

## APPENDIX B.17

### TREASURY

#### Summary

Treasury reported 95 measures<sup>1</sup> during the year, with a total net regulatory saving of \$716.1 million per year.

The two largest areas of regulation in the Treasury portfolio, as measured by the Government's Regulatory Burden Measurement framework, are taxation and financial sector regulation. Correspondingly, these accounted for the largest contributions to our 2015 compliance cost savings.

Although the portfolio has considered a broad range of regulation in our compliance cost reduction programme, our efforts have centred on a number of key themes. These include:

- *increasing digital service delivery*: examples here include expanded pre-filling of income tax returns, with an estimated annual saving of \$148m, and enhancing the Australian Taxation Office's online services for individuals and sole traders (saving \$109m);
- *removing technological barriers in regulation*: for example, Australian Securities and Investments Commission's (ASIC) programme to facilitate disclosure through digital channels in relation to financial products and services (saving \$299m); and
- *simplifying compliance*: examples include streamlining individual income tax returns (saving \$57m) and transfer pricing record-keeping requirements (saving \$79m).

For 2016 and beyond, Treasury intends to broaden its scope to assessing and renewing our existing regulatory systems, to ensure that they are fit-for-purpose, flexible and capable of adapting to new business models as they emerge. This will involve examining whether regulation addresses the problems it is intended to solve in an efficient and effective way, with a particular emphasis on removing barriers to competition and innovation.

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<sup>1</sup> Measures counted here only include decisions with a regulatory impact. Measures with a zero regulatory impact have been excluded.

## Regulatory measures reported since the 2015 Spring Repeal Day<sup>2</sup>

### With an impact of greater than \$2 million

Treasury	Third party reporting — tax prefilling
	<ul style="list-style-type: none"><li>On 15 October 2015, the Minister for Small Business and Assistant Treasurer introduced the Tax and Superannuation Laws Amendment (2015 Measures No. 5) Bill 2015 to create a new reporting regime that requires third parties to report on a range of transactions. The Bill received Royal Assent on 30 November 2015.</li><li>Although principally a tax integrity measure, the use of third party reported information collected will enhance the existing benefits from the Australian Tax Office (ATO) pre-filling of taxpayers' income tax returns.</li><li>The Treasury has estimated that this will lead to an annual saving of \$148 million in compliance costs.<sup>3</sup></li></ul>
Treasury	Contemporary web offering for personal services income
	<ul style="list-style-type: none"><li>In July 2015, the ATO announced changes to the web-based personal services income decision tool.</li><li>The contemporary web offering will include redesigned information and a web-based personal services income decision tool located on ato.gov.au to assist contractors and consultants to correctly apply the personal services income legislation. This initiative will reduce reliance on ATO call centres for information and guidance and assist compliance with the personal services income tests and rules.</li><li>The Treasury has estimated that this will lead to an annual saving of \$2.4 million in compliance costs.</li></ul>
Treasury	Removing external peer review requirements for general insurers
	<ul style="list-style-type: none"><li>On 29 October 2015, APRA released a letter to general insurers confirming its decision to remove external peer review requirements for general insurers.</li><li>APRA has removed the mandatory annual requirement for general insurers to seek an external peer review of the Appointed Actuary's Insurance Liability Valuation Report. This will apply to general insurers from 31 December 2015. There is prudential value in external peer review reports. However, APRA recognises that on balance, compliance costs could be reduced by removing the mandatory annual requirement without compromising the soundness of the prudential framework. APRA retains the ability to request a review report be undertaken in circumstances where APRA considers it appropriate.</li><li>The Treasury has estimated that this will lead to an annual saving of \$5.3 million in compliance costs.</li></ul>

<sup>2</sup> These measure descriptions relate to new decisions taken and reported between the Spring 2015 Repeal Day and 31 December 2015. Descriptions of regulatory increases or regulatory decreases generally capture those measures with a regulatory change in excess of \$2 million per annum.

<sup>3</sup> A compliance cost increase is reported separately from the impact on reporters of the integrity measure. See the separate description titled *Third party reporting — tax integrity* below.

