



REGULATORY
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UNDERSTANDING REGULATORY SYSTEMS
AS ARCHITECTURES OF AUTHORITY

Reducing Barriers to Business Dynamism in Australia

SUBMISSION TO THE PRODUCTIVITY COMMISSION INQUIRY

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Key Points

- Australia’s business dynamism is constrained less by individual rules and more by fragmented regulatory architecture that forces firms to navigate obligations agency by agency rather than through a coherent business lifecycle.
- Businesses experience regulation as a sequence — forming, opening, hiring, expanding, transferring and exiting — but government presents this journey as disconnected requirements. This misalignment creates avoidable friction at every transition point.
- The core burden is not “red tape” alone. It is the absence of an integrated, sequenced, risk-tiered pathway that shows founders what must be done, when, why and in what order.
- Fragmentation increases cognitive load, delays time to market, suppresses risk appetite and shifts coordination costs onto first-time, regional, culturally diverse and low-capital founders.
- Ordinary business journeys illustrate the problem. A small coffee shop may face around 31 steps across identity, tax, premises, food licensing, fit-out, insurance, employment, and inspection before trading — none of which is unreasonable individually, but burdensome when unsequenced.
- The submission proposes a National Business Lifecycle Pathway: a digital, federated, cross-jurisdictional architecture that assembles authoritative obligation modules into a coherent, user-specific journey while preserving each regulator’s statutory authority.
- Benefits include faster time to market, lower rework and advice costs, greater confidence to hire and expand, earlier engagement with restructuring options, and stronger regulatory integrity through clearer sequencing and better data.
- Recommended actions include establishing the pathway, mapping obligations to practical business stages, applying risk-tiered design, creating a reusable identity and evidence layer, piloting in selected sectors, evaluating using the seven-layer regulatory architecture model, and developing a national evidence agenda focused on lifecycle friction.

Executive Summary

Australia's business dynamism problem is not caused by a single regulator, a single rule, or a single sector. It is caused by fragmented regulatory architecture that forces firms to assemble their own compliance pathway across Commonwealth, state and local systems. Businesses move through a lifecycle – forming, opening, hiring, expanding, transferring, and exiting – yet government presents that journey as a set of disconnected obligations. The result is friction at every transition point.

The burden is not “red tape” in the narrow sense. It is the absence of an integrated, sequenced, risk-tiered pathway that shows founders what must be done, when, why and in what order. Fragmentation increases cognitive load, delays time to market, suppresses risk appetite and shifts coordination costs onto the least-resourced actors: first-time, regional, culturally diverse and low-capital founders.

The coffee shop example makes the problem visible. A founder may need to navigate around 31 steps across identity, tax, premises, food licensing, fit-out, insurance, employment and inspection before trading. None of these obligations is unreasonable. The burden arises because the founder must infer sequencing, identify which level of government owns each requirement, and repeatedly provide similar information to different bodies.

This submission proposes a National Business Lifecycle Pathway: a digital, federated, cross-jurisdictional architecture that assembles authoritative obligation modules into a coherent, user-specific journey. Regulators retain their statutory powers. The pathway provides the structure: clear sequencing, visible dependencies, risk-tiered guidance, and reusable identity and evidence layers.

The benefits are material: faster time to market, lower rework and advice costs, greater confidence to hire and expand, earlier engagement with restructuring options, and stronger regulatory integrity through clearer obligations and better data. The submission recommends seven actions: establish the pathway; map obligations to practical business stages; apply risk-tiered design; build a reusable identity and evidence layer; pilot in selected sectors; evaluate using the seven-layer regulatory architecture model; and develop a national evidence agenda focused on lifecycle friction.

This is not deregulation. It is regulatory system design: preserving legitimate safeguards while removing avoidable navigation costs, and enabling a more dynamic, innovative and competitive Australian economy.

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1. Introduction

This submission is made from a regulatory systems perspective, drawing on regulatory architecture, authority mapping, implementation analysis and the concept of Regulatory Dark Matter^[A]: the informal routines, tacit norms and practical decision rights that shape how regulation operates in practice. Its central premise is that the formal stock of rules tells only part of the story. The actual burden experienced by businesses also depends on how obligations are interpreted, sequenced, communicated, duplicated, escalated and enforced across agencies.

The Commission's call for submissions identifies a broad set of issues, including regulatory and administrative burdens, business registration, industry-specific licensing, access to capital, innovation, management capability, business transfer, insolvency frameworks and illegal phoenixing.^[1] These issues are sometimes treated as separate policy domains. In practice, they interact. A founder's willingness to enter a market may depend on whether expansion thresholds are predictable. A small firm's appetite for hiring may depend on whether its employment obligations are visible and staged. A business owner's willingness to restructure may depend on whether insolvency and personal liability pathways are understandable, affordable and timely.

The submission, therefore, focuses on the implementation architecture. It asks how governments can reduce unnecessary friction without weakening legitimate safeguards. It proposes a National Business Lifecycle Pathway: a digital, risk-tiered, cross-jurisdictional architecture that guides firms through formation, activation, growth, transfer, restructuring and exit. Such a pathway would not replace regulators or erase sector-specific obligations. It would make the system more navigable from the business user's perspective while improving compliance, data quality, and regulatory integrity.

2. Fragmented Business Lifecycle Architecture

2.1 Multiple Regulators, No Single Pathway

Starting a business in Australia commonly requires founders to navigate a sequence of obligations across multiple regulators and service systems. These may include Commonwealth business identity and taxation processes, corporate registration, state and territory licensing, local government approvals, employment onboarding, insurance, banking due diligence and sector-specific permissions.^{[2][3][4][5][6][7][8][9]} The problem is not that any single step is necessarily unjustified. The problem is that there is no single, intelligible lifecycle pathway that shows founders what must be done, when, why, and in what order.

In practical terms, this means that a founder may need to deal with ABN and tax registration through Commonwealth systems; ASIC registration and corporate identity obligations if the business is incorporated; state and territory licensing requirements that vary by industry and jurisdiction; local government approvals, planning permissions and operating conditions; and ATO onboarding obligations such as GST, PAYG withholding and Single Touch Payroll once relevant thresholds or employment relationships arise. The founder may also need to navigate banking, insurance and identity verification processes that duplicate information already provided to government, as well as sector-specific regulators for activities involving food, health, building, transport, childcare, resources, financial services or other controlled activities.

