



Creating a more dynamic and resilient economy

What we heard

Inquiry paper



Acknowledgement of Country



The Productivity Commission acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to their Cultures, Country and Elders past and present.

About us

The Productivity Commission (PC) is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long-term interest of the Australian community.

The PC's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

For more information, visit the PC's website: www.pc.gov.au

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Introduction

In December 2024, the Australian Government tasked the Productivity Commission with undertaking five inquiries aimed at identifying priority reforms and developing practical, implementable recommendations to boost Australia's productivity growth.

As part of the terms of reference, the PC was asked to engage widely and consult appropriately, including by inviting public submissions.

For this inquiry into *Creating a more dynamic and resilient economy*, we sought feedback and views on the best way for the corporate tax system to support dynamism and investment, as well as the impact regulation was having on Australians.

We focused on two priority reform areas:

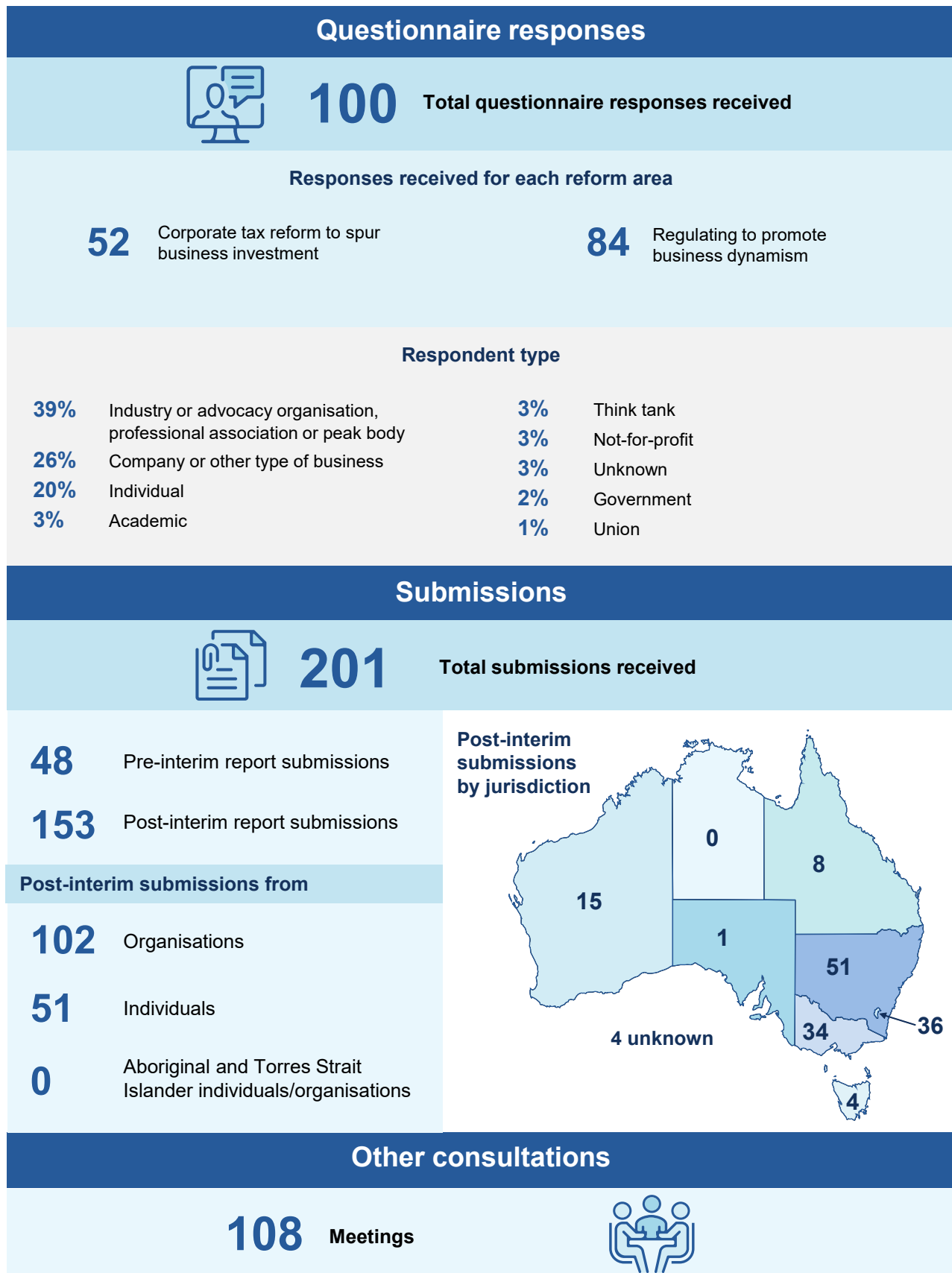
- corporate tax reform to spur business investment
- regulating to promote business dynamism.

This what we heard paper summarises the perspectives of participants who engaged with the inquiry through an online questionnaire and written submissions – a summary of key statistics from the consultation process is provided in figure 1. It seeks to reflect the written feedback received, organised by key themes across the reform areas explored in the inquiry.

All questionnaire responses and submissions were read and considered by staff. AI tools were used in some cases to help identify themes and group perspectives from these responses. Staff reviewed all AI-generated outputs.

We thank all participants and acknowledge the valuable contributions from individuals, businesses and industry organisations, not-for-profit organisations, government departments and regulators, academics, think tanks and unions.

Figure 1 – Participation in consultation process



Other consultations

108

Meetings



Corporate tax reform to spur business investment

Corporate tax reform can boost business investment and dynamism, leading to higher levels of productivity and better social outcomes. In our consultations for this inquiry, we sought to identify what elements of the corporate tax system encourage investment as well as views on our proposed reforms. We identified three key themes from the questionnaire responses and submissions:

Changes to the company tax rate

A reduction in the company tax rate can boost investment and dynamism in the economy.



Implementation of the net cashflow tax

The net cashflow tax should be designed to promote investment.



Alternative proposals

Other tax reforms outside of the corporate tax system can be considered.



Changes to the company tax rate

Many submissions agreed, at least in principle, with our proposal for a reduction in the company income tax (CIT) rate. Some supported only cutting the tax rate for small businesses without introducing any other tax changes.

[Council of Small Business Organisations Australia] (COSBOA) strongly supports the proposed company tax rate reductions with COSBOA modelling showing that reducing the tax rate from 25 per cent to 20 per cent for small businesses would inject up to \$11.4 billion into GDP over five years. (COSBOA, sub. 110, p. 1)

A higher tax rate directly reduces businesses' after-tax returns, diminishing their incentive to invest in new projects, technologies, and expansion – all critical for productivity growth. (Intuit Australia, qr. 92, p. 1)

In addition, many participants suggested that reducing Australia's relatively high corporate tax rates would boost international competitiveness and encourage foreign investment.

Australia's corporate income tax rate is among the highest in the OECD and poses a challenge for attracting foreign investment. (The Tax Institute, sub. 48, p. 10)

Corporate tax reform, including a lower corporate tax rate, is an essential component of any productivity agenda focused on growing business investment, raising productivity, boosting real wages and improving Australia's attractiveness to foreign investment. (Business Council of Australia (BCA), sub. 14, p. 1)

However, some participants were concerned that a lower tax rate would not affect investment or that the larger tax rate differential between the threshold may discourage growth.

We do not believe that lowering the company tax rate should be a priority, provided there is no change to Australia's imputation credit regime. While we, and no doubt other large companies, would welcome a lower company tax rate, we believe there are other priorities which should lead the productivity reform agenda. Targeted interventions to encourage greater investment could be considered, potentially funded by reducing concessions which apply to non-productive parts of the economy. (Commonwealth Bank of Australia, sub. 33, p. 9)

Sensitivity of investment to changes in the company tax rate

Several submissions put forward that a reduction in the CIT rate would have an insignificant effect on companies' investment.

