



Australian Government

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

Reference: 18971/18972
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Mr Rob Heferen
Deputy Secretary
Revenue Group
Treasury

RS
Dear Mr Heferen

Regulation Impact Statement – Second-pass final assessment – Accelerated depreciation for primary producers

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 26 May 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 in the RIS 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 26 May 2015 certifying 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;
- considers a minimum of three policy options, one of which is a non-regulatory option; and
- does not contain obvious errors.

The OBPR notes that the RIS includes a discussion about the current taxation treatment of fencing, and whether taxpayers currently repair fences to immediately expense the expenditure rather than replacing them with new fences and capitalising their fencing costs.

The OBPR notes that the RIS considers the views of stakeholders including the Board of Taxation and the National Farmers Federation, 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 the compliance of primary producers and any unintended behavioural responses from the measures, and the ATO will advise Treasury if any problems arise so that remedial action can be considered if necessary.

Publication requirements

The OBPR maintains a RIS website and the Government requires that RISs be posted within 5 business days of a regulatory decision being publicly 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 numbers for this matter is 18971 (Fencing) & 18972 (Water and Fodder). If you have any further queries, please do not hesitate to contact me.

Yours sincerely



Jason McNamara
Executive Director
Office of Best Practice Regulation

27 May 2015