



1 May, 2015

Mr Jason McNamara  
Executive Director  
Office of Best Practice Regulation  
Department of the Prime Minister and Cabinet  
1 National Circuit  
BARTON ACT 2600

Email: [helpdesk@obpr.gov.au](mailto:helpdesk@obpr.gov.au)

Dear Mr McNamara

**REGULATION IMPACT STATEMENT— FINAL ASSESSMENT SECOND PASS**

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for reducing compliance costs for small business (RIS ID: 17486). I am satisfied the RIS addresses the concerns raised in your letter of 28 April 2015. Specifically, the following changes were made to address OBPR's concerns:

- The RIS better outlines which industries and businesses the policy is targeting. The RIS clarifies the purpose of the options is to provide superannuation compliance costs savings to small businesses generally, rather than being targeted at reducing the compliance costs of particular businesses. The RIS notes the reduction in compliance will flow through to all businesses (not just small businesses), with some small business sectors receiving greater benefit from the recommended options.
- This RIS provides more detail on the justification of the choice options. The RIS now includes an explanation as to why Treasury did not recommend options five and six.
- The RIS provides more detail on the assumptions used in the regulatory costings:
  - The wage costs have been recalculated for options two, four and six and the final costings have been agreed with your office.
  - The RIS now includes a more detailed explanation of the assumptions behind the estimation of businesses affected by options two, four and six.
  - The RIS now notes that the costing uses a methodology that is consistent with the regulatory burden measurement framework rather than using the ATO's compliance cost assessment tool.

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

I submit the RIS to the Office of Best Practice Regulation for formal final assessment.

**Yours sincerely**

Rob Heferen

Deputy Secretary  
The Treasury  
1 May 2015