It is unlikely that the reduction of company tax to 20 per cent with the introduction of a [cash flow tax] at 5 per cent would encourage medium size businesses (turnover from \$50 million to \$1 billion) to invest more, as many of these companies have domestic shareholders for whom the reduction in company rate is no benefit, as the shareholders pay tax on their personal marginal rates, which will not be affected. (Paul McCullough, sub. 77, p. 1)

Corporate behaviour is unlikely to be more than marginally sensitive to recommended changes of Australian taxes including corporate tax. ... Overall, lowering the total "cost of doing business" in Australia is the key to make business investment more attractive. (Robert Oser, sub. 70, p. 1)

Across-the-board reductions in company tax for 'smaller' companies are also inefficient, and likely to promote personal income tax avoidance and inequality. (Australian Council of Social Service, sub. 22, p. 4)

Another submission shared that there is limited evidence of boosts in investment from recent corporate tax cuts in Australia and further research should be undertaken (Anonymous, sub. 86, p. 1).

Potential disincentive to grow above the proposed \$1bn threshold

A few submissions raised concerns about the higher threshold and the larger tax differential between the headline and small business rates, which they considered could result in 'bunching' below the threshold and disincentives to grow.

[The PC's proposal] creates a disincentive to business growth and international expansion by erecting a steep tax increase at the \$1 billion turnover threshold. (Australian Industry Group (Ai Group), sub. 88, p. 3)

Bunching is also more likely at a \$1 billion threshold because more underlying shareholders are foreign, and non-residents do not benefit from franking. (Corporate Tax Association (CTA), sub. 196, p. 11)

One submission proposed a solution for prevent 'bunching', suggesting that company tax rates could gradually increase as companies' annual revenue increases.

For example, the lowest proposed corporate tax rate of 20% could be increased by 1% as turnover increases in \$50 million increments starting at \$750 million turnover. (The Tax Institute, sub. 197, p. 7)

Implementation of the net cashflow tax

Many submissions did not support our recommendation for a net cashflow tax (NCT). They did not consider an NCT would be beneficial for the Australian economy, and did not agree that corporate tax reform should be constrained by revenue neutrality within the corporate tax system. Participants suggested that the introduction of the NCT may reduce Australia's international tax competitiveness and increase tax compliance burdens.

The assumed benefit to economic growth relies on a positive effect on total business investment that is both highly uncertain and unlikely. (BCA, sub. 200, p. 4)

the PC's proposed reform package suffers from several design flaws which would lead to adverse consequences on business and investment. (Ai Group, sub. 88, p. 6)

They also considered that the removal of the interest deduction under the NCT would be unfair for businesses or industries that largely rely on debt to fund their capital expenditure.

for existing small (base rate) taxpayers, the PC proposal is a tax increase where they have any existing debt (KPMG, sub. 96, p. 7)

[Australian Finance Industry Association] submits that interest is a legitimate business expense, the deductibility of which has been a part of tax systems in many countries for decades. Not allowing a deduction for interest would be out of step with international norms, would further deter investment in Australia, and raise after tax financing costs for businesses that rely on loans as a material funding source (Australian Finance Industry Association, sub. 181, p. 3)

Some submitters suggested alternative methods to fund the revenue loss from a company tax cut.

In broad terms, the Budget cost (approximately \$8 billion in a full year) of reducing the company tax headline rate to 25 per cent could be recouped by:

- Reducing the concessionality of the *Diesel Fuel Rebate Scheme* for miners by about 50 per cent (raising around \$4-\$5 billion annually).
- Increasing the bank levy by 10 per cent (raising around \$500 million annually).
- Cutting *Tax Expenditures* for corporations to raise the balance (approximately \$2.5-\$3.5 billion annually). (Paul McCullough, sub. 77, p. 2)

Complexity and implementation considerations of the NCT

Many submissions suggested that the NCT would create additional complexity in the tax system, potentially increasing tax and regulatory burden for small and large companies. There was also some uncertainty among participants over how the NCT would interact with other parts of the tax system.

Examples of concerns are shown below.

Complexity of the NCT	Interactions of NCT with other elements of the tax system
<p>“ [The NCT] ties small business in even more ... complexity in running their business at the very time they need to be encouraged to focus on growth. (COSBOA, sub. 110, p. 1) ”</p>	<p>“ The NCT has not been considered in a full imputation environment: If the NCT is franked, then domestic shareholders are no better off. (CTA, sub. 196, p. 2) ”</p>
<p>“ We believe the proposed reform would create significant additional complexity in Australia’s tax system. (Australian Small Business and Family Enterprise Ombudsmen, sub. 186, p. 2) ”</p>	<p>“ NCFT may adversely interact with small business CGT concessions and restructure roll-overs, particularly if sales proceeds are taxed under NCFT. (CPA Australia, sub. 109, p. 3) ”</p>
<p>“ For small businesses that already operate with limited resources, [the NCT] would increase compliance costs. (Mortgage and Finance Association of Australia, sub. 160, p. 2) ”</p>	<p>“ A clear test of successful corporate tax reform will be whether it strengthens PEVC’s ability to foster innovation, scale, and productivity. (Australian Investment Council, sub. 95, p. 2) ”</p>

Others expressed concerns of other possible consequences of the NCT. Some considered the NCT would not be tax-neutral once added to the existing CIT system without blending the NCT and personal income tax. Another submission was concerned about revenue collection.

If [cashflow tax] (CFT) losses can be offset against CIT this would significantly reduce CIT revenue in any given year and make company tax collections highly unpredictable. Optional offsetting would encourage tax planning while increasing compliance costs. (Paul McCullough, sub. 77, p. 1)

Some inquiry participants considered that the long-term vision for the NCT was uncertain.

The PC should also outline its view of an optimal end-state for corporate tax reform, which could help bolster support for the transition phase. (Australian Investment Council, sub. 95, p. 1)

Possibility of NCT discouraging investment

Some participants questioned whether the NCT would encourage business investment. While some felt that the NCT would limit or reduce investment more broadly ...

The introduction of an NCT would add complexity to an already burdensome tax system, create distortions between industries, and undermine Australia’s attractiveness as an investment destination. (Australian Retailers Association and National Retail Association, sub. 161, p. 2)

This proposed new tax would essentially increase the costs and reduce the competitiveness of the very businesses Australia relies upon, to invest in the future. (Wesfarmers, sub. 191, p. 3)

... others were concerned it would reduce investment incentives for specific industries.

Upstream oil and gas entities are already subject to one form of rent tax in the Petroleum Resource Rent Tax ... Minerals companies pay royalties already. Subjecting both types of entities to a [net cashflow tax] (NCFT) on top of the existing measures would take taxation to extremely high levels and further slowdown the very large project investments made into Australia by these entities. (INPEX, sub. 121, p. 4)

Participants were also concerned about potential unintended consequences of the NCT.

... the introduction of a universal cashflow tax may have unintended consequences which are particularly impactful in infrastructure. As such, it could be a blunt instrument attempting to solve a complex problem. (Infrastructure Partnerships Australia, sub. 132, p. 1)

Despite reducing the statutory rate of CIT, the effect of the PC's proposal on our tax competitiveness is mixed and overall uncertain. (Ai Group, sub. 88, p. 7)

Submissions also suggested that introducing a higher tax on larger companies would be detrimental to Australia's productivity and aggregate investment as they consider that larger companies drive Australia's productivity and investment levels.

Imposing this additional tax on top of the comparatively high corporate tax rate for large businesses exacerbates already uncompetitive domestic tax settings, deterring R&D spending by the businesses who contribute the most in an environment where such investment is already declining. (Tech Council of Australia, sub. 162, p. 6)

And considered that a higher tax rate would also impede foreign investment.

... with the current settings of the PC proposal, either way the revenue threshold is set has a detrimental impact – it either hurts Australian businesses competing against large foreign investors, or if changed to exclude those large foreign multinationals, it will deter foreign investment. (KPMG, sub. 96, p. 4).

However, some submissions supported the implementation of the NCT, suggesting that it may help boost investment.

By allowing immediate expensing, the tax reform fundamentally lowers the after-tax cost of this capital, creating a powerful incentive for businesses to invest in the foundational technologies of a sovereign AI ecosystem. (WA AI Hub, sub. 168, p. 15)

Other inquiry participants, suggested that it would have a minor effect on pre-tax investment decisions.

