



Australian Government

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

Reference: 18912
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Mr Rob Heferen
Deputy Secretary
Revenue Group
Treasury

Dear Mr Heferen

Regulation Impact Statement – Second-pass final assessment – Small incorporated business tax cut

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 19 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 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 19 May 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 and the Business Tax Working Group, 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 design issues, compliance of small businesses and unintended behavioural changes that have the potential to cause difficulty, and Treasury will consider remedial action if appropriate.

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 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

2\ May 2015