

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2014 - 2015

Department/Agency: Treasury

Question: AET 63-64

Topic: Regulatory impact statement and small business election commitments

Reference: Hansard page no. 68 - 26 February 2015

Senator: Ketter, Chris

Question:

Mr Heferen: My recollection is that was a clear-cut election commitment. I stand to be corrected, but I am not aware of—I do not recall what regulatory impact statement was done for that. The two things that you mentioned, the immediate write-off for small business and the loss carry-back, I recall they were both policy measures directly packaged with the MRRT, and then the government's clear commitment was to abolish the MRRT and repeal those measures associated with it. That went forward in that package. I am guessing a regulatory impact statement would not have been done, because it was a clear election commitment. We will check that and when we get information on that I will be able to confirm.

Senator KETTER: If you do not have a regulatory impact statement would you be able to provide an estimate as to what the cost to small business was of those two measures?

Mr Heferen: We can take that on notice.

Senator KETTER: Are you aware of the peak body representing small business, COSBOA, coming out and saying it was a failure of government to understand small business and not only that, making retrospective changes takes the issue to a whole new level for business, and concerns about certainty and planning? Are you aware of those comments?

Mr Heferen: I am not aware of those specific comments. I do recall some discussions we had. It is not as if this was a surprise. It was pretty clearly articulated from quite early on in the piece. I suspect, with a lot of these things, there is a bit of rhetorical flourish in some of the public communication. My very clear recollection was there were quite specific commitments about what was to happen and, indeed, when it was to happen from. My recollection is that the various amending legislation put that in place. So, there were no surprises. The only changes I recall made were on several measures where there needed to be negotiations to get various measures through the Senate. I do not recall those two being part of that. My recollection was that was part of the original package.

Senator Ronaldson: That is certainly my understanding.

Senator KETTER: The specific issue, if my memory serves me correctly, was the retrospectivity and the fact that the measures were introduced in the middle of a financial year.

Senator Ronaldson: I will take on notice any difference between the election commitment and the final outcome with the proviso about what may or may not have been done in the Senate in relation to the package. I will take that on notice for you. I do not have those details in front of me. I am not the responsible minister, as you would appreciate. I will take on notice any difference there might be between the two.

Mr Heferen: I just wanted to correct something I said in response to Senator Ketter's query about the regulation impact statement for the instant asset write-off and the loss carry-back. The regulation impact statement for those was included in the explanatory memorandum for

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the legislation. I do not have the explanatory memorandum in front of me, but we just checked in fact that it was included in that. I did take something on notice. In that I will make sure that the relevant extracts are repeated in that question.

Answer:

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A regulation impact statement (RIS) was prepared for the *Minerals Resource Rent Tax Repeal and Other Measures Act 2014*. A copy is available via the Office of Best Practice Regulation Updates website <http://ris.dpmc.gov.au/2013/11/28/repeal-of-the-minerals-resource-rent-tax-and-associated-measures-regulation-impact-statement-treasury/>.

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In the joint media release of the Treasurer and Minister for Finance of 9 September 2014, the Government noted that the dates for effect of the measures were consistent with the Government's 2013 Federal Election commitment and the Exposure Draft of the repeal legislation. As the Government noted, these dates were announced in November 2013 at the time of the introduction of the first repeal bill to Parliament and are consistent with the costings presented in subsequent bills.