In relation to the NCT itself:

- the NCT on its own would likely have minimal impact on pre-tax investment decisions;
- many small companies would be unlikely to be profitable enough to pay any NCT, though still being subject to NCT administration/compliance requirements. (Wayne Mayo, sub. 83, p. 1)

Design considerations of the NCT

Many inquiry participants suggested that tax paid under the NCT should be included in the dividend imputation system, and expressed concerns that if it was not it could have adverse consequences for businesses and investors.

A net cash flow tax would not be frankable, which would also adversely impact small businesses. (Chamber of Minerals and Energy WA, sub. 104, p. 3)

The potential absence of franking credits under the NCT means the cost of capital may increase for some investors. (BCA, sub. 200, p. 10)

If the NCT is franked, then domestic shareholders are no better off compared to the current tax settings. If unfranked, it generally results in a worse outcome for domestic shareholders, particularly those in companies with a turnover of less than \$50 million. (CTA, sub. 196, p. 2)

Few stakeholders opposed the franking of the NCT, and expressed concerns about its potential consequences.

For the CFT to tax higher profits effectively, it must operate without imputation or with a modified imputation system. This additional complexity and lack of transparency in the imputation system will confuse and deter investors, and may decrease the after-tax return directly, for domestic shareholders who bear the CFT without the benefit of franking credits, or indirectly, by franking credit wastage in company groups. (Paul McCullough, sub. 77, p. 1)

Several submissions did not support excluding the deduction of interest expenses when calculating the NCT, voicing concern of its potential to increase the cost of investments.

The denial of interest expenses under the CFT (to prevent double dipping for full expensing) will increase the cost of financing as a source of investment, particularly for small businesses, who tend to fund capital investment by private financing. (Paul McCullough, sub. 77, p. 1)

In our interim report, we proposed to set an uplift rate for losses under the NCT, to compensate companies for the delayed refund of tax losses. Several submissions supported this view, acknowledging the difficulty of choosing an appropriate rate.

Any uplift rate would need to be set such that investors are indifferent as to whether they receive the value of the tax deductions now or later. (BCA, sub. 200, p. 9)

Stakeholders had mixed views on how the financial sector should be taxed. Several did not support a cashflow tax for financial services.

While the intent is to encourage investment, the design is not fit for purpose in financial services. (Financial Services Council, sub. 123, p. 6)

Introducing another tax or levy on banks may increase borrowing costs for households and businesses by adding even more complexity and compliance costs. (BCA, sub. 200, p. 4)

Other submissions also noted the difficulty of implementing the NCT for the financial sector and provided alternate suggestions.

an 'addition method' of taxation would be effective in fully taxing the consumption of financial services as an alternative to the GST's partial taxation of inputs. In broad terms, the addition method calculates liability by taking the sum of an entity's labour and profit for a tax period and multiplying this by the prevailing tax rate. (Kevin O'Rourke, sub. 80, p. 2)

Participants also shared some limited views on the phasing of the proposed reforms, with some supporting phasing, while others concerned that phasing may increase uncertainty and discourage business investment.

if government were to proceed, the grandfathering approach would be the most balanced way to manage the transition. (Mortgage and Finance Association of Australia, sub. 160, p. 3).

The Tax Institute considers that a phased approach to implementation of the proposed changes to the corporate tax rate and the introduction of the new net cashflow tax would cause further complexity. It would also delay the realisation of the anticipated benefits outlined in the Interim Report. (The Tax Institute, sub. 197, p. 10)

Alternative proposals

Many submissions proposed other tax reforms to boost investment that could achieve similar outcomes to our proposal for an NCT. This includes instant asset write off and accelerated depreciation.

Our view is that the desired outcomes are much better achieved through existing mechanisms including:

- a permanent instant asset write off of at least \$150,000 for those businesses with a turnover of less than \$50 million. (COSBOA, sub. 110, p. 2)

Full expensing (also known as immediate tax deductibility) for all capital expenditure across all businesses will immediately increase and attract new investment, and quickly generate productivity gains to grow the economy. (Wesfarmers, sub. 191, p. 7)

Some proposals suggested a replacement of the corporate income tax with the NCT, and several others proposed reductions to the corporate income tax and wanted a broader review of the tax system or options outside the corporate tax system for funding the tax cuts.

there is no need to create a 'hybrid' system where company income tax is retained and reduced from 30% to 20% and the new cash flow tax rate is only 5%. A far better, simpler, and more effective model would be [a] proposal to **replace company income tax entirely with a revenue-neutral corporate cash flow tax**. (Lachlan Kerwood-McCall, sub. 122, p. 1)

By only investigating a reduction in statutory CIT which is funded through personal income tax creep, the PC has failed to explore the full range of options to implement this approach. A broader set of options should be considered to properly inform policy making. (Ai Group, sub. 88, p. 12)

Some alternative reforms to the corporate tax system were put forward, including partial accelerated depreciation with interest deductibility and an allowance for corporate equity.

In theory, a cash-flow tax (CFT) and an allowance for corporate equity (ACE) are equivalent economic rent taxes. In practice however, the transitional costs associated with the implementation of a CFT, aimed to eventually replace the corporate income tax (CIT), are much greater compared to an ACE. (Kristen Sobeck, sub. 99, p. 1).

While some submissions provided alternative methods of funding a company tax cut, most submissions did not provide these details or include estimates of the cost of their proposal.

Regulating to promote business dynamism

Regulation can make us safer, healthier and protect the environment, but poor regulation can act as a handbrake on growth, innovation and investment. In our consultations for this inquiry, we sought to understand experiences of regulation across the economy and hear views on how the regulatory policy of government could be improved. We identified three key themes across responses:

Experiences of regulation

Most participants are experiencing an increased regulatory burden.



What makes regulation effective?

Good regulation can support dynamism, but poor regulation gets in the way.



Ways to improve regulatory policy

Better leadership, scrutiny and stewardship of regulation could improve outcomes.



Experiences of regulation

The regulatory burden across the economy

Almost every participant in our questionnaire, and many submissions, considered their regulatory burden had increased significantly in the past few years.

Some highlighted general trends of increased regulation, with many citing member surveys.

Anecdotally, businesses universally report that regulatory burden is increasing due to the steady increase in number of regulatory regimes, and the increase in complexity of those regimes over time. Frequently are regulations established or made more complex; rarely are they abolished or simplified. (Australian Industry Group, qr. 36, p. 3)

Over half of surveyed businesses reported that compliance had become harder over the past year, with 34 per cent saying it had become "somewhat harder" and 18 per cent "significantly harder". Only 2.3 per cent saw any improvement. (NSW Small Business Commission, qr. 76, p. 3)

Regulatory compliance continues to be one of the most significant challenges for small businesses, consuming valuable time and resources that could be better spent on expansion and productivity. (Institute of Public Accountants, sub. 11, p. 8)

Participants considered that regulation is most onerous when it is duplicated, overlapping or not harmonised between jurisdictions or regulatory systems. Payroll tax was cited by several participants as an example.

Inconsistent payroll tax rules across jurisdictions create unnecessary complexity and compliance costs, particularly for small businesses. For firms that operate nationally, the lack of harmonisation acts as a barrier to growth. (Mortgage and Finance Association of Australia, sub. 160, p. 4)

Others identified how their industry-specific burden has increased. For example:

<p>Energy</p> <p>“ The regulatory burden on clean energy developers and investors in Australia has increased over time. (Clean Energy Investor Group, qr. 15, p. 3) ”</p>	<p>Financial services</p> <p>“ In 2024 alone, ASIC issued or updated over 150 regulatory guides, information sheets, reports, consultation papers. (Australian Financial Markets Association, sub. 24, p. 4) ”</p>	<p>Construction</p> <p>“ producing the built environment has become increasingly complex, fragmented, and costly. (Urban Taskforce Australia, qr. 100, p. 4) ”</p>
<p>Telecommunications</p> <p>“ in 2024 alone, around 20 new sector specific regulatory requirements were introduced or in development. (Australian Mobile Telecommunications Association, qr. 101, p. 2) ”</p>	<p>Education</p> <p>“ What has changed most is not just the number of regulations, but the administrative and interpretive load placed on providers. (The Front Project, qr. 67, p. 2) ”</p>	<p>Food and drink</p> <p>“ The regulatory burden on Australia’s food and grocery manufacturing sector has increased significantly in recent years. (Australian Food and Grocery Council, qr. 31, p. 1) ”</p>
<p>Consumer products</p> <p>“ For our sector, the regulatory burden has grown significantly over the past decade and seemingly growing faster. (Accord Australiasia, qr. 50, p. 2) ”</p>	<p>Resources</p> <p>“ The resources sector [is] moving investment overseas as Australian governments make it more difficult and riskier to invest in Australia. (ANDEV, qr. 70, p.5) ”</p>	<p>Transport and logistics</p> <p>“ outdated regulations are the primary driver of the growing regulatory burden in this sector. (Australian Parcels Industry Forum, qr. 72, p. 1) ”</p>