The result is a disjointed system in which founders must assemble their own compliance map. This is not merely inconvenient. It shifts the integration burden from government to the least-resourced actor in the system: the new entrant. Established firms often have accountants, lawyers, compliance staff, industry networks and prior experience. New firms usually have limited cash, limited time and limited tacit knowledge of how government systems operate. Fragmentation therefore works as an incumbency advantage. It protects no public interest to make entry harder for capable new firms simply because the regulatory system is difficult to understand.

This matters for productivity because new firms are a key source of competitive pressure and experimentation. They test business models, adopt technologies, challenge incumbent practices and reveal information about consumer preferences. Where the pathway is opaque, the economy loses some of this experimentation before it begins. The cost is not only time spent completing forms; it is the foregone innovation that never reaches the market because the founder cannot confidently identify the next lawful step.^{[11][12][13]}

2.2 Effects of Fragmentation on Firms

Fragmentation has consequences beyond inconvenience or isolated compliance cost. It changes how founders perceive entry risk, how quickly they can move from concept to trading, and how confidently they can make decisions about hiring, investment and expansion. In this sense, fragmentation operates as a system-level drag on business dynamism: it converts institutional complexity into private uncertainty and shifts coordination costs onto firms least able to absorb them.

The effects are visible in five related ways. Founders face higher cognitive load because they must interpret fragmented obligations without specialist support. Error rates increase where obligations are missed, misunderstood or completed in the wrong order. Time to market lengthens because founders spend time resolving process uncertainty rather than testing products, attracting customers or hiring staff. Willingness to experiment declines where regulatory uncertainty is interpreted as personal, financial or legal risk. The impacts are also uneven, falling more heavily on small, regional, first-time and culturally diverse founders who are less likely to have ready access to professional advisers.

2.3 Regulatory opacity as a barrier to entry

Opacity itself becomes a barrier to entry. Where founders cannot easily identify which regulator controls which obligation, what threshold triggers a requirement, or which approval should be obtained first, they face uncertainty before they have generated revenue. This uncertainty can delay entry, reduce ambition or push founders toward lower-risk, lower-growth business models. Regulatory opacity therefore has direct implications for productivity, innovation and competition. It is also an equity issue: those with resources to buy advice can convert opacity into a manageable transaction cost, while those without such resources may experience the same opacity as practical exclusion from formal entrepreneurship.

2.4 The Seven-Layer Regulatory Architecture Model

The fragmentation described above can be understood through the seven-layer regulatory architecture model^[B]. The model distinguishes where regulatory authority is located and how visible that authority is to users of the system. This is useful for the Commission's inquiry because barriers to business dynamism rarely arise from primary statutory regulators alone. They also arise from departmental

decision points, embedded compliance units, professional and accreditation bodies, cross-jurisdictional schemes, tribunal-based decision-making and low-visibility regulatory mechanisms that shape authorisation, monitoring, enforcement and practical compliance.

For this submission, the model is used as a diagnostic tool. It helps explain why a founder may experience regulation as a fragmented pathway even when each individual requirement has a legitimate source. A business may deal with highly visible statutory regulators, less visible departmental units, embedded local or operational compliance functions, professional accreditation bodies, cross-jurisdictional schemes, review or appeal bodies, and informal or low-visibility regulatory mechanisms. The issue is not simply that there are many obligations; it is that the obligations arise across different layers of authority, rarely presented as a single coherent business lifecycle.

Table 1. Seven-layer regulatory architecture model

Layer	Description	Relevance to business dynamism
1. Primary statutory regulators	Standalone organisations with explicit regulatory mandates, such as competition, safety, food, environment, energy or financial regulators.	Often form the visible face of licensing, monitoring, enforcement, and compliance, but represent only one part of the regulatory system firms encounter.
2. Statutory regulators within departments	Units exercising statutory powers under legislation while located inside larger departments.	May create important approval, reporting, or compliance touchpoints that are less visible to founders than those of standalone regulators.
3. Embedded regulatory units	Inspectorates, compliance teams, licensing units and regulatory functions embedded within operational agencies or policy departments.	Shape practical approvals, inspections, evidence requirements and sequencing, especially at local or operational delivery points.
4. Professional and network-based regulators	Professional, accreditation, industry-based or network-linked bodies exercising delegated or quasi-regulatory authority.	Influence qualifications, accreditation, professional standards, market access and operating legitimacy for regulated occupations or sectors.
5. Cross-jurisdictional regulatory arrangements	Intergovernmental schemes, joint regulators, national frameworks and cooperative regulatory bodies spanning multiple jurisdictions.	Affect firms operating across local, state, territory or national boundaries and can create both coordination benefits and navigation complexity.
6. Tribunal-based regulatory authority	Administrative tribunals, review bodies and adjudicative mechanisms exercising regulatory authority through binding or practically determinative decisions.	Shape appeals, review, sanctions, discipline, authorisation outcomes and the practical meaning of regulatory obligations.
7. Regulatory dark matter	Institutionally low-visibility loci of regulatory authority, including internal panels, disciplinary committees, accreditation mechanisms, unlisted inspectorates and similar bodies whose practical effects are regulatory.	Creates hidden obligations, informal expectations and practical friction that may not appear in official regulator lists but still shape market entry, compliance and expansion.

Table 1 summarises the seven organisational locations through which regulatory authority is exercised in Australia. It highlights how obligations, approvals and decision points arise across multiple layers — from primary statutory regulators to low-visibility “regulatory dark matter”, and how this fragmentation contributes to navigation costs for firms.

Viewed this way, the business dynamism problem is not reducible to the number of rules on the statute book or the performance of visible regulators alone. A formally valid obligation can still create unnecessary friction if it is delivered through a low-visibility departmental unit, an embedded inspectorate, a professional accreditation body, a cross-jurisdictional scheme, a tribunal process, or an informal regulatory mechanism that is not integrated into a coherent business pathway. Conversely, a reform that changes only the front-end digital interface will have limited effect if the underlying layers of regulatory authority remain fragmented and poorly coordinated. The seven-layer model therefore helps distinguish cosmetic simplification from genuine architectural reform.

