

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 235

Topic: Regulations

Hansard Page: 92

Senator Abetz asked:

Senator ABETZ: Have we sorted out how this will be introduced? I understand that there will need to be new regulations, for example.

Mr D'Ascenzo: Again, this is still a proposal that the government has announced. The government has announced that there will be extensive consultation about the details. We worked out what is likely to be involved in terms of administrative costings, including some capital expenditure for the systems changes to take the data and make use of it, as well as extra resources to carry out a range of other activities. The precise details of how it is going to operate are still subject to consultation, so I am not sure that I can give you any more specific detail on that.

Senator ABETZ: How it is going to be introduced must be known, because we have a sum certain as to the money we expect to glean from this exercise.

Mr McCullough: If you are asking whether it will require regulations, the answer is yes. I think a provision in the law was brought in around the time of the GST that allowed the turning on of a reporting system of this type by the enactment of regulations. That legislation was in about 1999.

Senator ABETZ: I think 2000 was the time of the GST legislation, if I recall correctly.

Mr McCullough: It might have been one of those two. So this regime will be pursuant to that provision and regulations will be developed. There is a discussion paper, which I believe has just been released in the last few days, unless I am jumping the gun. That sets out the detail of who would be affected and how. There is a consultation period that runs until the end of the month or early July. Once we get the feedback from that consultation we will make a proposal to government about how the regulations should look.

Senator ABETZ: Minister, the government made a wonderful promise that, for every regulation in, there would be a regulation out. Given that we are going to have a new body of regulation in, in relation to this area, have we identified which regulation is going to be knocked out?

Senator Sherry: The first point to make is that the regulations are not drafted. We do not yet know the extent of those regulations, although we do know that there will be some change of regulations. The second point is that the issue of regulatory oversight falls within the Department of Finance and Deregulation, which deals with the consideration of regulatory impact.

Senator ABETZ: As you are so committed, as am I, I am sure you will be passing that on to the appropriate committee for an answer. If the secretariat and the Treasury could do that for us—flick that to Finance—I would be much obliged.

Senator Sherry: We will.

Answer:

The Reporting Taxable Payments measure as announced in the 2011-12 Budget, was developed in accordance with the Department of Finance and Deregulation best practice regulation guidelines. As part of this process a regulatory impact statement was developed which in line with the 2009 'one in, one out' guidelines, considered non-regulatory options and explored options to streamline reporting requirements and simplify administrative procedures. The regulation impact statement was found to be adequate by the Office of Best Practice Regulation and has been released publicly on their website.

The Government remains committed to engaging with industry and interested stakeholders in implementing this measure in a way that streamlines reporting obligations and minimises compliance costs for businesses.