Treasury	Insolvency law reforms
	<ul style="list-style-type: none"> <li>• On 3 December 2015, the Assistant Minister to the Treasurer introduced legislation to strengthen and streamline Australia’s bankruptcy and corporate insolvency regimes.</li> <li>• The package of reforms will provide benefits to creditors, businesses and insolvency practitioners. The reforms will reduce compliance costs for corporate insolvency practitioners in the areas of insolvency administration, and will allow greater flexibility in the provision of information to creditors.</li> <li>• The OBPR has agreed that this will lead to an annual saving of \$50.1 million in compliance costs.</li> </ul>
Treasury	A new tax system for managed investment trusts
	<ul style="list-style-type: none"> <li>• On 3 December 2015, the Assistant Minister to the Treasurer introduced the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015.</li> <li>• The new rules will modernise the tax rules applying to eligible managed investment trusts, increasing certainty for those trusts and their investors and reducing complexity. These reforms will improve the attractiveness of Australian managed investment trusts to international investors and allow the industry to export more of its services.</li> <li>• The Treasury has estimated that this will lead to an annual saving of \$30 million in compliance costs.</li> </ul>
Treasury	Acceptance of state and territory financial reports
	<ul style="list-style-type: none"> <li>• On 3 March 2015, the Commissioner of the Australian Charities and Not-for-profits Commission (ACNC) exercised her discretion under Schedule 1, Part 4, Item 10(1)(b) of the <i>ACNC (Consequential and Transitional) Act 2012</i> to accept financial reports lodged with state and territory agencies.</li> <li>• Accepting financial reports lodged with state and territory agencies as satisfying the ACNC financial reporting requirements for the 2015 reporting year will reduce the compliance costs for charities that would otherwise have to produce another report.</li> <li>• The OBPR has agreed that this will lead to a saving of \$5.9 million in compliance costs in 2015.<sup>4</sup></li> </ul>

<sup>4</sup> Note that this is a once-off saving in 2015, rather than an annual saving. This occurs in a small number of cases, as canvassed in Appendix C.

Treasury	Future of Financial Advice reforms (update)
	<ul style="list-style-type: none"> <li>• On 24 November 2015, the Minister for Small Business and Assistant Treasurer introduced legislative amendments to finalise the Future of Financial Advice (FoFA) reforms.</li> <li>• The amendments provide certainty regarding the status of FoFA. They remove various measures from the FoFA Bill, including changes to the Statement of Advice requirements and fee disclosure statements. They also implement minor and technical changes, including extending the time for advisers to provide fee disclosure statements and fee renewal notices to clients.</li> <li>• In 2014, OBPR agreed that the FoFA reforms would lead to an annual saving of \$198.4 million in compliance costs.</li> <li>• As a result of the amendments to the FoFA Bill, the previously reported regulatory savings will not eventuate.</li> </ul>
Treasury	Crowd sourced equity funding by small, unlisted public companies
	<ul style="list-style-type: none"> <li>• On 3 December 2015, the Assistant Minister to the Treasurer introduced the Corporations Amendment (Crowd-sourced Funding) Bill 2015.</li> <li>• The Bill establishes a regulatory framework to facilitate Crowd-sourced funding by small, unlisted public companies. The regime also reduces potential barriers to adopting the required public company structure by providing new public companies that are eligible to crowd fund with temporary relief from the reporting and corporate governance requirements that usually apply. In addition, it provides greater flexibility in the Australian Market Licence and clearing and settlement facility licensing regimes.</li> <li>• While the measure reduces barriers to entry into a new market and lowers costs for participating firms, the higher number of firms that might be expected to access the regime means that there will be a total increase in compliance costs, as calculated under the Government's Regulatory Burden Measurement framework.</li> <li>• The OBPR has agreed that this will lead to an annual increase of \$54.6 million in compliance costs.</li> </ul>

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Treasury

Third party reporting — tax integrity<sup>5</sup>

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- On 15 October 2015, the Minister for Small Business and Assistant Treasurer introduced the Tax and Superannuation Laws Amendment (2015 Measures No. 5) Bill 2015. The Bill received Royal Assent on 30 November 2015.
  - The Bill creates a new reporting regime which requires third parties to report on a range of transactions. The regime requires reporting on the following four types of transactions: government grants and payments, transfers of real property, transfers of shares and units in unit trusts, and business transactions made through payment systems.
  - The Treasury portfolio has estimated that this will lead to an annual increase of \$9.6 million in compliance costs.
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<sup>5</sup> A compliance cost reduction is also reported, from the enhanced pre-filing opportunities that arise from ATO access to the reported data. See the description Third party reporting — tax prefilling above.

## 2015 regulatory measures, previously reported in conjunction with the Autumn and Spring Repeal Days

These measures below are reproductions of the 2015 Autumn and Spring Repeal Day overview descriptions and have not been amended<sup>6</sup>. Where necessary, supplementary information is shown as blue text.

Treasury	Making ASIC laws work better (Autumn)
	<ul style="list-style-type: none"><li>• For the period September 2014 to February 2015, ASIC granted relief from provisions of the <i>Corporations Act 2001</i>, the <i>National Consumer Credit Protection Act 2009</i> or the <i>National Consumer Protection (Transitional and Consequential Provisions) Act 2009</i> with compliance cost implications in 71 cases.</li><li>• Businesses frequently approach ASIC for assistance to help make the law work better for them. ASIC uses its discretion to vary or set aside certain requirements of the law where there is a net regulatory benefit or where ASIC can facilitate business or cut red tape without harming other stakeholders, and results in ongoing savings for individual business.</li><li>• The Treasury portfolio has estimated that this will lead to an annual saving of \$7.1 million in compliance costs.</li><li>• <b>NB: Of the \$7.1 million regulatory saving, \$4 million was reported and counted in 2014. This 2014 component has not been counted in the 2015 bottom line.</b></li></ul>

<sup>6</sup> To align this table with the 2015 calendar year, any measures accounted for in the previous annual report have been excluded.