For this submission, the model provides the analytical bridge between diagnosis and recommendation. The National Business Lifecycle Pathway should not be understood merely as a website, a checklist, or a concierge service. It should be understood as a coordinating architecture across the seven layers: clarifying formal obligations, mapping institutional authority, standardising administrative requirements, sequencing operational touchpoints, reducing reliance on informal workarounds, improving data visibility and creating stewardship arrangements capable of maintaining the system as business models and regulatory risks change.

Figure 1 illustrates the structural distinction between the current fragmented regulatory environment and a lifecycle-aligned architecture. The top panel shows how firms presently encounter overlapping obligations across multiple regulators and jurisdictions without a coherent sequence. The lower panel presents the proposed National Business Lifecycle Pathway, in which obligations are organised around practical business stages, dependencies are visible, and identity and evidence requirements can be reused. The figure highlights the architectural shift from fragmented processes to an integrated, risk-tiered pathway.

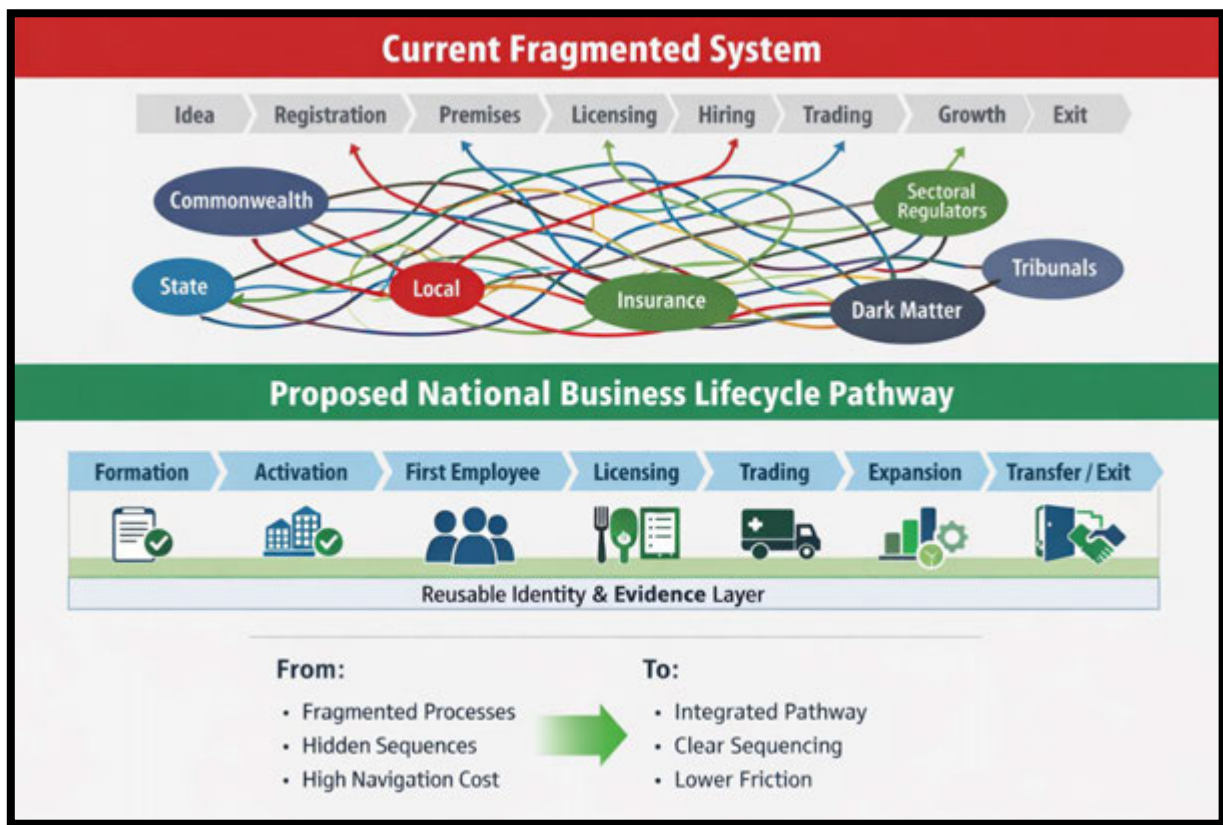


Figure 1. From Fragmented Regulation to a National Business Lifecycle Pathway

In Figure 1, the top panel depicts the current system, in which firms navigate unsequenced obligations across Commonwealth, state, territory, and local regulators, as well as sector-specific and informal regulatory actors. The lower panel shows the proposed National Business Lifecycle Pathway: a structured, risk-tiered architecture that sequences obligations, makes dependencies visible and enables reusable identity and evidence layers. The bottom row summarises the architectural shift — from fragmented processes and hidden sequences to integrated pathways and lower friction.

This distinction reinforces the submission’s central proposition: that improving business dynamism requires architectural reform, not simply the removal of individual rules.

3. Lifecycle Misalignment

3.1 Entry as a Staged Process

Business entry is a staged lifecycle rather than a single legal event. A founder may move from idea generation to market testing, business name registration, corporate structuring, tax registration, licensing, first sale, first employee, premises approval and ongoing reporting. The current regulatory system does not consistently map obligations to these practical stages. A more coherent system would recognise that obligations become relevant at different points and that the timing of guidance matters as much as its content.

In practice, founders move through recognisable stages: idea and validation, registration and identity, activation, employment, licensing and operating approvals, and growth or adaptation. A lifecycle-

aligned system would tell founders which obligations are relevant at each stage and which can be deferred until a genuine operational trigger arises. Without that alignment, firms face either premature compliance, where they complete complex obligations before the relevant risk exists, or delayed compliance, where obligations are triggered in practice before founders understand that a legal requirement has arisen.

3.2 Implications for Business Dynamism

Lifecycle misalignment reduces business dynamism by slowing the transition from idea to market, discouraging controlled experimentation, complicating the first hire, and making re-entry after failure more difficult.^{[11][12][13][20]} It also weakens regulatory integrity because obligations that are difficult to understand are less likely to be satisfied accurately and on time. The effects are cumulative: founders lose speed because process navigation becomes a project in its own right; they lose resilience because delays and rework consume scarce resources; and they may lose appetite for further risk-taking because the regulatory journey appears unpredictable.

