(a)(ii)

s 22(1)(a)(ii)

Financial System Division

The Treasury, Langton Crescent, Parkes ACT 2600

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OBPR Ref ID 25101 - Response to Royal Commission Rec 7.1

Responses to questions raised by OBPR on Friday, 15 March 2019:

Going forward, how many entities will likely access the CSLR per annum, and what eligibility requirements or otherwise would be placed upon them? What time would they likely spend on demonstrating their case and what professional/legal advice might they need to seek etc.?

The key details of the CSLR are still yet to be developed. We anticipate that further details on the CSLR will be released for consultation in the second half of 2019

While details are still yet to be finalised, we can make the following assumptions with assist with this RIS costing:

- The CSLR will be *ex ante* funded – with the funding model to be agreed by industry as part of the design phase.
- The CSLR will be funded by all – approximately 35,000 AFCA members.
- AFCA members will be required to pay the CSLR levy as part of their annual AFCA levies/fees.
 - AFCA members are currently required to pay: an annual membership levy; dispute fees; and an annual user charge. These levies/fees are invoiced by AFCA and paid directly on a yearly basis.
 - We envisage that the new CSLR levy will be an additional levy charged on AFCA members at the same time as existing levies/fees and will not create new regulatory costs on AFCA members.
- The eligibility requirements for who can access the CSLR will also be determined during the design phase. It is proposed that CSLR funds can only be accessed by individuals and small businesses that can access AFCA and receive a determination from AFCA, court of tribunal against a financial firm that is now insolvent.

s 47C , s 47E(d)

- We note that the Ramsay Review also made a number of recommendations that would be considered as part of the design.

How many entities currently have unpaid EDR determinations, and what activities might they reasonably have to complete before being paid under that determination (e.g. demonstrating entitlement etc. if a business names or other pertinent detail has changed etc.).

- The Government has announced that current unpaid EDR determinations will be paid out by Government as part of a separate measure. Treasury has previously agreed with OBPR that this measure does not have regulatory costs.

- We note that unpaid EDR determinations provide a useful dataset to help shape our understanding of the proposed CSLR.
 - Since 2008, there are currently 219 known unpaid EDR determinations owed to 292 consumers and small businesses by 56 financial firms.
 - From the 56 financial firms:
 - : 22 financial firms with unpaid EDR determinations have undergone formal insolvency proceedings;
 - : 16 financial firms with unpaid EDR determinations have been deregistered but did not undergo any formal insolvency process; and
 - : 18 financial firms with unpaid EDR determinations are still registered as firms.

How many entities might reasonably be expected to access or be eligible for the historical redress scheme? What eligibility requirements or otherwise would be placed upon them?

- The eligibility requirements for historical complaints to be considered by AFCA will be the same as for 'current' complaints, the only eligibility criteria that's changing is the age of the disputes that can be considered.
- Under the Redress scheme, AFCA will consider disputes dating back to 2008. This covers a period of time in which predecessor schemes to AFCA were operating with different eligibility requirements than AFCA. Based on the number of complaints received but not considered by predecessor schemes due to eligibility requirements, AFCA is estimating an additional 21,000 disputes on top of the volume of 'current' disputes would now be eligible for consideration by AFCA.

s 22(1)(a)(ii)

From: s 22(1)(a)(ii) TREASURY.GOV.AU>
Sent: Wednesday, 20 March 2019 4:20 PM
To: s 22(1)(a)(ii) s 22(1)(a)(ii) Helpdesk-OIA
Cc: s 22(1)(a)(ii) IFSU Dispute Resolution; s 22(1)(a)(ii) s 22(1)(a)(ii)
Subject: RE: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

Thank you s 22(1) – much appreciated

s 22(1)(a)(ii)

From: s 22(1)(a)(ii) [mailto:s 22(1)(a)(ii)@pmc.gov.au]
Sent: Wednesday, 20 March 2019 4:12 PM
To: s 22(1)(a)(ii) s 22(1)(a)(ii) Helpdesk-OBPR
Cc: s 22(1)(a)(ii) IFSU Dispute Resolution; s 22(1)(a)(ii) s 22(1)(a)(ii)
Subject: RE: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi s 22(1)(a)(ii)

Regarding: OBPR ref ID 25101 - response to Royal Commission Rec 7.1

Thank you for your emails of 14 and 19 March 2019. Based on the information provided, implementing Rec 7.1 will have only minor regulatory impacts on business, individuals and/or community organisations. The OBPR agrees these impacts are likely to be less than \$2 million per annum, and can be self-assessed – the OBPR does not need to agree to any costings.

If any of the above is inconsistent with your proposal, or should this proposal change significantly from the details provided, please contact us again to ensure our advice remains current.

Please retain this e-mail as a record of the OBPR's advice. If you have any further queries please call me on s 22(1)(a)(ii) s 22(1)

Regards,

s 22(1)(a)(ii)

Office of Best Practice Regulation

p. s 22(1)(a)(ii)

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Sent: Tuesday, 19 March 2019 12:23 PM
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Insurance and Financial Services Unit | Financial System Division | Markets Group

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Phone: s 22(1)(a)(ii)

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- Going forward, how many entities will likely access the CSLR per annum, and what eligibility requirements or otherwise would be placed upon them? What time would they likely spend on demonstrating their case and what professional/legal advice might they need to seek etc.?
- How many entities currently have unpaid EDR determinations, and what activities might they reasonably have to complete before being paid under that determination (e.g. demonstrating entitlement etc. if a business names or other pertinent detail has changed etc.).
- How many entities might reasonably be expected to access or be eligible for the historical redress scheme? What eligibility requirements or otherwise would be placed upon them?