Some participants identified systemic reasons why regulatory burden tends to increase, including siloing of the public service, implementation issues, regulation not keeping up with technology, and a lack of consideration of the cumulative regulatory burden.

the siloed nature of the Australian Public Services and Australia’s regulatory agencies often means that duplication, delay, and contradiction occur at the operational level. (MYOB, qr. 69, p. 2)

each of the many different institutions involved in regulating the sector is approaching that task in a siloed manner on its own terms (e.g., competition, licensing, development approvals, etc) without any obligation to coordinate to achieve broader national policy objectives. (Telstra, sub. 35, p. 8)

But a small number identified positive trends.

positive changes have included greater recognition of telehealth, pathways for new therapies, and improved regulator engagement. (Montu Group Pty Ltd., qr. 91, p. 1)

Areas for government focus

Participants identified many areas of onerous regulation that aligns with the Productivity Commission’s taxonomy of poor regulation, and that they considered were due for review. Responses are summarised below, and appendix B to this report has a more detailed list of specific regulatory issues identified by participants.

Around 40 participants highlighted planning, approvals and compliance for construction, including environmental approvals, as being particularly onerous.

environmental and planning processes are often fragmented, complex, and duplicative across state and Commonwealth jurisdictions. Agencies frequently operate in silos without enforceable timelines, leading to delays, inconsistent requirements, and increased costs and development timeframes for clean energy projects. (Clean Energy Investor Group, qr. 15, p. 4)

The cumulative effect of overlapping energy compliance requirements ... adds complexity, especially when compounded by local council requirements and planning approvals. This slows down the approval process and limits the sector's ability to innovate and respond dynamically to market demands. (House of Stars Pty Ltd, qr. 85, p. 3)

Participants supported the PC's proposal for an in-depth review of construction regulation.

Achieving the National Housing Accord target of building 1.2 million homes by 2029 will require urgent and coordinated regulatory reform across all states and territories. (Australian Chamber of Commerce and Industry (ACCI), sub. 112, p. 6)

The construction sector should be prioritised for regulatory review and reform. The [Regional Australia Institute's] recent *Answering the Call for Regional Housing* made findings similar to other reviews that cost blowouts, delays and labour shortages in the construction sector have increased costs and hampered new housing supply in regions. (Regional Australia Institute, sub. 174, p. 3)

A second area identified by many participants as being unnecessarily onerous is corporate and not-for-profit compliance and reporting to government, with many also supporting review.

corporate reporting thresholds ... are often not revisited or indexed after commencement. This has led to scope creep, increasing the number of organisations over time that are captured under different regulatory reporting or notification regimes. (Australian Institute of Company Directors (AICD), sub. 16, p. 11)

Overlapping reporting frameworks can create duplicative obligations for organisations. For example, in workplace reporting, companies may be required to provide similar data under different frameworks, such as the *Workplace Gender Equality Act 2012* obligations, *Sex Discrimination Act 1984*, the Right to Disconnect, and WHS regulations pertaining to psychosocial risk management. (Australian Psychological Society, sub. 175, p 4)

Charities and [Not For Profits] are often subject to the same reporting requirements as businesses requiring the allocation of significant resources to ensure compliance ... This administrative burden is further complicated when charities are contracted by different government departments across the different levels of government, often requiring multiple compliance reports. (Community Council for Australia, qr. 64, p. 1)

Healthcare and medicines (including regulatory approval) and product safety standards were other onerous areas highlighted, with some participants noting a lack of harmonisation both between states and with other countries.

each jurisdiction has its own Schedule 8 drug list which means companies have to code for safety in several different ways which is illogical, inconsistent and inefficient. (Medical Software Industry Association, qr. 78, p. 2)

Other industries highlighted by multiple participants for having a high regulatory burden or warranting review are shown below.

<p>Financial services</p> <p>“ The prescribed contents of advice documents and associated record-keeping ... consumes an enormous proportion of time. (David Smith, qr. 6, p. 1) ”</p>	<p>Education</p> <p>“ As at 24 February 2025, we had assessed 91 Commonwealth and 66 NSW regulatory instruments as imposing a ‘high impact’ on our operations. (University of Sydney, qr. 26, p. 3) ”</p>	<p>Transport and logistics</p> <p>“ Australia’s freight sector is limited by fragmented regulation, inconsistent planning frameworks, and weak national coordination. (Australian Logistics Council, qr. 43 attachment, p.1) ”</p>
<p>Telecommunications</p> <p>“ there are many opportunities for simplification, or removal of outdated regulation that applies to licensed commercial broadcasters. (Free TV Australia, sub. 199, p. 11) ”</p>	<p>Investment and corporations law</p> <p>“ A new review ... could assess barriers faced by fintech entrants, regulator responsiveness, and whether current frameworks adequately support innovation. (Block Inc., sub. 125, p. 2) ”</p>	<p>Electronic payment systems</p> <p>“ The adoption of principles-based regulation in the payments system aimed at efficiency would significantly reduce complexity and cost. (Independent Payments Forum, sub. 27, p. 3) ”</p>

What makes regulation effective?

Regulation can support growth and dynamism

Many participants, including several in our questionnaire, suggested that regulation can support growth, and business dynamism and resilience, when it promotes investment certainty, competition and safety.

Regulatory frameworks which provide clarity and predictability around the regulatory landscape serve to provide certainty around compliance costs and better promote business dynamism and resilience. (Australian Mobile Telecommunications Association, qr. 101, p. 1)

Simplified and proportionate regulation would enhance business dynamism, including enhanced competition policy focussed on addressing creeping acquisitions and ensuring small businesses can thrive and new businesses can enter the market. This also includes regulatory harmonisation between states. (Council of Small Business Organisations Australia, sub. 26, p. 3)

And several participants agreed with the interim report’s framing of risk management and growth as objectives of a proportionately designed regulatory system, alongside other regulatory objectives.

Australia should frame risk and growth as complementary goals delivered through risk-proportionate, science-based regulation that is predictable, timely and avoids unnecessary burden. (CropLife Australia, sub. 118, p. 13)

However, some questioned the premise that any regulation can or should support business dynamism, considering instead that regulation serves other purposes including safety and quality.

Regulation should be designed to ensure quality of product and/or service not to enhance business dynamism and resilience. (Stuart Adrian Corp, qr. 8, p. 1)

And some participants noted a balanced approach is needed.

This impact [of regulation] must be balanced against the societal benefits the regulation produces. If regulation is needed to produce that benefit, then the aim must always be to ensure that the regulation is optimal. (Law Council of Australia, sub. 164, p. 10)

Participants generally supported best practice principles that regulation should be outcomes-focussed, risk-based, proportionate, based on extensive consultation with regulated parties, and regularly reviewed.

for regulations to enhance dynamism, they must be designed and implemented in ways that are proportionate to the risk, streamlined, cost effective, and harmonised across jurisdictions. (AUSVEG, qr. 95, p. 1)

And some participants highlighted that the burden of regulation is disproportionately felt by small business, who need additional support to navigate it.

Our experience has shown that small businesses are in relative terms more directly impacted by government regulatory requirements than larger business. A renewed commitment to regulatory impact assessment and 'right-sizing' impositions on small business respondents is needed. (Australian Small Business and Family Enterprise Ombudsman, sub. 47, p. 2)

Effective and poor regulator performance

We received many and varying examples of regulators that have done a good job at reducing burden.

