



## Australian Government

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

Reference: 18912  
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Ms Luise McCulloch  
A/g Deputy Secretary  
Revenue Group  
Treasury

Dear Ms McCulloch

#### **Regulation Impact Statement – Second-pass final assessment – Unincorporated tax discount for small business**

Thank you for submitting the Regulation Impact Statement (RIS) for the above proposal to the Office of Best Practice Regulation (OBPR) for second-pass final assessment on 9 June 2015. I note that the RIS has been formally certified at the Deputy Secretary level consistent with best practice.

The Office of Best Practice Regulation's (OBPR) final assessment is that the Department of Treasury is compliant with the Government's RIS requirements. Given the expected magnitude of the impacts of the proposal the OBPR considers the level of analysis is consistent with best practice.

This assessment is based on:

- the regulatory cost and savings estimates having been agreed with the OBPR; and
- your letter of 9 June 2015 certifying that the RIS responds to the OBPR's formal comments on the RIS submitted for first-pass assessment.

In addition, I note that the RIS:

- answers the seven RIS questions;
- includes two policy options and a level of analysis appropriate for an election commitment; and
- does not contain obvious errors.

The OBPR notes that the RIS considers the views of stakeholders including the Board of Taxation, but that only limited consultation on the proposals was possible given the confidential nature of the decision making process.

The OBPR also notes that the RIS outlines the views expressed by some stakeholders since the measure was announced on Budget night.

The RIS outlines that the ATO will monitor small business behaviour to identify tax avoidance activities occurring as a result of the proposal and Treasury will consider remedial action if appropriate.

*Publication requirements*

The OBPR maintains a RIS website and the Government requires that RISs be posted as soon as possible after a regulatory decision has been announced. We would appreciate you advising us when a decision on this proposal is announced, and forwarding a final copy of the RIS in *Microsoft Word .doc* format in a form meeting the Australian Government's *Web Content Accessibility Guidelines*.

We suggest liaising with your web services team to ensure these guidelines are met. The OBPR should be consulted if the RIS is amended. It is the agency preparing the RIS, not the OBPR, which is responsible for the content of the published RIS.

The website provides a public comment facility on RISs posted on the site. The OBPR moderates this facility for offensive content but does not moderate debate.

Please retain this letter as a record of the OBPR's advice. Our reference number for this matter is 18912. If you have any further queries, please do not hesitate to contact me.

Yours sincerely



Jason McNamara  
Executive Director  
Office of Best Practice Regulation

11 June 2015