Once the OBPR has received this additional information, advice on your proposal can be finalised.

If you have any questions, please contact me on s 22(1)(a)(ii)

Regards,

s 22(1)

s 22(1)(a)(ii) | Adviser

Office of Best Practice Regulation | Department of the Prime Minister and Cabinet

p. (02) s 22(1)(a)(ii)

e. [s 22\(1\)\(a\)\(ii\)@pmc.gov.au](mailto:s 22(1)(a)(ii)@pmc.gov.au) | [s 47E\(d\)@pmc.gov.au](mailto:s 47E(d)@pmc.gov.au)

w. <http://ris.pmc.gov.au> | www.pmc.gov.au

One National Circuit Barton ACT 2600 | PO Box 6500 CANBERRA ACT 2600



The Department acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respect to their Cultures, Country and Elders both past and present.

From: [s 22\(1\)\(a\)\(ii\)@treasury.gov.au](mailto:s 22(1)(a)(ii)@treasury.gov.au)

Sent: Thursday, 14 March 2019 2:28 PM

To: Helpdesk-OBPR [s 47E\(d\)@pmc.gov.au](mailto:s 47E(d)@pmc.gov.au)

Cc: [s 22\(1\)\(a\)\(ii\)@TREASURY.GOV.AU](mailto:s 22(1)(a)(ii)@TREASURY.GOV.AU); [s 22\(1\)\(a\)\(ii\)@TREASURY.GOV.AU](mailto:s 22(1)(a)(ii)@TREASURY.GOV.AU); IFSU

Dispute Resolution [s 47E\(d\)@TREASURY.GOV.AU](mailto:s 47E(d)@TREASURY.GOV.AU)

Subject: RIS - Rec 7.1 of the Royal Commission [SEC=UNCLASSIFIED]

Hi,

Please find attached the preliminary assessment for the implementation of Recommendation 7.1 from the Financial Services Royal Commission. Please feel free to contact [s 22\(1\)\(a\)\(ii\)](mailto:s 22(1)(a)(ii)@treasury.gov.au) or myself to discuss.

Kind regards,

[s 22\(1\)\(a\)\(ii\)](mailto:s 22(1)(a)(ii)@treasury.gov.au)

s 22(1)(a)(ii)

Financial System Division

The Treasury, Langton Crescent, Parkes ACT 2600

Phone: + [\(0\)2 6264 2000](tel:s 22(1)(a)(ii)) | E-mail: [s 22\(1\)\(a\)\(ii\)@treasury.gov.au](mailto:s 22(1)(a)(ii)@treasury.gov.au)

The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

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s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Wednesday, 27 March 2019 5:32 PM
To: s 22(1)(a)(ii)
Cc: s 22(1)(a)(ii) s 47E(d) @treasury.gov.au; s 22(1)(a)(ii) s 22(1)(a)(ii)
 Helpdesk-OIA
Subject: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]
Attachments: Copy of preliminary RBM costings for rec 7.1 OBPR.xlsx

UNCLASSIFIED

Hi s 22(1)(a)(ii) and colleagues

As discussed, I've had a quick breeze through the attached costing and the adopted approach is fine. In terms of average annual costs, see my suggested working (highlighted) in the attached.

Regards,

s 22(1)(a)(ii)

Office of Best Practice Regulation

p. s 22(1)(a)(ii)

From: s 22(1)(a)(ii) TREASURY.GOV.AU>
Sent: Thursday, 21 March 2019 4:13 PM
To: s 22(1)(a)(ii) pmc.gov.au>; s 22(1)(a)(ii) @pmc.gov.au>
Cc: RIS Help s 47E(d) @TREASURY.GOV.AU>; s 22(1)(a)(ii) TREASURY.GOV.AU>
Subject: Fwd: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

Hi s 22(1)(a)(ii)

When we spoke earlier this afternoon, I indicated that for costs below \$2m p.a our policy areas were sending across the relevant costing spreadsheet even where advised that the costing could be certified by Tsy. I've just found out that that did not happen in relation to rec 7.1 - our policy team provided information requested by OBPR but not the costing spreadsheet. I've now attached the costing spreadsheet.

I am happy to send to s 22(1)(a)(ii) directly but thought you may want to first talk him through the process that has been agreed in relation to costings under \$2m where related to the Govt RC response.

Thanks

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Senior Adviser, Royal Commission Taskforce

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii) treasury.gov.au

Begin forwarded message:

From: " s 22(1)(a)(ii) [TREASURY.GOV.AU](mailto: s 22(1)(a)(ii)@TREASURY.GOV.AU)>
Date: 21 March 2019 at 3:59:26 pm AEDT
To: " s 22(1)(a)(ii) [TREASURY.GOV.AU](mailto: s 22(1)(a)(ii)@TREASURY.GOV.AU)>
Cc: IFSU Dispute Resolution s 47E(d) [@TREASURY.GOV.AU](mailto: s 22(1)(a)(ii)@TREASURY.GOV.AU)>
Subject: RE: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

Sorry – now with document.

From: s 22(1)(a)(ii)
Sent: Thursday, 21 March 2019 3:59 PM
To: s 22(1)(a)(ii)
Cc: IFSU Dispute Resolution
Subject: FW: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

Hi s 22(1)(a)(ii)

As requested, please find attached the RIS costing we prepared for Rec 7.1.