Regulators that engage with industry, adopt digital tools, and harmonise processes across jurisdictions can dramatically reduce regulatory burden, foster innovation, and enable faster adaptation to economic and technological change. (Energy Skills Queensland, qr. 87, p. 7)

Innovative approaches such as the Australian Securities and Investment Commission's (ASIC) regulatory sandboxes and Treasury's Regulatory Initiatives Grid (RIG) were highlighted by several participants as helping business dynamism by allowing experimentation and facilitating change. The RIG was cited as a good example of coordination and stewardship between regulators, which participants also considered valuable.

The Insurance Council has welcomed Treasury's RIG which seeks to provide the industry clearer oversight of upcoming regulatory reform that impacts the financial services sector and establish coordination of reforms by the regulators. (Insurance Council of Australia, qr. 29, p. 2)

And many participants noted efforts by state governments to accelerate planning approvals, with the recent WA Vogel-McFeeran review highlighted several times (Australian Energy Producers, qr. 93, p. 3; Property Council of Australia, qr. 99, p. 10; Rio Tinto, qr. 83, p. 2).

Participants identified several regulators that have been able to apply a risk-based approach to regulation, regulators that consult effectively, regulators that have implemented digital solutions well, and other examples of good regulator performance.

Industry does have good engagement with many agencies such as Food Standards Australia New Zealand (FSANZ), [Australian Pesticide and Veterinary Medicines Authority] (APVMA) and the [Australian Competition and Consumer Commission]. Regular engagement fosters trust and a more collaborative approach to issues. (AUSVEG, qr. 95, p. 4)

another area of visible improvement is the streamlining of [Foreign Investment Review Board] approvals. The Council welcomes [Foreign Investment Review Board's] genuine efforts to digitise and modernise its foreign investment review process. These enhancements have the potential to

reduce administrative burden and enhance the attractiveness of Australia as an investment destination. (Australian Investment Council, qr. 77, p. 9)

We also received many examples of regulators that participants considered did a poor job reducing regulatory burden. Issues raised included unsatisfactory consultation, incomplete or inadequate impact assessment of new regulation, regulation that is overly prescriptive and not risk based, regulation that is not coordinated or aligned across governments, and onerous reporting requirements.

The recently introduced mandatory safety standard for toppling furniture is an unfortunate example of regulatory design and administration. The [Australian Competition and Consumer Commission] did not sufficiently engage with regulated businesses, or sufficiently research the market before having the minister declare its specifications. (Anonymous, qr. 60, p. 2)

There is also a lack of coordination within the current federal-state regulatory system, resulting in inconsistencies regarding the intent and enforcement of the national Food Standards Code. (Australian Food and Grocery Council, qr. 31, p. 2)

Enhancing regulator performance

We also received many suggestions to enhance regulator performance. Some participants proposed mandatory processes for regulatory design such as co-design and minimum consultation periods, strengthened impact analysis, and greater use of post-implementation reviews.

[Internet Association of Australia] recommends reforms to the consultation processes to mandate regulators and government bodies to publish statements of completed risk impact analysis and the consultation outcome, including a summary of stakeholder feedback and how such feedback was considered and informed final regulatory decisions. (Internet Association of Australia, sub. 159, p. 3)

We consider the following features particularly important:

- standard minimum stakeholder consultation periods across all Commonwealth policy initiatives to ensure that rushed legislation does not create unnecessary compliance costs or unintended consequences;
- Regulatory Impact Statements that incorporate productivity and growth impact; and
- mandatory post implementation reviews of new regulation including appropriate monitoring of implementation costs. (AICD, sub. 180, p. 7)

And some participants advocated for better accountability for regulators through Key Performance Indicators (KPIs) and similar mechanisms.

The PC should also consider ensuring regulators are appropriately held to account for performance, ensuring innovation is properly factored into decision making. Although many regulators are periodically accountable to Parliament, in reality this rarely results in substantive changes. (Amazon AU, sub. 31, p. 8)

The performance of regulatory agencies should be assessed on a balanced scorecard, using a broader range of metrics including protecting consumers from harm, facilitating industry growth, minimising legal uncertainty, and reducing unnecessary regulatory cost. (Financial Services Council, sub. 2, p. 3)

Ways to improve regulatory policy

A whole of government statement on regulation

Most participants supported our draft recommendation for a whole of government statement on regulation.

Some participants outlined principles they would like to see in the statement, in addition to those we articulated. These included principles for regulatory decision making balancing a variety of factors, the role of technology in building dynamism, statements about who bears risk and how much, and focus on the particular needs of small business.

Others supported the principle, but suggested the statement should be embedded in legislation or other mechanisms to ensure long-term support when government changes.

On draft recommendation 2.1 ... a multi-party statement of the guiding rationales for and limits of regulation, and a joint commitment to meaningful compliance with policy-of-regulation measures, is preferable. (Law Council of Australia, sub. 164, p. 10)

Better scrutiny of regulation

Many participants suggested that there should be greater scrutiny of regulation across government.

Participants supported strengthening scrutiny of new regulatory proposals by the Office of Impact Analysis (OIA). They also suggested ways to enhance the robustness of Impact Analysis. Matters raised included consideration of the cumulative regulatory burden, consideration of the small business impact of regulation, technology neutrality of regulation, consideration of alternative options, and mandatory consultation requirements. Some participants suggested additional mechanisms for scrutiny, such as independent committees.

For proposed new regulations, ensure the associated Regulation Impact Statement compares fiscal incentives versus regulation. (Sue Holmes, sub. 171, p. 3)

The OIA should be adequately resourced to undertake genuine evidence-based cost-benefit analysis, and political imperatives should not impact its work. We support the recommendation to appoint an independent statutory commissioner. (Institute of Public Accountants, sub. 157, p. 6)

Participants generally supported our draft recommendation for better scrutiny of regulation. Participants also supported a program of regular, targeted review of regulation. Many considered the PC should fill this role, but some suggested other parties such as OIA or independent task forces.

All recommendations should be subject to a robust and effective review mechanism. This should include formal processes such as post-implementation reviews. (BCA, sub. 200, p. 16)

Consult Australia also recommends the Office of Impact Analysis undertake: mandatory reviews of new regulation one year after implementation to assess the real regulatory impact against the anticipated impact [and] reviews of every regulation on a three-year cycle. (Consult Australia, sub. 100, p. 7)

Measurement and tracking of regulation

Participants considered there is scope to improve measurement and assessment of regulatory burden.

Some participants sought explicit quantitative targets for reduction of the regulatory burden, and targeted red tape reduction initiatives. Many suggested a target of reducing 25% of the regulatory burden, although how to measure that regulatory burden, and hence the basis for setting the target, was generally not elaborated.

We strongly advocate for the adoption of an overarching quantitative target: a commitment to reduce red tape by 25 per cent by 2030. This headline goal, reported against regularly, should serve as a benchmark for driving regulatory reduction initiatives. (BCA, sub. 200, p. 15)

However, others warned against numerical targets, considering they are arbitrary and may not account for the benefits of regulation.

Assessments of regulatory success must be grounded in whether the regulation is delivering on its intended outcomes, not just whether a change has reduced costs or administrative burden for business. Avoid setting quantified targets for regulatory burden reduction based on the volume of obligations or cost to industry. Instead, work with regulators to identify meaningful measurements of holistic regulatory outcomes. (Consumer Action Law Centre, sub. 117, p. 1)

Some participants suggested using metrics for regulators that would capture their responsiveness. Others suggested ways to capture sentiment of regulated parties that could be tracked. One participant suggested using the RegData tool for economy-wide regulation measurement (Institute of Public Affairs, sub. 141, p. 2). We also received suggestions relating to measuring regulation in individual sectors.

The Commonwealth should adopt a harmonised set of core metrics that enable economy-wide monitoring and oversight of regulatory effectiveness and impact. This should include measures on timeliness, duplication, burden, as well as the success of regulatory frameworks to deliver a net intended benefit. (CropLife Australia, sub. 118, p. 11)

Any measure looking at the quality of regulation should capture the time and cost of complying with regulations. It should also consider the broader consultation environment, to ensure that consultation fatigue does not undermine thoughtful and considered engagement. (Australian Investment Council, sub. 95, p. 4)

Regulatory stewardship and balancing growth and regulatory outcomes

Participants generally supported the concept of regulatory stewardship and giving regulators incentives and accountability to consider trade-offs between regulatory outcomes and growth.