4. Administrative Burden as Cognitive Load

4.1 Managerial Bandwidth and Attention Costs

Administrative burden is often measured through time, fees or compliance costs. For new firms, an equally important cost is managerial bandwidth. Founders must make decisions about customers, capital, suppliers, staffing, pricing and risk while also interpreting multi-agency obligations. Fragmented regulation consumes attention and decision-making capacity that would otherwise be directed toward productive activity such as product development, customer acquisition, revenue generation, hiring and adaptation.^{[14][17]}

4.2 Complexity and Risk Appetite

Founders often interpret complexity as a signal of legal, financial and operational risk. Where entry requirements appear fragmented or unpredictable, a rational founder may delay entry, remain informal, avoid hiring staff, limit expansion or choose a lower-ambition business model. In this way, administrative complexity suppresses risk appetite and weakens the entrepreneurial experimentation on which productivity growth depends.^{[12][14][17]} The effects are particularly visible at moments of transition: first formalisation, first employee, first premises, first regulated product, first interstate customer or first restructuring decision.

4.3 Uneven Impacts Across Founder Groups

Administrative burden is not distributed evenly across the economy. The same fragmented pathway that a well-resourced founder can manage through advisers, prior experience, or professional networks may pose a genuine barrier for founders with less capital, less institutional knowledge, or fewer local support services. Regional founders may have fewer advisory options and must navigate state and local requirements across distance. First-time entrepreneurs often lack tacit knowledge of regulatory sequencing. Culturally and linguistically diverse founders may face additional barriers in interpreting formal requirements and informal expectations. Sole traders transitioning to employers

experience a sudden increase in reporting, payroll and workplace obligations. Regulatory complexity can therefore reinforce existing disparities in entrepreneurship by making market entry depend not only on business capability, but also on the founder's ability to interpret and navigate government systems.^{[14][17]}

5. Case Study: The Coffee Shop Pathway

This section uses the example of a small coffee shop as the main narrative case. The example is deliberately ordinary and also echoes a practical illustration raised in recent Productivity Commission discussion of business dynamism: the ordinary small business that must navigate multiple approvals, registrations and operating requirements before trading. It is not a novel technology firm, a high-risk financial product, or a complex national enterprise. It is the kind of small business governments often say they want to encourage. Precisely for that reason, it is analytically useful: if a relatively familiar local business still requires a founder to navigate a long, multi-agency, poorly sequenced pathway, the problem is unlikely to be confined to exceptional or highly regulated sectors.

5.1 The coffee shop pathway: a practical illustration of regulatory fragmentation

A first-time founder seeking to open a small coffee shop may face approximately 31 practical steps before trading with confidence. The founder must validate the concept, choose a business structure, register a business name, obtain an ABN, consider GST registration, open banking facilities, secure finance, negotiate a lease, confirm zoning, check whether planning approval is required, assess building and plumbing implications, design the fit-out, obtain landlord consent, engage certifiers or trades, apply for a food business licence, nominate or train a food safety supervisor, prepare food safety procedures, arrange inspections, purchase insurance, establish bookkeeping and record-keeping systems, set up point-of-sale and payment systems, register for payroll obligations if hiring, understand award and workplace obligations, arrange workers' compensation, recruit and train staff, establish supplier arrangements, comply with signage or footpath dining rules where relevant, manage waste and cleaning requirements, prepare opening documentation, respond to council requests for information, and maintain ongoing inspection, renewal and reporting obligations.^{[2][3][4][5][6][7][8][9][18][19]}

None of these steps is necessarily unreasonable in isolation. Food safety, planning, building integrity, employment law, consumer protection and revenue collection all serve legitimate public purposes. The burden arises because the founder must determine the correct order, identify which level of government owns each requirement, interpret different evidence standards, and manage dependencies between approvals. For example, premises may need to be suitable before a food licence can be granted; fit-out decisions may depend on plumbing or building requirements; staff cannot be hired with confidence without payroll and workplace systems; and trading cannot begin until food safety, insurance, and local approval issues are resolved. The problem is architectural: the coffee shop founder experiences a single business journey, but government presents that journey as disconnected regulatory fragments.

The example also demonstrates the value of the seven-layer regulatory architecture model. The coffee shop founder may deal with primary statutory regulators for taxation, corporate registration or consumer protection; statutory regulators within departments for sector-specific permissions;

embedded regulatory units such as local licensing, planning, building or environmental health teams; professional or network-based actors such as certifiers, food safety training providers, insurers or advisers whose requirements shape practical compliance; cross-jurisdictional arrangements where national, state and local rules intersect; tribunal or review bodies if a decision is contested; and regulatory dark matter in the form of informal expectations, internal panels, undocumented assessment practices or tacit local norms. The problem is not that every layer is present in the same way in every business journey, but that a founder may encounter several layers without any single pathway making their relationship visible.

The same pattern appears in other sectors, although the content of the obligations differs. A mobile food operator encounters repeated local permissions when expanding into events or multiple council areas. A childcare provider faces a higher-risk pathway involving provider approval, premises suitability, staffing ratios, safety systems and quality safeguards. A construction contractor must manage licensing, insurance, work health and safety, contract documentation and subcontractor obligations as project scale increases. Transport operators encounter vehicle, route, freight, safety and chain-of-responsibility rules. Professional services businesses may appear low-risk but still face threshold issues around GST, employment, privacy, cyber security and professional obligations. Manufacturing and retail businesses encounter their own combinations of premises, product, safety, consumer, leasing, employment and environmental obligations. These examples reinforce the coffee shop case rather than displace it: the common issue is not one problematic sector, but a recurring architecture of fragmented lifecycle navigation.

Three recurring forms of friction are visible across these examples. First, founders may provide similar identity, address, ownership and beneficial control information to taxation, corporate registration, banking, insurance and licensing bodies without a reusable verification layer. Second, businesses operating across local government boundaries may face different approval processes, terminology and evidence requirements for materially similar activities. Third, sequencing delays can arise where a founder needs a business identity before applying for a licence, premises approval before insurance, insurance before trading, and tax registration before employing staff, but no single pathway explains the correct order. These are not isolated administrative annoyances; they are symptoms of an architecture that leaves firms to coordinate the system themselves.

The coffee shop example, therefore, serves as a concrete entry point to a broader systems problem. Firms move through practical lifecycles, while regulation is still largely presented through institutional silos. The reform opportunity lies in making those lifecycles legible through identity, sequencing, guidance, risk-tiering, interoperability and stewardship. A National Business Lifecycle Pathway would not remove the public purposes of regulation; it would organise those purposes around the way businesses actually form, open, hire, expand and adapt.