Regards

s 22(1)(a)(ii)

From: s 22(1)(a)(ii) [[mailto: s 22\(1\)\(a\)\(ii\)@pmc.gov.au](mailto: s 22(1)(a)(ii)@pmc.gov.au)]
Sent: Wednesday, 20 March 2019 4:12 PM
To: s 22(1)(a)(ii) s 22(1)(a)(ii) Helpdesk-OBPR
Cc: s 22(1)(a)(ii) IFSU Dispute Resolution; s 22(1)(a)(ii) s 22(1)(a)(ii)
Subject: RE: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi s 22(1)(a)(ii)

Regarding: OBPR ref ID 25101 - response to Royal Commission Rec 7.1

Thank you for your emails of 14 and 19 March 2019. Based on the information provided, implementing Rec 7.1 will have only minor regulatory impacts on business, individuals and/or community organisations. The OBPR agrees these impacts are likely to be less than \$2 million per annum, and can be self-assessed – the OBPR does not need to agree to any costings.

If any of the above is inconsistent with your proposal, or should this proposal change significantly from the details provided, please contact us again to ensure our advice remains current.

Please retain this e-mail as a record of the OBPR's advice. If you have any further queries please call me on s 22(1)(a)(ii)

Regards,

s 22(1)(a)(ii)

Office of Best Practice Regulation

p. s 22(1)(a)(ii)

From: s 22(1)(a)(ii) [TREASURY.GOV.AU](mailto: s 22(1)(a)(ii)@TREASURY.GOV.AU)>
Sent: Tuesday, 19 March 2019 12:23 PM
To: s 22(1)(a)(ii) < s 22(1)(a)(ii)@pmc.gov.au>; s 22(1)(a)(ii) [@treasury.gov.au](mailto: s 22(1)(a)(ii)@treasury.gov.au)>;

Helpdesk-OBPR s 47E(d) @pmc.gov.au>
Cc: s 22(1)(a)(ii) TREASURY.GOV.AU>; IFSU Dispute Resolution
s 47E(d) @TREASURY.GOV.AU>
Subject: RE: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

Hi s 22(1)

Please find attached responses to your questions.

Please feel free to call me if you have any questions or concerns.

Regards

s 22(1)(a)(ii)

A/g Senior Adviser
Insurance and Financial Services Unit | Financial System Division | Markets Group
The Treasury, Langton Crescent, Parkes ACT 2600
Phone: s 22(1)(a)(ii)
www.treasury.gov.au
Follow us on social
Twitter: @Treasury_AU
Facebook: www.facebook.com/australian-treasury

From: s 22(1)(a)(ii) [mailto:s 22(1)(a)(ii)@pmc.gov.au]
Sent: Friday, 15 March 2019 12:12 PM
To: s 22(1)(a)(ii) Helpdesk-OBPR
Cc: s 22(1)(a)(ii) s 22(1)(a)(ii) IFSU Dispute Resolution
Subject: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi s 22(1)(a)(ii) and s 22(1)(a)(ii)

Thank you for your email of 14 March 2019 regarding OBPR ref ID 25101 - response to Royal Commission Rec 7.1, and s 22(1)(a)(ii) for your time on the phone today.

Before the OBPR finalises its advice on your current proposal, we just need a bit more of a feel for the size and scope of the potential impacts on those entities accessing the compensation scheme going forward, and those existing entities with unpaid EDR determinations, or who might still be seeking historical redress. With that in mind, can you please provide answers to the following:

- Going forward, how many entities will likely access the CSLR per annum, and what eligibility requirements or otherwise would be placed upon them? What time would they likely spend on demonstrating their case and what professional/legal advice might they need to seek etc.?
- How many entities currently have unpaid EDR determinations, and what activities might they reasonably have to complete before being paid under that determination (e.g. demonstrating entitlement etc. if a business names or other pertinent detail has changed etc.).
- How many entities might reasonably be expected to access or be eligible for the historical redress scheme? What eligibility requirements or otherwise would be placed upon them?

Once the OBPR has received this additional information, advice on your proposal can be finalised.

If you have any questions, please contact me on s 22(1)(a)(ii)

Regards,

s
22(1)

s 22(1)(a)(ii) | Adviser

Office of Best Practice Regulation | Department of the Prime Minister and Cabinet

p. (02) s 22(1)(a)(ii)

e. s 22(1)(a)(ii) pmc.gov.au | s 47E(d) [@pmc.gov.au](mailto:s 22(1)(a)(ii)@pmc.gov.au)

w. <http://ris.pmc.gov.au> | www.pmc.gov.au

One National Circuit Barton ACT 2600 | PO Box 6500 CANBERRA ACT 2600

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CSLR

RIS costings required?

No

Why?

No - compliance costs do not exceed \$100,000

Compliance costs

Purpose	Staff	Time (hrs)	Hourly wage (AWOTE for people employed in the finance and insurance industry)	Total	Comments
Reporting one-off		1	15	86.05 \$ 1,290.75	2020-21), 1 report= 1 days work x 1 staff
Reporting ongoing		1	37.5	86.05 \$ 3,226.88	1 report for 1 year, 1 report= 1 days work x 1 staff
Independent Audit			37.5	360 \$ 13,500.00	Audit of grant agreement undertaken by an Excutive Auditor
Total				\$ 18,017.63	

Payment of unpaid EDR

RIS costings required?

No

Why?

No regulatory impacts, payments to be funded by Govt

Redress for past disputes

RIS costings required?

No

Why?