Treasury	Improving communications to Self-Managed Super Fund trustees (Autumn)
	<ul style="list-style-type: none"> <li>• Over the course of 2014, the Australian Taxation Office (ATO) progressively rolled out contemporary communication products to assist Self-Managed Super Fund (SMSF) trustees to comply with SMSF legislative requirements.</li> <li>• A number of new communication products were made available through the ATO website and ATO App. The new communication products include videos, checklists, FAQs, an online assistance tool (SMSF Assist) and other resources with tips and requirements. Additionally the SMSFs web content was improved and reorganised to make it easier for clients to find and understand the information.</li> <li>• The Treasury portfolio has estimated that this will lead to an annual saving of \$16.0 million in compliance costs.</li> </ul>
Treasury	Providing approved relief for 31-day notice term deposits (Autumn)
	<ul style="list-style-type: none"> <li>• On 22 December 2014, ASIC approved the granting of conditional relief for 31-day notice term deposits for 18 months.</li> <li>• This relief enables 31-day notice term deposits of up to five years to be treated as basic deposit products under the <i>Corporations Act 2001</i>. As a result, these products receive concessional treatment including exemption from having to provide a Product Disclosure Statement. Term deposits that require 31 days' notice for early withdrawal will also receive favourable liquidity treatment as part of the Basel III reforms (Prudential Standard APS 210 Liquidity (APS 210)).</li> <li>• The Treasury portfolio has estimated that this will lead to an annual saving of \$11.3 million in compliance costs.</li> </ul>
Treasury	Making it easier to comply with over the counter sale reporting obligations (Autumn)
	<ul style="list-style-type: none"> <li>• On 13 February 2015, ASIC announced that it had amended rules regarding trade reporting obligations for over the counter (OTC) derivatives.</li> <li>• These changes make the reporting regime more effective and easier to comply with, and ensure that regulators obtain complete and comprehensive derivative trade data. For example, as part of the proposed changes ASIC will introduce end-of-day or 'snapshot' reporting instead of intraday or 'lifecycle' reporting as a permanent reporting option. It will also expand the ability for foreign firms to rely on foreign reporting requirements in order to comply with their obligations (alternative reporting).</li> <li>• The Treasury portfolio has estimated that this will lead to an annual saving of \$4.9 million in compliance costs.</li> </ul>

Treasury	Reducing investment option reporting requirements (Autumn)
<ul style="list-style-type: none"> <li>• On 16 January 2015, APRA released revised final reporting requirements for select investment options applying to registrable superannuation entity (RSE) licensees.</li> <li>• As part of the final reporting standards for superannuation introduced in 2013, a requirement was introduced for RSE licensees to provide information to APRA in respect of certain non-MySuper investment options within their business operations (referred to as select investment options). In light of industry’s concerns about the costs and complexity involved in reporting this information, APRA has revised its requirements resulting in a significant reduction in the coverage and scale of reporting. For example, as part of the new requirements the number of select investment options that the industry will report to APRA will be reduced by 50 per cent. In addition, information to be reported under the new reporting standards will only be required to be submitted on a quarterly basis and will not be required to be audited.</li> <li>• The Treasury portfolio has estimated that this will lead to an annual saving of \$3.5 million in compliance costs.</li> </ul>	
Treasury	Superstream Benchmarking (Autumn)
<ul style="list-style-type: none"> <li>• On 22 December 2014, APRA released the final version of superannuation Reporting Standard SRS 711.0 SuperStream Benchmarking Measures (SRS 711.0).</li> <li>• APRA had released a previous version of SRS 711.0 in December 2013. In light of further submissions received from superannuation industry bodies, Treasury, the ATO and APRA agreed to amend SRS 711.0 to significantly reduce data collection requirements for industry.</li> <li>• The Treasury portfolio has estimated that this will lead to an annual saving of \$2.0 million in compliance costs.</li> </ul>	