6. Reform Direction: A National Business Lifecycle Pathway

The centrepiece reform proposed in this submission is a National Business Lifecycle Pathway. The terminology is deliberate. The issue is not confined to entry. A business dynamism agenda must support the whole cycle of firm activity: formation, activation, first employment, licensing, expansion,

restructuring, transfer and exit. A pathway limited to registration would improve one point in the system while leaving later transition points fragmented. A lifecycle pathway would instead provide a coherent operating map for firms as their risk profile, obligations and institutional touchpoints change over time.

The pathway would not remove legitimate regulatory obligations. Its purpose would be to organise them around the practical reality of running a business. It would show which obligations are triggered by business model, location, industry, revenue, employment status, premises, ownership structure and regulated activity. It would also distinguish obligations that must be satisfied before trading from those that arise later. This sequencing function is critical. Poor sequencing produces both over-compliance, where firms complete unnecessary steps too early, and under-compliance, where firms miss obligations because they are not visible at the relevant decision point.

Figure 2 presents the National Business Lifecycle Pathway. The diagram shows how business obligations can be organised around the practical lifecycle of the firm, from early validation and identity through premises, licensing, activation, first employment, growth, transfer, restructuring and exit. The cross-cutting design functions highlight that effective reform requires more than a front-end interface: it depends on reusable identity and evidence, risk-tiered guidance, obligation sequencing, coordinated agency handoffs, data intelligence and ongoing stewardship.

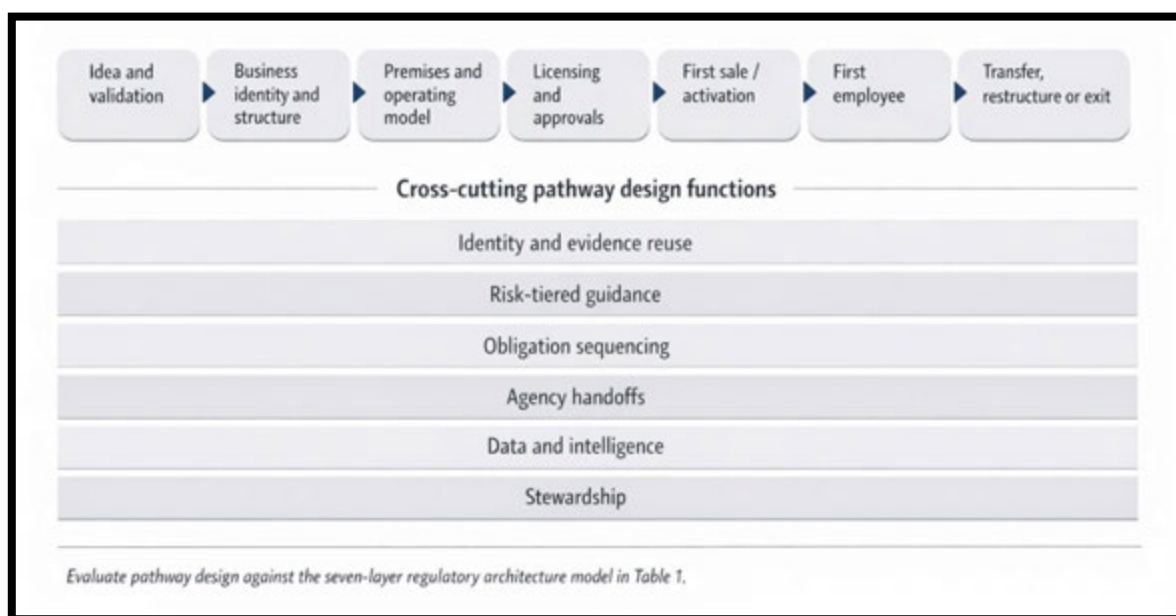


Figure 2. National Business Lifecycle Pathway

Figure 2 depicts a lifecycle-aligned architecture in which firms encounter obligations at key transition points, from idea validation and business identity through activation, first employment, licensing, growth, transfer and exit. The cross-cutting functions illustrate the system capabilities required to support this pathway, including reusable identity and evidence, risk-tiered guidance, sequencing, coordinated handoffs, data intelligence and stewardship. The figure should be read as a lifecycle map rather than a process flowchart: the stages represent common transition points, while the cross-cutting functions represent the enabling architecture that makes those transitions coherent.

Read together, Figure 2 and Table 1 connect the user journey to the underlying regulatory architecture. Figure 2 presents the lifecycle pathway from the firm's perspective, while Table 1 identifies the regulatory layers that shape that pathway behind the scenes. The reform task is to align these two views: firms need a clear sequence of practical steps, and governments need a way to map which regulatory layers control, influence or complicate each step.

Using the seven-layer regulatory architecture model, the pathway can be designed as more than a customer-facing reform. It should operate as an organising device that makes visible which layer of authority is relevant at each point in the business lifecycle: primary statutory regulators, statutory regulators within departments, embedded regulatory units, professional and network-based regulators, cross-jurisdictional arrangements, tribunal-based authority and regulatory dark matter. This matters because business users may encounter several of these layers at once, even though government often manages and explains them separately.

The pathway should build on existing public infrastructure rather than duplicate it. Australia already has business identity and registration components, including the Australian Business Register, Australian Business Registry Services, director identification, business.gov.au guidance, myID and Relationship Authorisation Manager arrangements.^{[2][3][4][5]} The problem is not the absence of digital assets; it is that those assets do not yet operate as an integrated lifecycle architecture for firms. A founder can still be required to move across systems, repeat information, infer sequencing and reconcile guidance across institutional boundaries.

The reform task is therefore to connect what already exists into a coherent operating model. A National Business Lifecycle Pathway would act as the organising layer above individual regulatory systems. It would not centralise all regulatory decision-making or remove specialist regulators from the process. Rather, it would provide a common navigation architecture that allows firms to understand which systems they must engage with, why those systems matter, what evidence is required, and how one step affects the next.

6.1 Core design features

A National Business Lifecycle Pathway would need to be designed as an integrated architecture rather than a set of disconnected service enhancements. Its core features should therefore work together to reduce duplication, improve sequencing, preserve risk controls and make regulatory obligations visible at the point firms need to act.