No - compliance costs do not exceed \$100,000, other costs out of-scope of the regulatory burden measurement (costs arising from non-compliance/enforcement)

Compliance costs

Purpose	Staff	Time (hrs)	Hourly wage (AWOTE for people employed in the finance and insurance industry)	Total	Comments
Reporting one-off payment		1	7.5	86.05 \$ 645.38	1 payment of 2.8m in 2018-19, 1 report= 1 days work x 1 staff
Reporting at end of redress period		1	7.5	86.05 \$ 645.38	1 report, 1 report= 1 days work x 1 staff
Independent Audit			37.5	360 \$ 13,500.00	Audit of grant agreement undertaken by an Excutive Auditor
Total				\$ 14,790.75	

Remediation activities

RIS costings required?

No

Why?

Compliance costs do not exceed \$100,000

Compliance costs

Purpose	Staff	Time (hrs)	Hourly wage (AWOTE for people employed in the finance and insurance industry)	Total	Comments
Reporting at end of redress period		1	37.5	86.05 \$ 3,226.88	1 report, 1 report= 1 days work x 1 staff
Total				\$ 3,226.88	

One offs	\$ 18,017.63
Ongoing	\$ 18,017.63
Cost per annum over 10 yrs	\$ 19,819.39
Cost pa (\$m)	\$ 0.00

s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Friday, 8 October 2021 12:44 PM
To: s 22(1)(a)(ii) treasury.gov.au; s 22(1)(a)(ii)@treasury.gov.au
Cc: Helpdesk-OIA; s 22(1)(a)(ii)
Subject: OBPR ref IDs 24849, 22021, 25101 - s 47E(d)
s 47E(d) [SEC=PROTECTED, CAVEAT=SH:CABINET]

Hi s 22(1)(a)(ii)

Regarding: OBPR ref IDs 24849, 22021, 25101 -s 47E(d)

Thanks for our discussion late yesterday afternoon s 47E(d)

s 47E(d)

and no further impact analysis is required s 47E(d)

s 22(1)(a)(ii)

Regards,

s 22(1)(a)(ii)

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Economic Division | Department of the Prime Minister and Cabinet

p. s 22(1)(a)(ii)

From: s 22(1)(a)(ii)

Sent: Friday, 8 October 2021 12:32 PM

To: s 22(1)(a)(ii)

Cc: s 22(1)(a)(ii) Helpdesk-OBPR ; s 22(1)(a)(ii)

Subject: RE: OBPR ref ID 24849 -s 22(1)(a)(ii)

s 22(1)(a)(ii) [SEC=PROTECTED, CAVEAT=SH:CABINET]

PROTECTED//CABINET

Thanks s 22(1)(a)(ii)

Regards

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Senior Adviser

Regulatory Powers and Accountability Unit | Financial System Division | Markets Group

Phone: s 22(1)(a)(ii)

The Treasury, 29/201 Kent Street, Sydney NSW 2000

www.treasury.gov.au

PROTECTED//CABINET

s 22(1)(a)(ii)

s 22(1)(a)(ii)

From: s 22(1)(a)(ii) <[redacted]@TREASURY.GOV.AU>
Sent: Monday, 11 October 2021 9:55 PM
To: s 22(1)(a)(ii)
Cc: Helpdesk-OIA; s 22(1)(a)(ii)
Subject: RE: OBPR ref IDs 24849, 22021, 25101 - s 47E(d)
 s 47E(d) [SEC=PROTECTED, CAVEAT=SH:CABINET]
Attachments: Attachment B - s 47E(d)

PROTECTED//CABINET

Hi s 22(1)

s 47E(d)

compensation scheme of last resort (CSLR), which was announced on 4 February 2019 in response to the Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

s 47E(d)

Based on this assessment, I seek OBPR's agreement that no further regulatory impact analysis is required.

Please do not hesitate to contact me or my team if you have any questions.

Kind regards

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Director

Redress Unit | Regulators Redress and Insurance Branch | Financial System Division | Markets Group
The Treasury, Langton Crescent, Parkes ACT 2600

Ph: s 22(1)(a)(ii) Mob: + s 22(1)(a)(ii) s 22(1)(a)(ii) [\[redacted\]@treasury.gov.au](mailto:[redacted]@treasury.gov.au)

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From: s 22(1)(a)(ii)
Sent: Friday, 8 October 2021 12:44 PM
To: s 22(1)(a)(ii), s 22(1)(a)(ii)
Cc: Helpdesk-OBPR; s 22(1)(a)(ii)

Subject: OBPR ref IDs 24849, 22021, 25101 - s 47E(d)
[SEC=PROTECTED, CAVEAT=SH:CABINET]

Hi s 22(1)(a)(ii)

Regarding: OBPR ref IDs 24849, 22021, 25101 - s 47E(d)

Thanks for our discussion late yesterday afternoon s 47E(d)

s 47E(d)

and no further impact analysis is required s 47E(d)

s 22(1)(a)(ii)

Regards,

s 22(1)(a)(ii)

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Economic Division | Department of the Prime Minister and Cabinet

p. s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 47E (d)

S 47E (d)

s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Tuesday, 12 October 2021 8:01 AM
To: s 22(1)(a)(ii)
Cc: s 22(1)(a)(ii) Helpdesk-OIA;
Subject: RE: OBPR ref IDs 24849, 22021, 25101 - s 47E(d)
 s 47E(d) [SEC=PROTECTED, CAVEAT=SH:CABINET]

Hi s 22(1) and Treasury colleagues

Regarding: OBPR ref IDs 24849, 22021, 25101 - s 47E(d)

Thank you for your email of 11 October 2021 accompanied by additional information on implementing the CSLR in an effective and sustainable way. s 47E(d)

s 47E(d)
s 47E(d) no further impact analysis in the form of a RIS is required.