Treasury	Competition and Consumer Amendment (Deregulatory and Other Measures) Bill (Autumn)
<ul style="list-style-type: none"> <li>• As part of the 2015 Autumn Repeal Day, the Minister for Small Business will introduce a bill to amend to the <i>Competition and Consumer Act 2010</i>.</li> <li>• The amendments will streamline the administration of the <i>Competition and Consumer Act 2010</i> and reduce compliance burdens under it. This includes removal of unnecessary or duplicative requirements relating to: reporting of food-related product safety incidents; and ministerial consent to bring an action for breaches of the Act occurring overseas. These changes are expected to reduce red tape for businesses without reducing the protections available under the law. This measure will also clean up some minor drafting errors in the <i>Competition and Consumer Act 2010</i>.</li> <li>• The Treasury portfolio has estimated that this will lead to an annual saving of \$0.5 million in compliance costs.</li> </ul>	
Treasury	Repeal of inoperative Acts within the Treasury portfolio (Autumn)
<ul style="list-style-type: none"> <li>• As part of the 2015 Autumn Repeal Day the following Acts will be repealed: <ul style="list-style-type: none"> <li>– <i>Income Tax (Withholding Tax Recoupment) Act 1971</i>;</li> <li>– <i>Occupational Superannuation Standards Regulations Application Act 1992</i>;</li> <li>– <i>Taxation Laws (Clearing and Settlement Facility Support) Act 2004</i>;</li> <li>– <i>State Grants (Aboriginal Advancement) Act 1972</i>; and</li> <li>– <i>International Monetary Agreements Act 1959</i>.</li> </ul> </li> <li>• These Acts are inoperative. They expand the volume of the law without achieving any policy goal and can therefore be repealed.</li> <li>• <b>NB: This measure was part of the Omnibus Repeal Day (Autumn 2015) Bill. There are no regulatory savings or burden associated with this proposal.</b></li> </ul>	

Treasury	Repealing the Inoperative Provisions in the <i>Income Tax Assessment Act 1936</i> – Regional Headquarters (Autumn)
<ul style="list-style-type: none"> <li>• As part of the 2015 Autumn Repeal Day the provisions relating to pre-establishment expenditure for regional headquarters will be repealed.</li> <li>• This concession allows for companies to seek a determination from the Treasurer that they are a regional headquarters, which entitles them to concessions relating to the pre-establishment expenditure.</li> <li>• In 2001, the rules for pre-establishment expenditure generally were extended. Since this time, no entity has sought to have the Treasurer make a determination under this provision. Further, no determination currently remains in effect, so the provisions are inoperative and can be repealed.</li> <li>• <b>NB: This measure was part of the Omnibus Repeal Day (Autumn 2015) Bill. There are no regulatory savings or burden associated with this proposal.</b></li> </ul>	
Treasury	Repealing inoperative provisions in the <i>Income Tax Assessment Act 1936</i> - Securities Concessions (Autumn)
<ul style="list-style-type: none"> <li>• As part of the 2015 Autumn Repeal Day the provisions relating to tax concessions for certain securities will be repealed.</li> <li>• The <i>Income Tax Assessment Act 1936</i> contains a number of provisions providing modified tax treatment for specific types of securities, generally those issued by the Commonwealth.</li> <li>• A number of types of securities that receive special treatment are no longer issued. Some may not exist at all. In other cases the special treatment provided results in the same outcome as applies under the ordinary law. As a result, the provisions are inoperative and can be repealed, subject to appropriate savings provisions to protect existing securities.</li> <li>• <b>NB: This measure was part of the Omnibus Repeal Day (Autumn 2015) Bill. There are no regulatory savings or burden associated with this proposal.</b></li> </ul>	

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Treasury

Enhancing portability for Private Ancillary Funds on winding up  
(Autumn)

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- As part of 2015 Autumn Repeal Day, the Assistant Treasurer will announce that the guidelines around Private Ancillary Funds (PAFs) are being amended to address inconsistencies between the treatment of PAFs and public ancillary funds (PuAFs).
  - A PAF, which is a private fund set up to provide money or property to deductible gift recipients (DGRs), cannot transfer its assets to DGRs that are endorsed as ancillary funds when it is being wound up. In contrast, a public ancillary fund (PuAF) that is winding up is not subject to the same restriction.
  - This inconsistency in treatment will be addressed by enabling PAFs access to the same portability provisions as PuAFs, that is, PAFs will be permitted to transfer their net assets to other ancillary funds in the winding up phase. This measure will provide PAFs with additional flexibility in the disposal of net assets in the winding up phase.
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- On 11 February 2015, the Government announced that the screening threshold for foreign purchases of agricultural land will be reduced from \$252 million to \$15 million from 1 March 2015 and that the Government will introduce a foreign ownership register of agricultural land from 1 July 2015.
- These changes increase scrutiny and transparency around foreign investment in agriculture. The new \$15 million threshold will apply to the cumulative value of agricultural land owned by the foreign investor, including the proposed purchase. Consistent with free trade agreement commitments, this will apply to all non-government investors except those from the United States, New Zealand, Chile, Singapore and Thailand. All proposed direct investments by foreign government investors, including in agriculture, will continue to be reviewed regardless of value.
- The Government is currently consulting on a range of options to strengthen Australia's foreign investment framework. Final figures are still to be determined based on a range of implementation options and will be accounted for in the Spring Repeal Day.

