



Australian Government

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

Reference: 42954
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Ms Maryanne Mrakovcic
Deputy Secretary
Revenue Group
Treasury

Dear Ms Mrakovcic,

Regulation Impact Statement - Second-Pass Final Assessment - Loss Carry-Back

Thank you for your letter of 29 September 2020 submitting a Regulation Impact Statement (RIS) for second-pass final assessment, examining how the Australian Government can introduce temporary loss carry-back to maximise the full effect from COVID-19 related economic response measures, particularly Temporary Full Expensing. The Office of Best Practice Regulation (OBPR) acknowledges the Treasury's efforts to develop the RIS.

OBPR's final assessment is that the quality of the RIS, as well as the quality of the RIS process itself, is adequate against the Government's Regulatory Impact Analysis requirements. In order to have been good practice, the RIS would have needed to: more clearly describe the proposed options and their associated integrity issues; better articulated the impacts of each option in terms of costs and benefits to better enable direct comparisons; and ensured a RIS, assessed by OBPR, was provided to the decision-maker prior to each major decision point.

That said, the RIS acknowledges that while assessment of the overall costs and benefits relies on the assessment of the fiscal and macroeconomic impacts of the proposal, loss carry-back will nonetheless be considered in the review of the Government's response to COVID-19, which will also consider the associated Temporary Full Expensing policy.

We would appreciate you advising us when a final decision on this proposal has been announced and forwarding us a copy of the RIS in a form meeting the Government's accessibility requirements. OBPR's reference number for this matter is 42954. If you have any further queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A Sheppard'.

Adam Sheppard
Executive Director (A/g)
Office of Best Practice Regulation
29 September 2020