- Single identity verification: a reusable verification layer recognised across participating Commonwealth, state, territory and local systems.
- Lifecycle-aligned sequencing: obligations presented according to business stage, from validation and registration through to trading, employment, licensing and growth.
- Risk-tiered onboarding: simple, low-risk businesses receive a streamlined pathway, while higher-risk sectors receive clearer early guidance on licensing, safety, environmental or professional requirements.
- Unified digital interface: a single navigation point that maps Commonwealth, state and local obligations without requiring the founder to understand institutional boundaries.

- Clear obligation mapping: plain-language guidance linking obligations to business model, location, industry, employment status, premises, revenue thresholds and regulated activities.

These features should operate together rather than as separate service improvements. Single identity verification reduces repeated onboarding. Lifecycle sequencing tells the founder when that verified identity becomes relevant for tax, licensing, payroll, finance or local approval purposes. Risk-tiering prevents low-risk firms from being overburdened while ensuring high-risk firms are directed to specialist obligations early. A unified interface reduces the need for founders to understand machinery-of-government boundaries. Clear obligation mapping turns scattered rules into a practical operating pathway.

In practical terms, the pathway could begin with a structured business profile. The founder would identify the proposed activity, location, premises, business structure, expected revenue, employment intentions, regulated products or services, and whether the business will operate online, from home, from leased premises, from a vehicle or across multiple jurisdictions. The system would then generate a staged pathway showing immediate obligations, conditional obligations, future threshold obligations and high-risk escalation points. This would give founders a clearer basis for planning without implying that all obligations are simple or uniform.

For example, the coffee shop founder discussed in Section 6 could be shown a sequence that begins with business identity and structure, then premises suitability, lease and planning checks, food business licensing, fit-out and inspection requirements, insurance, payroll readiness and ongoing renewal obligations. The point would not be to collapse these steps into a single approval. The point would be to show their dependencies so the founder does not discover late in the process that one unresolved requirement blocks trading.

6.2 Expected benefits

The benefits of the pathway would arise from improving both business experience and regulatory performance. By making obligations clearer, better sequenced and easier to navigate, the pathway would reduce avoidable friction for firms while giving regulators better visibility of where the system itself produces delay, duplication or error.

Key benefits include:

- Faster time to market through clearer sequencing and fewer duplicated steps.
- Lower compliance costs for founders, especially those without access to professional advisers.
- Higher rates of new firm formation by reducing uncertainty and early-stage friction.
- Improved regulatory integrity because obligations are more visible, better sequenced and easier to satisfy correctly.
- Reduced error rates caused by missed, duplicated or misunderstood requirements.
- Better data sharing and policy insight across agencies, subject to appropriate privacy, security and governance safeguards.

The benefits are therefore both economic and regulatory. Faster time to market supports experimentation and reallocation. Lower navigation costs make entry more accessible for founders without extensive advisory support. Clearer pathways reduce inadvertent non-compliance and allow regulators to focus enforcement effort on higher-risk conduct rather than confusion-driven error. Better data about where firms encounter friction would also improve policy design by showing whether delays arise from law, institutional handoffs, administrative evidence requirements, operational sequencing or user comprehension.

Table 2. From fragmented regulatory experience to lifecycle pathway reform

Current fragmented experience	Lifecycle pathway response	Expected benefit
Firms repeat identity, ownership, address and premises information across agencies and intermediaries.	Reusable identity and evidence layer, subject to privacy, security and governance safeguards.	Less duplication, lower onboarding cost and improved data quality.
Obligations are presented agency by agency rather than according to the business journey.	Stage-based obligation mapping from formation through activation, employment, growth, transfer, restructuring and exit.	Clearer sequencing, fewer missed steps and faster lawful trading.
Similar activities face different terminology, forms and evidence requirements across jurisdictions.	Common lifecycle pathway with jurisdiction-specific modules and authoritative agency updates.	Easier cross-jurisdictional navigation while preserving local and sector-specific controls.
Low-risk and high-risk businesses often encounter generic or poorly differentiated guidance.	Risk-tiered onboarding and early escalation to specialist regulatory requirements where needed.	Greater proportionality, reduced over-compliance and earlier attention to genuine risks.
Data about friction, abandoned applications and repeated questions is dispersed across agencies.	System stewardship and feedback loops using pathway analytics, user testing and agency reporting.	Better regulatory intelligence, clearer reform priorities and continuous improvement.
Digital portals may improve the front-end experience while leaving underlying architecture fragmented.	Seven-layer evaluation covering primary statutory regulators, statutory regulators within departments, embedded regulatory units, professional and network-based regulators, cross-jurisdictional arrangements, tribunal-based authority and regulatory dark matter.	Avoids shallow digital reform and supports durable system-level improvement.

Table 2 summarises how a National Business Lifecycle Pathway would address the practical sources of friction that firms currently encounter. It contrasts the fragmented experience businesses face today with the corresponding pathway response and the expected benefits. The table shows that the gains from reform arise not from removing legitimate safeguards, but from organising obligations around the business lifecycle, improving sequencing, reducing duplication and strengthening system

stewardship. The result is a regulatory environment that is easier for firms to navigate and more effective for regulators to manage.

6.3 Operating model

The pathway should be designed as a federated operating model. Each regulator would retain responsibility for its own statutory obligations and specialist decisions, but those obligations would be represented through a common pathway architecture. This approach recognises Australia's federal structure while reducing the burden on firms to translate that structure themselves. It also avoids the unrealistic expectation that one agency could own every regulatory decision relevant to business formation and growth.

Under this model, participating agencies would maintain authoritative obligation modules: for example, tax registration, company registration, local planning, food licensing, employment onboarding, workplace safety, industry-specific licensing, environmental controls and insolvency or restructuring pathways. The lifecycle pathway would assemble those modules into a user-specific journey based on business characteristics. This would allow obligations to remain legally and institutionally grounded while being presented to users in a coherent sequence.

6.4 Governance and stewardship

A lifecycle pathway would require active stewardship. Without accountable governance, the pathway would quickly become another static guidance product. Stewardship should include clear responsibility for pathway currency, version control, agency updates, user testing, data quality, privacy safeguards, escalation rules and performance reporting. It should also include a mechanism for identifying recurrent friction points and feeding them back into regulatory policy, service design and legislative review.

