



1 July 2016

Mr Peter Saunders  
First Assistant Secretary  
Regulatory Reform Division  
Department of Prime Minister and Cabinet  
1 National Circuit  
BARTON ACT 2600  
Email: [helpdesk@obpr.gov.au](mailto:helpdesk@obpr.gov.au)

Dear Mr Saunders

### **Regulation Impact Statement – final assessment second pass**

I am writing in relation to the attached Regulation impact statement (RIS) prepared for the lower business tax proposals. The regulatory burden to business, community organisations and/or individuals has been quantified and offsets have been identified and quantified using the Regulatory Burden Measurement framework. These have been agreed with your office.

I am satisfied that the RIS addresses the issues raised in your letter of 22 April 2016. Specifically, changes made to the RIS as a result of your letter include:

- The options considered in the RIS have been set out more clearly and provide a greater level of detail.
- In response to the question of whether other options were considered, the RIS now notes that when considering the rate and threshold changes alternative values for these variables and dates of commencement were considered.
- Greater analysis of the impacts has been provided. In particular, the findings of the Treasury working papers 2015-01 and 2016-02 have been summarised in the RIS, outlining the expected behavioural change following a company tax rate cut and its consequences.
- The impact on revenue has been included.
- The consultation section now provides a more detailed and comprehensive summary of the views of stakeholders .
- Further detail with regards to the net benefit of the proposals has been added. The RIS summarises the conclusions of the modelling released at the time of the 2016-17 Budget.
- Finally, as discussed with your Office, this is a final assessment RIS.

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

A handwritten signature in black ink, appearing to read "Maryanne Mrakovic". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Maryanne Mrakovic  
Deputy Secretary  
Revenue Group