The [NSW Small Business] Commission supports regulatory stewardship, where government agencies are incentivised to actively manage their regulatory stock, assess impacts in a consistent and transparent manner and respond to stakeholder feedback throughout the policy lifecycle. (NSW Small Business Commission, qr. 76 attachment, p. 3)

Regulatory stewardship within the [Australian Public Service] (APS) should therefore encompass regular assessment of the cumulative impact of regulatory requirements on industry viability, with agencies ... conducting comprehensive regulatory impact assessments that weigh compliance costs against public benefits. (Free TV Australia, sub. 199, p. 3)

Most participants supported our draft recommendation on improving regulatory practice and embedding regulatory stewardship. However, a few submissions expressed concern that the focus of regulators should be on regulatory outcomes, and did not support the recommendation to make them accountable for growth.

The expectation that public servants should be 'accountable' for growth, competition and innovation creates a problematic and potentially dangerous set of incentives for regulators ... If the public servants who staff these regulatory bodies are going to be held accountable for business growth, rather than quality care outcomes, this may incentivise them to avoid enforcing the necessary standards. (United Workers' Union, sub. 153, p. 12)

We received several suggestions from participants about how to better embed regulatory stewardship within the public service. Statements of expectation and guidance from central government were generally considered to be the main tools. Participants suggested that central agencies could embed regulatory stewardship through examples of what it looks like, defining best practice, and supporting change management. They also considered accountability and transparency to be important.

While statements of expectation are key levers, the [Australian Institute of Company Directors] also emphasises the importance of: reviewing and strengthening existing frameworks for transparency and accountability ... focusing parliamentary scrutiny on regulatory stewardship performance; taking a co-ordinated approach to regulation across government departments, and requiring regulators to do the same; and through the Australian Public Service Commission, embedding continuous improvement through consideration of, and, where appropriate, adoption of, best-practice regulatory stewardship approaches. (AICD, sub. 180, p. 12)

Consult Australia recommends regulatory stewardship, including risk identification be included in the Australian Public Service (APS) capability framework, particularly the integrated leadership system, as one of the key capabilities and requirements for all APS levels. This could be supported through specific training and development. (Consult Australia, sub. 100, p. 8)

Submissions recognised that technology (including RegTech) and data sharing can be enablers of better regulatory stewardship. And some proposed appropriations and financial incentives as levers, with suggestions that cost recovery does not incentivise regulatory reform.

CPA Australia recommends that all levels of government ... increase its investment in technology and data infrastructure to streamline interactions between business, advisers and government [and] support the development of RegTech solutions to reduce compliance costs and administrative burdens. (CPA Australia, sub. 109, p. 5)

Another contributor to rising compliance costs is the increasing reliance on full-cost recovery models by regulatory agencies. While intended to sustain the ongoing operations, this model provides little incentive for the regulatory agency to pursue efficiency. Instead, costs have steadily increased alongside the complexity of regulations. (ACCI, sub. 17, p. 6)

A few participants expressed concern that guidance or expectations would not be sufficient, and that mandatory targets, KPIs or legislation might be necessary.

The Commission's proposals to clarify the risk tolerance of ministers, and support public servants to become regulatory stewards, would encourage a broader focus and a less prescriptive regulatory approach. Yet they would not require it. And in the absence of such a requirement, it is rational for public servants to focus their limited time and resources on what their agency must deliver. (Australian Energy Producers, sub. 142, p. 7)

Mandatory KPIs should be applied where possible with financial consequences for failing to meet them (in place of the "target" KPIs in place at the moment). (Consumer Healthcare Products Australia, sub. 198, p. 3)

But others were concerned that KPIs could add to the reporting burden without meaningful improvement, and instead expressed support public servants exercising their judgement for the public good.

Holding people to account for KPIs means more reporting. This absorbs everyone's time and achieves very little. If the overall expectations are not being met in a timely manner, this will quickly become apparent. The quality of management is the key in public service performance. (Ian Coombes, sub. 103, p. 6)

Emerging reform ideas

During the consultation process participants raised some reform ideas that were outside of the scope of this inquiry. Some of the ideas are outlined below.

Tax reforms outside of the corporate tax system

Many submissions suggested that investment could be best supported by measures beyond the corporate tax system.

CPA Australia supports recalibrating the overall tax mix to reduce Australia's over-reliance on personal and corporate income taxes, and exploring the broader use of consumption taxes, including GST. Compared to most advanced economies, Australia's tax system draws a disproportionate share of revenue from income taxes, resulting in a relatively narrow and volatile revenue base. (CPA Australia, sub. 109, p. 2).

Other suggestions covered areas including low tax zones, reforms to conveyancing duties, insurance taxes and payroll taxes, simplified fringe benefits tax, a gross receipts tax, broad-based wealth taxes, and sectoral rent taxes.

A large number of submissions also suggested that improving tax treatment of R&D could help boost investment.

Our view is that the desired outcomes are much better achieved through existing mechanisms including: ...

- improved Research & Development provisions. (Council of Small Business Associations of Australia, sub. 110, p. 2)

On corporate tax reform, we support measures that incentivise business investment in R&D and innovation. Australia must lift business investment in R&D – currently at 0.90 percent of GDP, down from 1.37 percent pre– Global Financial Crisis – if Australia is to achieve the 3 percent target outlined in our decadal plan. (Group of Eight, sub. 145, p. 2)

To boost innovation, the government should target 2.5% of GDP for R&D investment by 2026, while fostering collaboration between industry, state governments, and academia. This approach will encourage private sector investment and ensure Australia remains competitive in a rapidly evolving global market. (National Electrical and Communications Association, sub. 12, p. 5)

Additionally, some submissions proposed the PC should consider the corporate tax system more broadly in the context of relationships between federal, state and local government taxes, rates, levies and regulations.

Capitalising on technology and innovation

Several submissions made several suggestions for reforms to ensure better use of technology, increasing productivity levels.

Unless cyber security and [operational technology] security are integrated into reforms across all pillars, reforms may fall short of their productivity potential. (Fortinet, sub. 179, p. 1)

The Australian Government should introduce a Small Business Technology Transfer (STTR) program to incentivise SMEs to engage with Australian research institutions on R&D collaboration. (Group of Eight, sub. 38, p. 2)

Other ideas

There were several other suggestions for new policies or reforms that can help boost dynamism in the economy.

I urge the Productivity Commission to use its considerable influence with Federal Government to strongly recommend the substantial increase required to the lifting of the Jobseeker income so that it reaches at least the poverty line. (Michele Madigan, sub. 58, p. 1)

With the sector now topping 2,470 businesses employing approximately 358,000 people, there has been a growth rate of over 1,600% since the 2014 legislation supporting employee ownership was put in place in the UK. It is a growth path Employee Ownership Australia is also looking to replicate in Australia in coming years. (Alan Greig, sub. 84, p. 1)

Some submissions also suggested that measures to improve intergenerational and socio-economic equity and climate-friendly investment were reform objectives worthy of more focus.

The Productivity Commission's final recommendations on creating a more dynamic and resilient economy are crucial to building license for the Commonwealth Government to build on the principles of Measuring What Matters to create an economic system that serves people, and planet, and support State and Territory governments in this pursuit (Planetary Health Equity Hothouse, sub. 134, p. 5).

Similarly, an anonymous submission expressed concern for unsustainable water use for data centres, and another submission suggested to introduce a four-day work week.

A. Overview of engagement

Details of the consultation process and engagement methods for the inquiry are outlined below.

Consultation phases

Figure A.1 outlines the inquiry timeline and the key phases of consultation. In addition to the formal opportunities provided for participants to share their views, we also held meetings with participants and maintained a ‘5 pillars’ e-mail inbox open for correspondence throughout the inquiry.

Figure A.1 – Inquiry timeline and consultation phases



The responses received through Australia’s Productivity Pitch are not summarised in this paper. A summary of what participants told us during this initial phase of consultation was published in February 2025. [Read Australia’s Productivity Pitch](#).

Engagement methods

We gathered written feedback from participants through four main methods.