Regards,
s 22(1)(a)(ii)

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Economic Division | Department of the Prime Minister and Cabinet
p. s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Monday, 11 October 2021 9:55 PM
To: s 22(1)(a)(ii)
Cc: Helpdesk-OBPR ; s 22(1)(a)(ii)
Subject: RE: OBPR ref IDs 24849, 22021, 25101 -s 47E(d)
 [SEC=PROTECTED, CAVEAT=SH:CABINET]

PROTECTED//CABINET

Hi s 22(1)

s 47E(d)
compensation scheme of last resort (CSLR), which was announced on 4 February 2019 in response to the Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

S 47E(d)

s 47E(d)

Based on this assessment, I seek OBPR's agreement that no further regulatory impact analysis is required.

Please do not hesitate to contact me or my team if you have any questions.

Kind regards

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Director

Redress Unit | Regulators Redress and Insurance Branch | Financial System Division | Markets Group

The Treasury, Langton Crescent, Parkes ACT 2600

Ph: s 22(1)(a)(ii) Mob: + s 22(1)(a)(ii) s 22(1)(a)(ii) treasury.gov.au

www.treasury.gov.au

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From: s 22(1)(a)(ii) <s 22(1)(a)(ii) pmc.gov.au>

Sent: Friday, 8 October 2021 12:44 PM

To: s 22(1)(a)(ii) TREASURY.GOV.AU; s 22(1)(a)(ii)

s 22(1)(a)(ii) @TREASURY.GOV.AU>

Cc: Helpdesk-OBPR s 47E(d) @pmc.gov.au; s 22(1)(a)(ii) pmc.gov.au>

Subject: OBPR ref IDs 24849, 22021, 25101 - s 47E(d)

[SEC=PROTECTED, CAVEAT=SH:CABINET]

Hi s 22(1)(a)(ii)

Regarding: OBPR ref IDs 24849, 22021, 25101 - s 47E(d)

Thanks for our discussion late yesterday afternoon s 22(1)(a)(ii) s 47E(d)

s 47E(d)

and no further impact analysis is required (the latest addition/revision to the draft letter from the Treasurer refers).

s 22(1)(a)(ii)

Regards,

s 22(1)(a)(ii)

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Economic Division | Department of the Prime Minister and Cabinet

p. s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Monday, 18 February 2019 1:20 PM
To: s 22(1)(a)(ii)
Subject: FW: Govt response to Financial Services Royal Commission - RIS requirements [SEC=UNCLASSIFIED]
Attachments: 190208 RIS and reg costs req.docx

UNCLASSIFIED

Hi s 22(1)(a)(ii)

Treasury has provided the attached document regarding the regulatory costings for the RCFS. Could you also consider the point about publication of the RIS etc.

Happy to discuss

s 22(1)(a)(ii)

From: s 22(1)(a)(ii) TREASURY.GOV.AU>
Sent: Monday, 18 February 2019 9:31 AM
To: s 22(1)(a)(ii) pmc.gov.au>
Cc: MG TsyFSRCS 47E(d) @TREASURY.GOV.AU>
Subject: Govt response to Financial Services Royal Commission - RIS requirements [SEC=UNCLASSIFIED]

Hi s 22(1)(a)(ii)

Thanks for your time last week. We have gone through each of the Government actions announced in response to the Royal Commission, and set out how the approach to meeting RIS requirements (refer attached). In line with the PM's approval, we are doing work on developing regulatory costings for each proposal that will give rise to costs by 31 March. If you've got any concerns with what we've suggested please let me know, otherwise I'll get the individual officers to start engaging with OBPR- I assume through making an initial approach via email to OBPR Helpdesk.

I've got just one follow up question. As you know we had one document that set out supplementary analysis for a number of measures in the report. When it comes to publication, we will advise on what part of that document (updated as required) is appropriate for publication – it will only be the part that relates to the particular measure that's been finalised. Again, please let me know if you'd like to discuss.

Many thanks

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Senior Adviser
 Treasury Financial Services Royal Commission Taskforce
 The Treasury, Langton Crescent, Parkes ACT 2600
 Phone: s 22(1)(a)(ii) | Mobile: s 22(1)(a)(ii)
www.treasury.gov.au

s 22(1)(a)(ii)

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RECOMMENDATION	GOVERNMENT RESPONSE	RIS REQUIREMENT	REG COSTING REQUIREMENT
<p>Recommendation 7.1 – Compensation scheme of last resort</p> <p>The three principal recommendations to establish a compensation scheme of last resort made by the panel appointed by government to review external dispute and complaints arrangements made in its supplementary final report should be carried into effect.</p> <p>s 22(1)(a)(ii)</p>	<p>The Government agrees to establish an industry funded forward-looking compensation scheme of last resort (CSLR). The scheme will be designed consistently with recommendations of the Supplementary Final Report of the Review of the financial system external dispute resolution framework (Ramsay Review). However, Treasury, in developing the scheme, will consult on whether eligibility to claim should extend beyond disputes in relation to personal financial advice failures as recommended by the Ramsay Review.</p> <p>For there to be confidence in the financial system’s dispute resolution framework, it is important that where consumers and small businesses have suffered detriment due to failures by financial firms to meet their obligations, compensation that is awarded is actually paid. The CSLR will operate as a last resort mechanism to pay out compensation owed to consumers and small businesses that receive a court or tribunal decision in their favour or a determination from the Australian Financial Complaints Authority (AFCA), but are unable to get the compensation owed by the financial firm – for example, because the firm has become insolvent.</p> <p>The CSLR will be established as part of AFCA.</p> <p>The Government also agrees to fund the payment of legacy unpaid determinations from the Financial Ombudsman Service and Credit and Investments Ombudsman. The Ramsay Review found that there was a strong case for these determinations to be paid.</p>	<p>CSLR</p> <p>Covered by self-certification of Ramsay review (OBPR ref 22021)</p> <p>Covered by self-certification of Final Report</p> <p>Payment of unpaid EDR</p> <p>No RIS required.</p> <p>Expansion of AFCA jurisdiction to hear past disputes</p> <p>No RIS required.</p>	<p>CSLR</p> <p>No – out of-scope of the regulatory burden measurement (costs arising from non-compliance with, or enforcement of, the law). Regulatory burden cost are zero</p> <p>Payment of unpaid EDR</p> <p>No regulatory impacts, payments to be funded by Govt</p> <p>Expansion of AFCA jurisdiction to hear past disputes</p> <p>No – out of-scope of the regulatory burden measurement (costs arising from non-compliance with, or enforcement of, the law). Regulatory burden cost are zero ⁵⁶</p>