**Further update:**

- **Following public consultation, on 2 May 2015, the Government announced a package of reforms to strengthen the foreign investment framework. The agriculture measures were incorporated in the broader package. Other changes include: introducing a new agribusiness screening threshold of \$55 million, application fees for foreign investors and new civil and enhanced criminal penalties for investors who break the law.**
- **On 1 December 2015, the Government's strengthened foreign investment framework took effect. The reforms provide stronger enforcement of the rules, a better resourced system and clearer rules for foreign investors.**
- **The Treasury has estimated that the package as a whole will lead to an increase of \$0.05 million in compliance costs.**

Treasury	Accelerated depreciation for small business entities (Spring)
<ul style="list-style-type: none"> <li>• On 28 May 2015 the Minister for Small Business introduced the Tax Laws Amendment (Small Business Measure No.2) Bill 2015. The Bill received Royal Assent on 22 June 2015.</li> <li>• This Act amended the small business simplified depreciation rules, to increase the threshold for immediate deductibility for capital assets. Small businesses can now immediately deduct business assets costing less than \$20,000 (Previously the threshold was \$1,000). These arrangements commenced on 12 May 2015 and continue until the end of June 2017. This measure reduces the record-keeping requirements for small businesses, which will not have to maintain depreciation records on assets below the threshold.</li> <li>• The OBPR has agreed that this measure will lead to an annual saving of \$6.1 million in compliance costs.</li> </ul>	
Treasury	Making ASIC laws work better (Spring)
<ul style="list-style-type: none"> <li>• In the June and September quarters, the Australian Securities and Investments Commission (ASIC) granted relief from provisions of the <i>Corporations Act 2001</i>, the <i>National Consumer Credit Protection Act 2009</i> or the <i>National Consumer Protection (Transitional and Consequential Provisions) Act 2009</i> with compliance cost implications in 77 cases.</li> <li>• Businesses frequently approach ASIC for assistance to help make the law work better for them. ASIC uses its discretion to vary or set aside certain requirements of the law where there is a net regulatory benefit or where ASIC can facilitate business or cut red tape without harming other stakeholders, and results in ongoing savings for individual business.</li> <li>• The Treasury has estimated that this will lead to an annual saving of \$9.1 million in compliance costs.</li> </ul>	

Treasury	Clarifying requirements for financial advisers (Spring)
<ul style="list-style-type: none"> <li>• In April 2015 the Tax Practitioners Board issued two documents to explain the operation of the law.</li> <li>• The first document outlines what is required when an individual, partnership or company applies for registration as a tax (financial) adviser under the transitional option. The second document outlines what the Board will accept for the purposes of meeting the ‘relevant experience’ requirement under the standard registration option for tax (financial) advisers. These documents will make it easier for tax (financial) advisers to understand their obligations and to register.</li> <li>• The Treasury has estimated that this will lead to an annual saving of \$2.5 million in compliance costs.</li> </ul>	
Treasury	Enhancing communication through digital disclosure (Spring)
<ul style="list-style-type: none"> <li>• On 28 July 2015 the Australian Securities and Investments Commission (ASIC) announced its release of the Regulatory Guide 221 <i>Facilitating digital financial services disclosure</i>.</li> <li>• The guidance and waivers will facilitate businesses providing disclosures through digital channels and encourage innovative communication of information about financial products and services. It is assumed that 80% of businesses will take up digital disclosure, resulting in savings being felt through lower printing and postage costs to business, as well as some time and storage savings for consumers.</li> <li>• The OBPR has agreed that this will lead to an annual saving of \$299.1 million in compliance costs.</li> </ul>	
Treasury	Direct reporting of Private Health Insurance data (Spring)
<ul style="list-style-type: none"> <li>• In 2014 the Australian Taxation Office (ATO) and the Department of Health worked together to change reporting of Private Health Insurance (PHI) data to the ATO.</li> <li>• Previously, health insurers reported their customers’ data to the ATO through the Department of Human Services (Medicare). Health insurers are now required to report their customers’ PHI data directly to the ATO for Tax Time 2015 and onwards. Direct reporting has enabled faster processing of PHI data to pre-fill tax returns, allowing health insurers to know, much sooner, whether their reported data passes or fails the ATO’s validation process. This will assist insurers to provide corrected, replacement data more quickly. Direct reporting will also reduce the security risk of physical media being lost.</li> <li>• The Treasury has estimated that this will lead to an annual saving of \$2.4 million in compliance costs.</li> </ul>	