This stewardship function is where the proposal moves beyond one-stop-shop language. A one-stop shop can still leave the underlying architecture unchanged if it merely points users to fragmented agencies. A lifecycle pathway should instead create a feedback loop: it should reveal where obligations are unclear, where evidence is duplicated, where handoffs fail, where thresholds confuse users, and where guidance diverges from operational practice. This intelligence should then be used to improve the system over time.

6.5 Alignment with PC mandate

The proposal aligns directly with the Commission's mandate to reduce barriers to business dynamism in order to promote innovation, productivity growth and Australia's international competitiveness.^{[1][11][13]} Its value lies in connecting micro-level user experience to macro-level economic performance: faster business formation supports experimentation; clearer employment obligations support hiring; earlier visibility of restructuring options can preserve value; and better intelligence about friction points allows regulators to target genuine risk rather than confusion-driven error.

The proposal also reframes the policy objective. The goal is not a smaller regulatory state in the abstract, but a more legible and higher-performing regulatory state. A well-designed pathway would improve the experience of business users while strengthening government capability by revealing

where obligations are duplicated, guidance is unclear, handoffs fail, and compliance problems arise from system design rather than deliberate avoidance. In this sense, the pathway is both a service reform and an intelligence reform.

7. Recommendations

The submission recommends a staged reform program that treats business dynamism as a lifecycle architecture problem rather than a narrow registration or licensing issue. The recommendations are designed to reduce avoidable navigation costs while preserving legitimate safeguards in areas such as safety, consumer protection, revenue integrity, environmental management and fair competition.

1. Establish a National Business Lifecycle Pathway.

Governments should develop a federated, cross-jurisdictional pathway that sequences obligations throughout the firm's practical lifecycle, from formation to exit.

2. Map obligations to practical business stages.

Regulators should identify which obligations arise at each lifecycle transition point and make these dependencies visible to business users.

3. Apply risk-tiered design across the pathway.

Obligations, guidance, and evidence requirements should be calibrated to the activity's risk profile, reducing unnecessary burden on low-risk firms while maintaining safeguards.

4. Create a reusable identity and evidence layer.

Governments should enable firms to provide verified identity, ownership and evidence information once, with reuse across Commonwealth, state, territory and local systems.

5. Pilot the pathway in selected sectors.

Initial pilots should focus on sectors with high entry volumes or complex sequencing requirements, using them to refine design, interoperability, and governance arrangements.

6. Evaluate reforms using the seven-layer regulatory architecture model.

Assessments should examine not only visible regulators but also departmental units, embedded compliance functions, professional bodies, cross-jurisdictional schemes, tribunals and regulatory dark matter.

7. Develop a national evidence agenda on lifecycle friction.

Governments should build a shared evidence base on sequencing delays, cognitive load, time-to-market, cross-jurisdictional touchpoints and the distributional impacts of regulatory complexity.

8. Implementation Considerations

8.1 Feasibility and sequencing

Implementation should proceed incrementally rather than through a single “big bang” reform. A practical first stage would involve harmonisation pilots in selected sectors or jurisdictions where business entry pathways are common and regulatory risks are manageable. These pilots should map common business journeys, identify decision points at which obligations are triggered, publish clearer cross-agency guidance, and leverage existing digital identity, business registration and service infrastructure rather than create a wholly separate system.^{[15][16]} Later stages could add reusable identity verification, data-sharing arrangements, transaction capability and risk-based escalation to specialist regulators once governance, privacy, security and accountability arrangements are mature.

This phased approach matters because the principal barriers are institutional as well as technical. Agencies may use different definitions, thresholds, evidence standards and service channels. Local government requirements may vary even where the underlying activity is similar. Sector regulators may be concerned that simplified guidance will obscure important risk controls. These concerns are legitimate, but they are reasons for careful governance rather than inaction. A lifecycle pathway should preserve specialist regulatory judgment while removing unnecessary confusion for firms.

A seven-layer implementation approach would also help avoid shallow digital reform. Pilots should not only test whether a portal is easier to use; they should test whether the pathway accurately maps primary statutory regulators, statutory regulators within departments, embedded regulatory units, professional and network-based regulators, cross-jurisdictional arrangements, tribunal-based authority and regulatory dark matter where these layers shape the business lifecycle.

8.2 Risks

The main implementation risks are institutional, technical and behavioural. Agencies may resist integration if they are concerned about losing visibility, control or policy nuance. Transitional uncertainty may arise if old and new guidance operate in parallel without clear authority. System integration may also be difficult where legacy technology, privacy settings and data definitions differ across agencies. A further risk is oversimplification: pathway guidance must not obscure important sector-specific obligations or imply that high-risk activities can be treated as routine low-risk entry.

8.3 Mitigation

These risks can be mitigated through staged pilots, transparent evaluation and progressive expansion. Governments should publish clear communication explaining what the pathway does, what it does not do, and which obligations remain agency-specific. Cross-jurisdictional governance should allocate accountable owners for pathway currency, data quality and dispute resolution. The design should also maintain risk-tiered escalation so complex or high-risk activities are directed to specialist regulators early rather than being oversimplified through generic guidance.

9. Evidence Agenda

A reform agenda of this kind should be supported by a stronger evidence base. The Commission's inquiry provides an opportunity not only to identify barriers but to specify what should be measured so governments can distinguish genuine regulatory burden from necessary safeguards and isolated service issues from structural lifecycle failures. The evidence agenda should therefore focus on the practical experience of firms as they move through the business lifecycle, rather than only on the formal stock of regulations.^{[14][17][21]}

9.1 Mapping regulatory touchpoints across jurisdictions

The first evidence priority is to map the number, sequence and ownership of regulatory touchpoints faced by common business types. This should include Commonwealth, state, territory, and local obligations, as well as quasi-regulatory interactions with banks, insurers, landlords, certifiers, and professional advisers where such interactions are practically necessary to trade. The purpose is not simply to count rules, but to identify the pathway a founder must actually travel.^{[14][17][21]}

Priority sectors for mapping could include hospitality, construction, childcare, transport, professional services, retail and manufacturing. For each sector, the mapping should identify which obligations arise at formation, premises selection, licensing, first sale, first employee, expansion, transfer, restructuring and exit. This would reveal where obligations are duplicated, where sequencing is unclear, and where firms must infer dependencies between agencies.