RECOMMENDATION	GOVERNMENT RESPONSE	RIS REQUIREMENT	REG COSTING REQUIREMENT
	<p>The Government will also ensure that consumers and small businesses that have suffered from misconduct and not yet been heard – in the period looked at by the Royal Commission (from 1 January 2008) – will be able to have their cases heard by AFCA if the dispute falls within AFCA’s thresholds as they stand today. Consumers and small businesses will have twelve months from the date which AFCA commences accepting legacy disputes to lodge their complaint with AFCA.</p> <p>The Government will also strengthen regulatory oversight and transparency of remediation activities through increasing the role of AFCA in the establishment and public reporting of firm remediation activities. The Government has also agreed to a new directions power to be provided to ASIC, consistent with the recommendations of the ASIC Enforcement Review Taskforce. The new directions power will also provide ASIC with the ability to direct firms to undertake remediation activities.</p>		

s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Tuesday, 19 September 2017 3:42 PM
To: Helpdesk-OIA
Subject: FW: Early Assessment RIS Approval - Ramsay Review Implementation [SEC=UNCLASSIFIED]
Attachments: RIS Approval Letter - John Lonsdale.pdf; Supplementary Final Report - Ramsay Review.pdf

UNCLASSIFIED

Hi Helpdesk

For file 22021 please.

Thank you

s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Tuesday, 19 September 2017 2:38 PM
To: Poels, Wayne ; s 22(1)(a)(ii)
Subject: FW: Early Assessment RIS Approval - Ramsay Review Implementation [SEC=UNCLASSIFIED]

UNCLASSIFIED

Wayne,

Certified independent review on external dispute resolution is in, for your info.

s 22(1)(a)(ii) could you please draw up an acknowledgement letter? Is this one that Treasury indicated that they will not be publishing the review with the explanatory memorandum? If so we will need to note this is not best practice (probably in the covering email though).

Thanks
s 22(1)(a)(ii)

s 22(1)(a)(ii) | Senior Adviser
 Office of Best Practice Regulation | Regulatory Policy Branch
 Economic Division | Department of the Prime Minister and Cabinet
 p. s 22(1)(a)(ii) | m. s 22(1)(a)(ii)
 e. s 22(1)(a)(ii) @pmc.gov.au | s 47E(d) @pmc.gov.au
 w. www.dpmc.gov.au | ris.dpmc.gov.au
 One National Circuit Barton ACT 2600

From: s 22(1)(a)(ii) @treasury.gov.au
Sent: Tuesday, 19 September 2017 2:06 PM
To: s 22(1)(a)(ii)
Cc: Dickson, Tom
Subject: Early Assessment RIS Approval - Ramsay Review Implementation [SEC=UNCLASSIFIED]

Hi s 22(1)(a)(ii)

Please find attached a letter from John Lonsdale, Deputy Secretary – Markets Group to Ms Tanja Cvijanovic, Executive Director - OBPR, certifying the Independent Review: Review of the External Dispute Resolution System – Supplementary Final Report, as undertaking a process that is equivalent to an early assessment Regulation Impact Statement (RIS). I will also attach a copy of the supplementary final report.


Please let me know if there is anything else that OBPR requires.

Thanks
s 22(1)(a)(ii)

s 22(1)(a)(ii)

Policy Analyst | Financial Services Unit

Financial System Division | The Treasury

 s 22(1)(a)(ii) |  s 22(1)(a)(ii)@Treasury.gov.au

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Ms Tanja Cvijanovic
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Dear Ms Cvijanovic

CERTIFICATION OF INDEPENDENT REVIEW: REVIEW OF THE EXTERNAL DISPUTE RESOLUTION SYSTEM – SUPPLEMENTARY FINAL REPORT

I am writing to certify that the attached independent supplementary final report on the external dispute resolution system is the result of a process and analysis equivalent to an Early Assessment Regulation Impact Statement (RIS).

s 47E(d)

I also note that OBPR has advised that the recommendations in the attached report are not relevant for assessment under the Australian Government's Regulatory Burden Measurement framework. We are

s 22(1)(a)(ii)

Accordingly, I am satisfied that the attached report now meets best practice consistent with the *Australian Government Guide to Regulation*.