Online questionnaires

We developed a targeted questionnaire to explore specific issues related to the two reform areas and to inform the direction of our interim report. The questionnaire included open-ended questions, allowing participants to provide responses focused on particular aspects of the reforms. We also gave participants the option to submit additional documents to support their response. [Read responses to the consultation questionnaire](#).

Pre-interim submissions

Some participants chose to provide submissions by email instead of completing the online questionnaire. These contributions were viewed alongside the questionnaire responses when drafting the interim report.

Post-interim submissions

Following the publication of the interim report on 31 July 2025, we sought further input on the reforms through information requests included in the interim report. Participants were asked to upload their submission via an online webform, with an option for uploading supporting documents.

Participants were also given the opportunity to make submissions via video or phone call.

Survey of regulators

We conducted a survey of Australian Government regulators and policymaking agencies in May/June 2025. The survey was sent to all regulators listed on the Australian Government regulator stocktake webpage and to any other divisions of Australian Government departments that appeared to have regulatory functions (based on an assessment of their organisational charts). It was also sent to all policymaking areas that had conducted an impact analysis published on the Office of Impact Analysis's website since July 2020, when contact information was available.

The outcomes of this survey are in appendix C.3 to the final inquiry report, so are not reported here.

Other consultation

In addition to written responses, we held 108 meetings with individuals and organisations, including peak bodies and industry organisations, businesses, government departments, academics, think tanks and not-for-profit organisations. These meetings were held on a confidential basis to enable open discussion and are not summarised in this paper. The discussions informed our understanding of the issues and contributed to the development of our reform areas and the draft and final recommendations.

Participation

We received 100 questionnaire responses, 48 pre-interim submissions, and 153 post-interim submissions from across the Australian community.

We received 97 responses to our regulator survey, with some regulators and policymaking areas responding multiple times and some not responding.

B. Participant views on burdensome regulation

The interim report for the inquiry into *Creating a more dynamic and resilient economy* outlined a ‘taxonomy’ of the types of burdens that poor regulation commonly imposes on businesses:

- *band-aid regulation* that does not address the underlying cause of the problem
- *duplicate or inconsistent regulation* that can manifest as multiple regulations affecting businesses in a geographic area or sector
- *overly prescriptive and rigid regulation* that leaves little room for adaptation
- *overly risk averse regulation* that pushes too hard to address all harms or eliminate all risk, creating a disproportionate regulatory burden
- *regulatory delay* when regulatory bodies fail to make timely decisions or provide necessary approvals or permits within a reasonable time frame
- *cumulative burden* of multiple overlapping or conflicting regulations which is often overlooked when assessing individual regulations in isolation.

This appendix summarises responses relevant to information request 2.1 from the interim report, which asked inquiry participants to share examples of regulations that align with the types of regulatory failures in the taxonomy above, and that could be easily fixed by government.

This list provides a starting point for governments to consider when looking to reduce burdens on businesses, or to assess which sectors could benefit most from a regulatory review. The responses have been grouped by sector, and listed in the order in which they were received – this is not intended to be a ranking of each idea.

Financial reporting requirements and tax regulations

Insurance Council of Australia (sub. 93, p. 3): Noted duplicate and overlapping financial reporting regulations for insurers and financial services sector more broadly. They considered that the Australian Financial Complaints Authority (AFCA) and Australian Competition and Consumer Commission (ACCC) should be part of the Council of Financial Regulators (CFR). They also advocated for a post-implementation review of Hayne Royal Commission regulations.

Australian Investment Council (sub. 95, pp. 2–4): Suggested that the Australian Securities and Investment Commission’s (ASIC) Regulatory Guide 97 – which outlines how financial product providers should disclose fees and costs in Product Disclosure Statements and periodic statements - has regulatory effects despite not being a regulation itself. They argued these effects include imposing prescriptive and risk-averse reporting requirements, distortions to markets and suggested these effects had not been scrutinised adequately. They also raised *Your Future, Your Super* as needing to be reviewed to ensure disclosure rules do not divert capital from higher return areas.

Australian Financial Markets Association (sub. 105, pp. 4–5, 9–12): Provided an appendix of regulations that they suggest need addressing in the financial sector, in particular ASIC processes. They also proposed that regulators should assess the impacts of ‘consumer duty’.

CPA Australia (sub. 109, p. 4): Suggested the removal of the mandatory assurance requirement for Group 3 climate statements, abolishing ASIC Companies Registry search fees, simplifying auditor resignation requirements, and addressing overlap and duplication in international tax disclosures.

INPEX (sub. 121, p. 6): Suggested that the Foreign Investment Review Board (FIRB) requires written confirmation that companies have complied with Australian tax requirements, which they thought was an example of duplicative regulatory requirements.

Block Inc. (sub. 125, p. 1): Identified examples of regulations they considered overreaching and overlapping in the financial services sector, including complex and overlapping requirements from multiple regulators including ASIC, the Australian Prudential Regulation Authority (APRA), Reserve Bank of Australia (RBA), the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the ACCC, and regulatory mandates that focus on risk minimisation.

Mortgage and Finance Association of Australia (sub. 160, pp. 4–5): Gave examples including a claimed lack of harmonisation of payroll tax and verification of identity rules, signing and service requirements (specifically the requirement for paper-based notices), comparison rates for mortgages not being fit for purpose, and discharge processes causing regulatory delays.

Tech Council of Australia (sub. 162, pp. 6–7): Expressed concerns about claimed duplication of requirements under the merger control regime, where there can be review requirements from both the FIRB and ACCC. They also stated that the *Privacy Act 1988* is overly burdensome and ineffective, and were concerned about technology-specific regulation being overly risk-averse and costly to comply with.

Chartered Accountants Australia and New Zealand (sub. 178, pp. 8–9): Suggested reforms to the *Fringe Benefits Tax Assessment Act 1986* to improve flexibility, and highlighted a need to address duplicate and inconsistent reporting requirements of the tax transparency regime. They also suggested that there is a need for immediate review of the regulation of legal entities under the *Corporations Act 2001*, to simplify and modernise the system.

Australian Institute of Company Directors (sub. 180, pp. 7–8): Suggested there is a need to simplify the *Corporations Act 2001*, and review corporate reporting thresholds to ensure they are appropriately calibrated to business size and activity. This included ASIC's definition of a large proprietary company, and mandatory climate reporting for Group 3 entities where they argue that the costs outweigh the benefits.

National Australia Bank (sub. 185, pp. 8–9): Provided several examples of regulations they argued needed reform, including reporting requirements from APRA that have inconsistent definitions and duplicate requirements, data retention obligations that they claimed are inconsistent across federal and state legislation and add complexity and costs, and a need to harmonise definitions and concepts across the financial regulation system.

Business Council of Australia (sub. 200, p. 13): Provided a link to their *Better Regulation Report*, which contains a large list of areas of regulation across many sectors that they deemed problematic. This included concerns that payroll tax is inconsistently applied across jurisdictions, claimed that the *Corporations Act 2001* is unnecessarily complex to interpret and comply with, and suggested that banking sector regulations should be tiered to impose more proportionate regulatory burden on different sized banks.

Other business reporting requirements

Amazon (sub. 163, pp. 8–9): Suggested that there are several examples of regulatory failures relating to competition regulations, including duplicate and inconsistent regulations under the *Competition and Consumer Act 2001*, *Privacy Act*, *Australian Consumer Law* and Australian Privacy Principles. They argued that this creates unnecessary complexity and has the potential to harm investment, innovation and productivity.

Australian Psychological Society (sub. 175, p. 4): Suggested there are duplicative and overlapping reporting requirements, for example, companies may need to provide similar data under different regulations, including the *Workplace Gender Equality Act 2012*, *Sex Discrimination Act 1984*, the right to disconnect, and WHS regulations regarding psychosocial risk management. They recommend that these processes be streamlined.

Chartered Accountants Australia and New Zealand (sub. 178, p. 6): Made several suggestions including a ‘tell us once’ approach to reporting by government departments, and revisiting the Modernising Business Register program to identify ways to reduce duplication, streamline processes and reporting and reduce risks of undesirable firm behaviours.