Treasury	Enhancing ATO online services for individuals and sole traders (Spring)
<ul style="list-style-type: none"> <li>• In July 2015 the Australian Tax Office (ATO) upgraded its online services, providing individuals and sole traders with a more complete set of options to manage their tax affairs in a digital environment.</li> <li>• Individuals operating in business such as sole traders who have a myGov account can now manage their activity statement and PAYG instalment obligations within ATO Online. These services are an alternative to using AUSKey and the Business Portal.</li> <li>• Over four million Australians have linked their myGov account with the ATO. They can now update their contact details including email addresses, authorised contacts and financial institution details online. The improvements to ATO Online deliver a customised home page with targeted messages and alerts such as lodgement and payment due dates specific to the client’s circumstances. The improvements include the ability to view income tax and study support loan account transactions and sort transactions in date ranges, and the ability to forecast General Interest Charge (GIC).</li> <li>• The Treasury has estimated that this will lead to an annual saving of \$109.1 million in compliance costs.</li> </ul>	
Treasury	Enhancing Australian Taxation Office integration with the myGov inbox (Spring)
<ul style="list-style-type: none"> <li>• In March 2015 the ATO commenced issuing electronic correspondence to individuals who have linked their myGov inbox to the ATO.</li> <li>• Affected taxpayers can now receive ATO correspondence electronically to their myGov inbox, and no longer need to handle paper correspondence or retain paper notices for record keeping purposes. Tax practitioners are given access to digital correspondence that has been sent to their clients through myGov. For tax agents, having real time access to their clients’ digital correspondence through the Tax Agent Portal means no more photocopying correspondence for record keeping purposes. Intermediaries will also no longer need to redirect notices and other ATO correspondence to their clients.</li> <li>• The Treasury has estimated that this will lead to an annual saving of \$12.8 million in compliance costs.</li> </ul>	

Treasury	Further improving eForms and digital approaches to the 2021 Census (Spring)
<ul style="list-style-type: none"> <li>• On 12 May 2015 the Treasurer announced \$250 million for business process and IT infrastructure upgrades for the Australian Bureau of Statistics.</li> <li>• The Government is investing to improve eForms and digital approaches to the 2021 Census, with the aim to make completing the Census faster and easier. New user friendly online forms will mean that each household completing the Census online in 2021 will take nearly 10 minutes less compared with completing the paper form.</li> <li>• The Treasury has estimated that this will lead to an annual saving of \$5.0 million in compliance costs.</li> </ul>	
Treasury	Introducing flexibility in outbound correspondence via SMS and email (Spring)
<ul style="list-style-type: none"> <li>• In March 2015 the ATO delivered an enterprise solution for issuing non-secure and sensitive SMS or email from the ATO. This has enabled issuing of correspondence via email, SMS or letter depending on the client's circumstances.</li> <li>• Lodgement reminders issued as a paper correspondence are now being issued via multi-channel. Electronic delivery of lodgement reminders to eligible clients provides convenience and a contemporary experience. For clients with electronic addresses this initiative will replace a two page paper letter with a text message or a half page email.</li> <li>• The Treasury has estimated that this will lead to an annual saving of \$5.9 million in compliance costs.</li> </ul>	

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Treasury

Removing obligations on employers to offer choice of super fund to temporary residents  
(Spring)

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- On 28 May 2015 the Minister for Small Business introduced the Superannuation Guarantee (Administration) Amendment Bill 2015. The Bill received Royal Assent on 25 June 2015.
  - From 1 July 2015 employers no longer have to provide a standard choice form (which allows an employee to nominate their superannuation fund) to temporary resident employees within 28 days of commencing employment. This will reduce compliance costs for employers as they no longer have to provide temporary resident employees with a choice of fund form. Nor will employers need to allocate time trying to explain the importance of completing the form and how to do so.
  - Businesses that typically employ a high volume of temporary residents, such as those in the hospitality and agricultural industries, will experience the greatest reduction in compliance costs from not having to supply a standard choice form to their employees on a temporary resident visa. Temporary resident employees still retain the right to nominate a fund of their choosing if they wish to do so.
  - The OBPR has agreed that this will lead to an annual saving of \$22 million in compliance costs.
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Treasury	Removing obligations on employers to re-offer choice of funds when funds merge (Spring)
<ul style="list-style-type: none"> <li>• In May 2015 the Minister for Small Business introduced the Superannuation Guarantee (Administration) Amendment Bill 2015. The Bill received Royal Assent on 25 June 2015.</li> <li>• Previously, employers were required to provide eligible employees a standard choice form within 28 days of becoming aware that a superannuation fund they were sending contributions to had merged with another fund. While employers would generally be advised of a merger, many employers, particularly small business employers, may have been unaware that they had an obligation to re-offer their eligible employees a choice by providing them with a standard choice form in this situation.</li> <li>• Since 1 July 2015 employers no longer have to re-offer a choice of fund form to an employee in this situation, thereby reducing compliance costs on employers. An employee whose fund has merged with another fund will still be able to nominate a fund of their choosing if they wish to do so.</li> <li>• The OBPR has agreed that this will lead to an annual saving of \$23.2 million in compliance costs.</li> </ul>	
Treasury	Streamlining individual income tax returns 2015 (myTax15) (Spring)
<ul style="list-style-type: none"> <li>• In June 2015 enhancements were made to the 2014 myTax product to include more features and tax return labels.</li> <li>• This measure introduced a number of enhancements to income tax returns that will expand eligibility criteria and improve customer service. Individuals lodging their tax returns will benefit from having more pre-filled information, where possible. The save function will allow users to save a partially completed return and resume at a later time, and built-in checks will catch common mistakes.</li> <li>• The Treasury has estimated that this will lead to an annual saving of \$57.4 million in compliance costs.</li> </ul>	