Yours sincerely

s 22(1)(a)(ii)

John Lonsdale
Deputy Secretary
Markets Group
Treasury

From: s 22(1)(a)(ii)
To: s 22(1)(a)(ii)
Cc: s 22(1)(a)(ii)
Subject: FW: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]
Date: Thursday, 21 March 2019 4:34:23 PM
Attachments: [image001.png](#)
[ATT00001.htm](#)
[image002.png](#)
[ATT00002.htm](#)
[image003.png](#)
[ATT00003.htm](#)
[image004.png](#)
[ATT00004.htm](#)
[image005.png](#)
[ATT00005.htm](#)
[preliminary RBM costings for rec 7.1.xlsx](#)
[ATT00006.htm](#)

UNCLASSIFIED

Hi s 22(1)(a)(ii)

For the Financial Services Royal Commission, we have agreed with Treasury that the OBPR will look over costings spreadsheets even where the cost is less than \$2m. Therefore, would you mind checking over the attached, related to rec 7.1, to make sure it all looks good and we are still satisfied it is less than \$2m? The formal advice is still that the OBPR is not required to agree costings less than \$2m, but we can add something in our response along the lines of '... but the approach adopted looks fine'.

s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Thursday, 21 March 2019 4:13 PM
To: s 22(1)(a)(ii) ; s 22(1)(a)(ii)
Cc: RIS Help ; s 22(1)(a)(ii)
Subject: Fwd: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

Hi s 22(1)(a)(ii)

When we spoke earlier this afternoon, I indicated that for costs below \$2m p.a our policy areas were sending across the relevant costing spreadsheet even where advised that the costing could be certified by Tsy. I've just found out that that did not happen in relation to rec 7.1 - our policy team provided information requested by OBPR but not the costing spreadsheet. I've now attached the costing spreadsheet.

I am happy to send to s 22(1)(a)(ii) directly but thought you may want to first talk him through the process that has been agreed in relation to costings under \$2m where related to the Govt RC response.

Thanks

s 22(1)(a)(ii)
s 22(1)(a)(ii)

Senior Adviser, Royal Commission Taskforce

s 22(1)(a)(ii)

s 22(1)(a)(ii)

s 22(1)(a)(ii) treasury.gov.au

Begin forwarded message:

From: "s 22(1)(a)(ii) <TREASURY.GOV.AU>"

Date: 21 March 2019 at 3:59:26 pm AEDT

To: " s 22(1)(a)(ii) TREASURY.GOV.AU>
Cc: IFSU Dispute Resolution s 47E(d) @TREASURY.GOV.AU>
Subject: RE: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

Sorry – now with document.

From: s 22(1)(a)(ii)
Sent: Thursday, 21 March 2019 3:59 PM
To: s 22(1)(a)(ii)
Cc: IFSU Dispute Resolution
Subject: FW: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]
Hi s 22(1)(a)(ii)
As requested, please find attached the RIS costing we prepared for Rec 7.1.
Regards

s 22(1)(a)(ii)
From: s 22(1)(a)(ii) [[mailto: s 22\(1\)\(a\)\(ii\)@pmc.gov.au](mailto:s 22(1)(a)(ii)@pmc.gov.au)]
Sent: Wednesday, 20 March 2019 4:12 PM
To: s 22(1)(a)(ii) s 22(1)(a)(ii) Helpdesk-OBPR
Cc: s 22(1)(a)(ii) IFSU Dispute Resolution; s 22(1)(a)(ii) s 22(1)(a)(ii)
Subject: RE: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi s 22(1)(a)(ii)
Regarding: **OBPR ref ID 25101 - response to Royal Commission Rec 7.1**
Thank you for your emails of 14 and 19 March 2019. Based on the information provided, implementing Rec 7.1 will have only minor regulatory impacts on business, individuals and/or community organisations. The OBPR agrees these impacts are likely to be less than \$2 million per annum, and can be self-assessed – the OBPR does not need to agree to any costings.
If any of the above is inconsistent with your proposal, or should this proposal change significantly from the details provided, please contact us again to ensure our advice remains current.
Please retain this e-mail as a record of the OBPR's advice. If you have any further queries please call me on s 22(1)(a)(ii) .

Regards,
s 22(1)(a)(ii)
Office of Best Practice Regulation
p. s 22(1)(a)(ii)

From: s 22(1)(a)(ii) TREASURY.GOV.AU>
Sent: Tuesday, 19 March 2019 12:23 PM
To: s 22(1)(a)(ii) < s 22(1)(a)(ii)@pmc.gov.au>; s 22(1)(a)(ii) s 22(1)(a)(ii)@treasury.gov.au>; Helpdesk-OBPR s 47E(d)@pmc.gov.au>
Cc: s 22(1)(a)(ii) TREASURY.GOV.AU>; IFSU Dispute Resolution s 47E(d)@TREASURY.GOV.AU>
Subject: RE: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

Hi s 22(1)
Please find attached responses to your questions.
Please feel free to call me if you have any questions or concerns.
Regards

s 22(1)(a)(ii)
A/g Senior Adviser
Insurance and Financial Services Unit | Financial System Division | Markets Group
The Treasury, Langton Crescent, Parkes ACT 2600

Phone: s 22(1)(a)(ii)

www.treasury.gov.au

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From: s 22(1)(a)(ii) [mailto:s 22(1)(a)(ii)@pmc.gov.au]

Sent: Friday, 15 March 2019 12:12 PM

To: s 22(1)(a)(ii) Helpdesk-OBPR

Cc: s 22(1)(a)(ii) s 22(1)(a)(ii) IFSU Dispute Resolution

Subject: OBPR ref ID 25101 - response to Royal Commission Rec 7.1 [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi s 22(1)(a)(ii)

Thank you for your email of 14 March 2019 regarding **OBPR ref ID 25101 - response to Royal Commission Rec 7.1**, and s 22(1)(a)(ii) for your time on the phone today.