Business Council of Australia (sub. 200): Provided a link to their Better Regulation Report, which contains a large list of areas of regulation across many sectors that they deemed problematic. They claimed there are issues with the FIRB having duplicative screening requirements to other regulations, inadequate flexibility in requirements, and extensive information requirements. They also raised concerns about duplication in multiple regulations for fit and proper persons tests, claims about duplicate and overlapping data retention requirements for businesses, and a need to streamline reporting requirements under the *Workplace Gender Equality Act (2012)*, the Australian Bureau of Statistics reporting requirements, and *Modern Slavery Act*.

Planning, development and construction sector regulations

Urban Development Institute of Australia (sub. 92, p. 4): Supported a pause to updates to the National Construction Code (NCC), and guardrails around future changes including limits to price increases and objectives, and a need to improve the time taken for environmental approvals.

Amplify (sub. 115, pp. 4–5): Suggested that regulatory reforms are needed to improve housing supply and affordability, including modernisation and harmonisation of construction industry regulations, streamlining of planning, building and consumer protections and streamlining of certification and compliance pathways.

INPEX (sub. 121, p. 2): Expressed that environmental approvals are too slow, and gave an example of a project that required 125 approvals across Commonwealth and State government agencies.

Australian Glass and Window Association (sub. 133, pp. 1–2): Raised overlapping, duplicate and inconsistent regulations in construction, such as the implementation of the NCC. They supported greater harmonisation across jurisdictions for construction industry regulations.

Colin Griffith (sub. 151, pp. 4–5): Considers that in some areas such as housing, food and renewable energy sectors, strengthening regulation could improve productivity, competition and consumer confidence. Suggests the decision to freeze updates to the NCC was not justified with an evidence-based assessment of costs and benefits.

Western Australian AI Hub (sub. 168, p. 8): Supported the use of RegTech to help cut through regulatory delay for matters such as environmental approvals, which they suggest are ‘slow, uncertain and complex’.

Master Builders Australia (sub. 192, p. 8): Expressed concerns that deposit-cap schemes for residential building contracts intersect with other compliance requirements and cause cash flow pressures for builders. They suggested that changes to the NCC over time have increased complexity, increased compliance costs and need reviewing to ensure they only impose minimum standards. They also expressed that public procurement settings in construction are overly rigid, and increase costs, and constrain competition and productivity. They supported a review of land and construction taxes and how they affect investment and housing costs.

Business Council of Australia (sub. 200, p. 13): Provided a link to their Better Regulation Report, where they argued that the *Environment Protection and Biodiversity Conservation Act 1999* needs reform to streamline the assessment and approvals process for developments.

Medical, chemical and cosmetic sector regulations

Accord Australasia (sub. 97, pp. 7–22): Provided several examples where they claimed that there was misalignment between the domestic standards set by the Therapeutic Goods Administration and other cosmetic regulators, with overseas standards, which they felt caused regulatory delay, and inconsistent, overlapping and duplicative regulations and regulatory overreach.

CropLife Australia (sub. 118, pp. 4–11): Provided several examples of regulations relating to the agricultural chemical and plant biotechnology sector in Australia. They suggested that Australian Pesticides and Veterinary Medicines Authority statutory timeframes and assessments, biosecurity import restrictions, packaging rules and gene technology framework were all problematic, most commonly due to duplication, inconsistency, prescriptiveness, risk averse regulatory approaches and regulatory delays.

Complementary Medicines Australia (sub. 140, pp. 1–2): Considered there is significant overreach in medicine product regulation not commensurate with risk, contributing to cumulative regulatory burden and reducing international competitiveness.

Chemistry Australia (sub. 172, pp. 5–6): Claim that cooperative schemes for dangerous goods regulation and safety lack coordination and single point of accountability. They provided several examples, including requirements under the Australian Dangerous Goods Code that they suggest are costly to businesses and misaligned with international practices, and claims that a Therapeutic Goods Administration proposal for licensing requirements on products would effectively ban their sale in supermarkets and hardware stores, with expected significant costs to the industry.

Primary production, food and export sector regulations

Australian Organic Limited (sub. 55, pp. 3–6): Raised concerns about the regulatory framework for organic products in Australia, including the mandatory government standard *National Standard for Organic and Bio-Dynamic Produce* which only applies to export products. They said it created a dual regulatory system with no clear policy rationale, which creates complexity and adds to cumulative burden on businesses. They also pointed to some related issues in the industry, including the large costs of export certification due to lack of equivalency agreements with some countries, market failure of information asymmetry and free riding with ‘greenwashing’, and lack of enforcement under the current certification regulatory system.

Australian Aluminium Council (sub. 129, p. 2): Raised concerns about duplication of environment reporting schemes and auditing of data sets, providing examples, and suggested that the aluminium shipping licences scheme is outdated and burdensome.

Australian Food and Grocery Council (sub. 176, p. 4): Shared concerns with various aspects of the FSANZ. For example, they argue that it is hard to modify the standards and use international assessments, and applications are costly and not timely. They suggested there is a need for more streamlined approval pathways for lower risk products that are recognised overseas. They also argued that there is a mismatch where FSANZ sets national food standards, but the jurisdictions enforce them and are not aligned in their approaches.

Telecommunication sector regulations

Australian Mobile Telecommunications Association (sub. 98, pp. 3–5): Highlighted telecommunications infrastructure planning and deployment, including concerns about regulatory fragmentation and lack of harmonisation, inconsistency, duplication and delayed approvals. They provided examples of these concerns, including a case of a mobile phone tower provider being required to pay development contributions when building a tower in a rural area that was expected to be rezoned for residential development.

The Australian Communications Consumer Action Network (sub. 101, p. 2): Suggested that the telecommunications sector needs regulatory reform, including modernising the framework, move from self-regulation to direct regulation, reduction in complexity.

Telstra (sub. 188, pp. 8–9): Supported better coordination of telecommunications regulation, and suggested that a regulatory initiatives grid could be beneficial for the sector to address the overall stock of regulation.

Transport, freight and logistics sector regulations

Australian Logistics Council (sub. 82, pp. 1–2): Suggested that aspects of the freight and logistics industry were candidates for regulatory reform, including compliance obligations, delays, quality assessments that they claimed caused unintended restrictions, and lack of regulatory harmonisation across jurisdictions.

Heavy Vehicle Industry Association (sub. 169, pp. 5–7): Identified a need to review and harmonise Australian Design Rules for heavy vehicles with overseas requirements, harmonise road access arrangements for heavy vehicles, increase resourcing and a need for a timely administrative system for the Road Vehicle Standards legislation, and more frequent Vehicle Standards Consultative Forum meetings, to keep pace with industry developments.

Australian Livestock and Rural Transporters Association (sub. 173, pp. 1–2): Called for nationally consistent settings for livestock transport, performance-based standards, licensing and safety standards, and a nationally consistent digital access and permitting system.

Health sector regulations

Australian College of Nursing (sub. 167, pp. 7–9): Argued that there needs to be better alignment between funding mechanisms and scope-of-practice legislation – they gave an example of some Medicare rules that prevent nurse practitioners from receiving rebates for in-hospital work reduces workforce efficiency. They also suggested that there are problems in the healthcare sector with poor regulatory alignment across health programs, and occupational entry regulations that they claimed were excessive.

Consumer Healthcare Products Australia (sub. 198, pp. 1–3): Were concerned about over-regulation of various aspects of low-risk medicines and medical devices, lack of regulatory harmonisation for medicines between Australia and New Zealand, and concerns about prior regulatory reform projects such as the Medicines and Medical Devices Regulatory Reforms from 2015, that they claim had inconsistent and sometimes increasing regulatory impacts.

Workplace relations and occupational licensing regulations

Consult Australia (sub. 100, pp. 4–7): Proposed amendments to consumer law to align with other *Australian Consumer Law* provisions to protect small business, labour hire laws where it creates unnecessary burdens on businesses whose operations are only incidentally connected to labour hire (plus a need for nationally consistent scheme), noted duplication in the Commonwealth Supplier Code of Conduct, and overly rigid regulation in occupational licensing.

Business Council of Australia (sub. 200, p. 13): Shared a link to their *Better Regulation* Report, where they raised concerns with regulatory variation in long service leave arrangements across jurisdictions, a need to harmonise state laws on labour hire licensing laws, workers' compensation and anti-discrimination legislation. They also argued there is a need to review and streamline occupational licensing systems and requirements.