Treasury	Simplifying transfer pricing record keeping requirements (Spring)
<ul style="list-style-type: none"> <li>• On 23 December 2014 the ATO released guidance about simplifying the transfer pricing record keeping requirements.</li> <li>• Eligible businesses can choose to use simplified transfer pricing record keeping options to reduce record keeping and compliance costs. Businesses that meet the eligibility criteria will disclose on the International Dealings Schedule the selection and application of these simplified options. Accordingly, once an option is selected and disclosed to the ATO, the relevant transfer pricing dealings will not be subject to ATO review. Options were available starting from 29 June 2013 for three consecutive income years.</li> <li>• The OBPR has agreed that this will lead to an annual saving of \$78.9 million in compliance costs.</li> </ul>	
Treasury	Improving unclaimed money requirements on authorised deposit-taking institutions (Spring)
<ul style="list-style-type: none"> <li>• On 13 August 2015 the Assistant Treasurer introduced the Banking Laws Amendment (Unclaimed Money) Bill 2015. The Bill received Royal Assent on 16 September 2015.</li> <li>• The Act extends the period before funds held by authorised deposit-taking institutions and life insurance providers are treated as unclaimed moneys and transferred to the Government from three to seven years. It also exempts specified accounts, such as childrens' accounts, from the provisions. The Act will reduce the regulatory burden on business and consumers by reducing the number of accounts that must be transferred to, and reclaimed from, the Government.</li> <li>• The OBPR has agreed that this will lead to an annual saving of \$35.9 million in compliance costs.</li> </ul>	

Treasury	Treasury Legislation Amendment (Repeal Day) Bill 2015 (Spring)
	<ul style="list-style-type: none"> <li>• On Repeal Day, the Minister for Small Business and Assistant Treasurer will introduce the Treasury Legislation Amendment (Repeal Day) Bill 2015.</li> <li>• The Bill proposes a number of changes to Treasury laws, including regulatory changes to: simplify and reduce the harshness of the superannuation guarantee charge; reduce red tape on terminally ill or injured people accessing certain ATO-administered superannuation monies; remove an additional lost member reporting requirements for superannuation funds; modify ‘in receivership’ disclosure and reporting obligations for trustee companies and other corporations; and repeal inoperative acts and provisions of the tax law.</li> <li>• The Treasury has estimated that this will lead to an annual saving of \$2.8 million in compliance costs.</li> </ul>
Treasury	Repealing the Statistical Bureau (Tasmania) Act 1924 (Spring)
	<ul style="list-style-type: none"> <li>• As part of the 2015 Spring Repeal Day, the <i>Statistical Bureau (Tasmania) Act 1924</i> will be repealed.</li> <li>• The Act approved an agreement made between the Commonwealth and Tasmania to facilitate the integration of the statistical office of Tasmania into the Commonwealth, and for the Commonwealth to compile and issue statistics specifically for Tasmania.</li> <li>• The Act is now redundant due to the completion of the integration of statistical functions and the statistical services compiled by the Commonwealth being obsolete.</li> <li>• <b>NB: This measure was part of the Omnibus Repeal Day (Spring 2015) Bill. There are no regulatory savings or burden associated with this proposal.</b></li> </ul>

Treasury	Repealing Statistics (Arrangements with States) Act 1956 (Spring)
<ul style="list-style-type: none"> <li>• As part of the 2015 Spring Repeal Day, the <i>Statistics (Arrangements with States) Act 1956</i> will be repealed.</li> <li>• The Act enabled the States' statistics to be compiled and issued by the Commonwealth, the transfer of staff between the States and the Commonwealth and the appointment of staff to hold a specified office in both the Public Service of the Commonwealth and the Public Service of the relevant State.</li> <li>• The Act is now redundant due to the duplication of the enabling provision in current legislation and because the arrangements entered into are considered redundant.</li> <li>• <b>NB: This measure was part of the Omnibus Repeal Day (Spring 2015) Bill. There are no regulatory savings or burden associated with this proposal.</b></li> </ul>	
Treasury	Combating multinational tax avoidance (Spring)
<ul style="list-style-type: none"> <li>• On 16 September 2015 the Treasurer introduced the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015. The Bill is currently before the Senate.</li> <li>• The Bill will implement a new multinational anti-avoidance law, stronger penalties for larger companies that engage in tax avoidance and profit shifting, and country-by-country reporting to give tax authorities greater visibility of multinationals' tax structures. These three measures will apply to over 1,000 large multinationals operating in Australia with annual global revenue of \$1 billion or more.</li> <li>• The Treasury has estimated that this will lead to an annual increase of \$23.3 million in compliance costs.</li> </ul>	