Before the OBPR finalises its advice on your current proposal, we just need a bit more of a feel for the size and scope of the potential impacts on those entities accessing the compensation scheme going forward, and those existing entities with unpaid EDR determinations, or who might still be seeking historical redress. With that in mind, can you please provide answers to the following:

- Going forward, how many entities will likely access the CSLR per annum, and what eligibility requirements or otherwise would be placed upon them? What time would they likely spend on demonstrating their case and what professional/legal advice might they need to seek etc.?
- How many entities currently have unpaid EDR determinations, and what activities might they reasonably have to complete before being paid under that determination (e.g. demonstrating entitlement etc. if a business names or other pertinent detail has changed etc.).
- How many entities might reasonably be expected to access or be eligible for the historical redress scheme? What eligibility requirements or otherwise would be placed upon them?

Once the OBPR has received this additional information, advice on your proposal can be finalised.

If you have any questions, please contact me on s 22(1)(a)(ii)

Regards,

s 22(1)

(a)(ii) s 22(1)(a)(ii)

| Adviser

Office of Best Practice Regulation | Department of the Prime Minister and Cabinet

p. s 22(1)(a)(ii)

e. s 22(1)(a)(ii)@pmc.gov.au | s 47E(d)@pmc.gov.au

w. <http://ris.pmc.gov.au> | www.pmc.gov.au

One National Circuit Barton ACT 2600 | PO Box 6500 CANBERRA ACT 2600

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CSLR

RIS costings required?

No

Why?

No - compliance costs do not exceed \$100,000

Compliance costs

Purpose	Staff	Time (hrs)	Hourly wage (AWOTE for people employed in the finance and insurance industry)	Total	Comments
Reporting one-off		1	15	86.05 \$ 1,290.75	2 reports required for 2 payments (0.4m in 2019-20, 0.1m in 2020-21), 1 report= 1 days work x 1 staff
Reporting ongoing		1	37.5	86.05 \$ 3,226.88	1 report for 1 year, 1 report= 1 days work x 1 staff
Independent Audit			37.5	360 \$ 13,500.00	Audit of grant agreement undertaken by an Executive Auditor
Total				\$ 18,017.63	

Payment of unpaid EDR

RIS costings required?

No

Why?

No regulatory impacts, payments to be funded by Govt

Redress for past disputes

RIS costings required?

No

Why?

No - compliance costs do not exceed \$100,000, other costs out of-scope of the regulatory burden measurement (costs arising from non-compliance/enforcement)

Compliance costs

Purpose	Staff	Time (hrs)	Hourly wage (AWOTE for people employed in the finance and insurance industry)	Total	Comments
Reporting one-off payment		1	7.5	86.05 \$ 645.38	1 payment of 2.8m in 2018-19, 1 report= 1 days work x 1 staff
Reporting at end of redress period		1	7.5	86.05 \$ 645.38	1 report, 1 report= 1 days work x 1 staff
Independent Audit			37.5	360 \$ 13,500.00	Audit of grant agreement undertaken by an Executive Auditor
Total				\$ 14,790.75	

Remediation activities

RIS costings required?

No

Why?

Compliance costs do not exceed \$100,000

Compliance costs

Purpose	Staff	Time (hrs)	Hourly wage (AWOTE for people employed in the finance and insurance industry)	Total	Comments
Reporting at end of redress period		1	37.5	86.05 \$ 3,226.88	1 report, 1 report= 1 days work x 1 staff
Total				\$ 3,226.88	

s 22(1)(a)(ii)

From: s 22(1)(a)(ii)
Sent: Thursday, 2 March 2023 3:31 PM
To: LegislationPMC
Cc: s 22(1)(a)(ii) OIA - Team 3
Subject: RE: Legislation List for 2023 Autumn Week 3 - IA requirements [SEC=PROTECTED, CAVEAT=SH:CABINET]

PROTECTED//CABINET

Hi s 22(1)(a)(ii)

Confirming that the necessary Impact Analysis requirements have been met for the Treasury portfolio.

Cheers,

s 22(1)(a)(ii)

Adviser

Legal, Economic and National Security | Office of Impact Analysis

p. s 22(1)(a)(ii)



The Department acknowledges and pays respect to the past, present and emerging Elders and Traditional Custodians of Country, and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

From: LegislationPMC s 47E(d) @pmc.gov.au>
Sent: Wednesday, 1 March 2023 2:49 PM
To: Office of Impact Analysis S 47E(d) @pmc.gov.au>
Cc: s 22(1)(a)(ii) @pmc.gov.au>; s 22(1)(a)(ii) @pmc.gov.au>
Subject: Legislation List for 2023 Autumn Week 3 - IA requirements [SEC=PROTECTED, CAVEAT=SH:CABINET]

PROTECTED//CABINET

To OIA

Attached is the list of legislation proposed for introduction in Week 3 of the 2023 Autumn sittings. Advice from departments regarding IA requirements has been included in the comments section of the Weekly Summary document. The separate Forecast document provides a short description for each bill.

S 47E(d)

We'd be grateful if you could confirm that OIA agrees that the necessary IA requirements have been met. Your advice by COB Thursday 2 March would be appreciated.

Please let us know if you wish to see the Explanatory Memorandum for any of the bills.

Regards,
s 22(1)(a)(ii)

s 22(1)(a)(ii) | Adviser

Parliamentary Affairs and Legislation Section | Parliamentary & Government Branch
Government Division | Department of the Prime Minister and Cabinet

p. s 22(1)(a)(ii)

e s 22(1)(a)(ii) @pmc.gov.au | s 47E(d) @pmc.gov.au | w. www.pmc.gov.au

Ngunnawal Country, One National Circuit Barton ACT 2600 | PO Box 6500 CANBERRA ACT 2600



The Department acknowledges and pays respect to the past, present and emerging Elders and Traditional Custodians of Country, and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.