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Treasury

Improving the taxation of employee share schemes  
(Spring)

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- On 25 March 2015 the Minister for Small Business introduced the Tax and Superannuation Laws Amendment (Employee Share Schemes) Bill 2015. The Bill received Royal Assent on 30 June 2015.
  - Changes introduced in 2009 meant that the discount component of shares or options was taxed when the employee received those shares or options, creating valuation difficulties and causing employees to be taxed on options before they were able to realise a financial benefit.
  - Under the Government's changes, employees will generally be able to defer tax until they exercise those options; the maximum time for tax deferral will increase from seven years to 15 years; and the maximum individual ownership limit will double from five per cent to ten per cent. Under a new additional concession, employees of eligible start-ups can receive options or shares at a small discount, without being subject to up-front taxation if they hold the shares or options for at least three years. The increased attractiveness of the new arrangements will result in a larger number of individuals and entities engaging with the new regulations.
  - The OBPR has agreed that this will lead to an annual increase of \$1.3 million in compliance costs.
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Treasury	Reducing the small business company tax rate (Spring)
<ul style="list-style-type: none"> <li>• On 28 May 2015 the Small Business Minister introduced the Tax Laws Amendment (Small Business No.1) Bill 2015. The Bill received Royal Assent on 22 June 2015.</li> <li>• This measure reduces the corporate tax rate from 30 per cent to 28.5 per cent for small businesses with annual turnover under \$2 million. Providing incorporated small businesses with a reduced rate of company tax will enable them to retain more earnings and improve their cash flow—a critical issue for small businesses' survival and success. It is estimated that up to 780,000 small business companies could benefit from this measure. The changes will have a one-off transitional cost of \$30 million and an ongoing compliance cost of \$0.2 million.</li> <li>• The OBPR has agreed that this will lead to an annual increase of \$3.2 million in compliance costs.</li> </ul>	
Treasury	Reforming governance of registrable superannuation entities (Spring)
<ul style="list-style-type: none"> <li>• On 16 September 2015 the Treasurer introduced the Superannuation Legislation Amendment (Trustee Governance Bill) 2015. The Bill is currently before the Senate.</li> <li>• The Bill will require trustees of registrable superannuation entities to restructure their boards. Boards will now be required to have a minimum of one-third independent directors and an independent chair. This movement towards greater independence is consistent with the conclusions of the Financial System Inquiry and the Cooper Review into superannuation. The main costs of the measure relate to remuneration, search and engagement costs and ancillary legal costs (such as changes to constitutions and trust deeds).</li> <li>• The OBPR has agreed that this will lead to an annual increase of \$13.2 million in compliance costs.</li> </ul>	

Treasury	Introducing a tax discount for unincorporated small businesses (Spring)
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- On 24 June 2015 the Minister for Small Business introduced the Tax Laws Amendment (Small Business Measure No.3) Bill 2015. The Bill received Royal Assent on 26 August 2015.
- This five per cent tax discount, capped at \$1,000, will apply to owners of unincorporated businesses with an annual turnover of less than \$2 million, from 1 July 2015. This measure broadly mirrors the 1.5 percentage point company tax cut for small business. Transitional compliance costs are likely to be incurred by small business and individuals from trusts and partnerships, due to the increased learning and record-keeping requirements that this tax cut, applied through a progressive personal income tax system, will require.
- The OBPR has agreed that this will lead to an annual increase of \$15.6 million in compliance costs.

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### International standards and risk assessments

As part of the Industry Innovation and Competitiveness Agenda, announced in October 2014, the Government adopted the principle that if a system, service or product has been approved under a trusted international standard or risk assessment, then our regulators should not impose any additional requirements for approval in Australia, unless it can be demonstrated that there is a good reason for doing so.

In developing criteria for assessing opportunities for the acceptance or adoption of trusted standards and assessments, the Department and some of its portfolio agencies have published the following materials on-line:

Australian Competition and Consumer Commission

<http://www.productsafety.gov.au/content/index.phtml/tag/Internationalcriteria>

### International standards recently adopted

On 7 December 2015 the Minister for Small Business and Assistant Treasurer, the Hon Kelly O'Dwyer MP removed an outdated mandatory standard that limited the range of motorcycle helmets available for sale by Australian retailers.

States and territories are responsible for road safety laws and in Victoria, Queensland and the Northern Territory the European Standard for helmets is recognised. However, the national mandatory standard previously restricted motorcycle retailers to selling only helmets that met the Australian Standard.

Australian retailers can now sell consumers a wider range of helmets, consistent with the road rules.

Media release: <http://kmo.ministers.treasury.gov.au/media-release/034-2015/>

**Further information**

If you would like further information about the information provided here, please email Mr Paul McCullough, Regulatory Reform Division from the Department of the Treasury at [paul.mccullough@treasury.gov.au](mailto:paul.mccullough@treasury.gov.au).