9.2 Measuring time-to-market and sequencing delay

A second priority is to measure time-to-market delays caused by regulatory sequencing. Existing measures of regulatory burden often focus on fees, form completion time or aggregate compliance costs. These measures can overlook the economic cost of waiting: delayed opening dates, deferred hiring, lost lease time, expired financing terms, delayed customer acquisition, and slower experimentation. For a new firm, timing can matter as much as cost.

Evidence should therefore distinguish between direct administrative time and elapsed calendar time. A form may take one hour to complete, but it sits within a pathway that delays trading by several weeks because another approval must be obtained first. The Commission could recommend developing pathway-level indicators, such as average time from business concept to lawful trading, from premises selection to approval, from first employee decision to payroll readiness, and from restructuring decision to formal pathway engagement.^{[17][20][21]}

9.3 Assessing cognitive load and founder confidence

A third priority is to measure administrative burden as cognitive load. Founders are not only paying fees or completing forms; they are interpreting uncertain requirements, sequencing decisions, assessing legal risk and deciding whether to proceed. This burden is especially important for first-time founders, sole traders moving into employment, regional businesses and founders without ready access to professional advisers.

Useful evidence could include founder journey interviews, behavioural surveys, service analytics, abandoned application data, advice-seeking patterns, call-centre transcripts, complaint themes and user testing of current guidance. The key questions are whether founders can identify which obligations apply, whether they understand the correct sequence, whether they know when professional advice is necessary, and whether complexity affects their willingness to hire, expand or formalise a business activity.

9.4 Comparing unified entry and lifecycle systems internationally

International comparison should focus on design features rather than simple rankings. Other jurisdictions have experimented with one-stop shops, business portals, reusable identity systems, licensing navigators and integrated service channels. The relevant question for Australia is not whether another country has a portal, but whether that system integrates authority, sequencing, evidence requirements, data reuse, risk-tiering and stewardship across levels of government.

The OECD's work on one-stop shops for citizens and business is particularly relevant because it frames integrated service delivery as a regulatory policy instrument, not merely a customer service improvement.^[10] Comparative analysis should examine the governance arrangements behind such systems, including who owns pathway accuracy, how agencies update obligations, how local variation is represented, how users are escalated to specialist regulators, and how performance is evaluated over time.

9.5 Evaluating pilots using the seven-layer model

Any pilot of a National Business Lifecycle Pathway should be evaluated against all seven layers of regulatory architecture. Evaluation should test whether the pathway accurately identifies primary statutory regulators, statutory regulators within departments, embedded regulatory units, professional and network-based regulators, cross-jurisdictional arrangements, tribunal-based authority and regulatory dark matter, and whether it makes their roles, sequencing and user implications visible to firms.

This approach would help avoid a common failure mode in digital reform: improving the front-end interface while leaving the underlying regulatory architecture fragmented. Success should not be measured only by portal usage or user satisfaction. It should also be measured by fewer duplicate information requests, clearer sequencing, fewer abandoned applications, faster lawful trading, lower error rates, improved compliance outcomes, and better agency visibility into where firms encounter friction.

9.6 Priority questions for the evidence agenda

The following questions would help operationalise the evidence agenda and guide future data collection, pilot design and evaluation.

- Which business types face the greatest number of practical touchpoints before lawful trading?
- Where do sequencing failures most commonly delay entry, first employment, expansion or restructuring?

- Which information requirements are duplicated across agencies, levels of government or private intermediaries?
- Which founder groups experience the highest cognitive load or confidence barriers when navigating regulation?
- Which obligations are genuinely risk-critical before trading, and which could be staged until a later lifecycle trigger?
- What data-sharing, privacy and governance safeguards would be required for reusable business identity and evidence?
- How should success be measured: faster entry, fewer errors, lower advice costs, higher compliance, higher firm formation, or improved re-entry after failure?

10. Conclusion

Australia's business dynamism challenge is not simply a question of whether individual rules are too onerous. It is a question of whether the regulatory system is organised to support productive movement through the business lifecycle. Firms do not experience regulation as separate statutes, agencies or jurisdictions. They experience it as a sequence of practical decisions: forming a business, securing identity, choosing premises, obtaining approvals, hiring staff, expanding activity, transferring ownership, restructuring obligations and, where necessary, exiting or re-entering the market. When that sequence is fragmented, opaque or poorly coordinated, regulation becomes more burdensome than its underlying public purposes require.

This submission has argued that the problem is structural and the response must be architectural. The seven-layer regulatory architecture model shows that barriers to dynamism rarely arise from primary statutory regulators alone. They also emerge through statutory regulators within departments, embedded regulatory units, professional and network-based regulators, cross-jurisdictional arrangements, tribunal-based regulatory authority and regulatory dark matter. The coffee shop example demonstrates this in ordinary terms: none of the relevant obligations is necessarily unreasonable in isolation, yet the founder is left to assemble a coherent pathway from disconnected regulatory fragments. That is the burden this submission seeks to address.

A National Business Lifecycle Pathway would provide a practical and proportionate response. It would not deregulate for its own sake, collapse specialist approvals into a generic clearance, or weaken legitimate safeguards. Instead, it would organise obligations around the way businesses actually form, operate, hire, expand, transfer, restructure and exit. By making requirements visible, staged, risk-tiered and interoperable, the pathway would reduce avoidable navigation costs while strengthening regulatory integrity. Firms would be better able to comply at the right time, and regulators would gain better intelligence about where friction, duplication and sequencing failures occur.

The reform opportunity is therefore broader than service improvement. It is a productivity, competition and institutional capability reform. A clearer lifecycle pathway would help founders move more quickly from concept to lawful trading, support firms at the point of first employment and growth, assist owners to transfer or restructure earlier, and make re-entry after failure more feasible. It would lower

unnecessary barriers to experimentation and reallocation while preserving the public purposes that regulation properly serves.

For the Productivity Commission, the practical recommendation is to treat business dynamism as a lifecycle architecture problem. The Commission should recommend staged development of a National Business Lifecycle Pathway, supported by regulatory touchpoint mapping, risk-tiered design, reusable identity and evidence arrangements, sector-based pilots, seven-layer evaluation and a national evidence agenda. Such an approach would allow governments to begin with practical mapping and guidance, then build toward deeper interoperability as governance, privacy, security and accountability arrangements mature.

In conclusion, the aim is not a smaller regulatory state in the abstract, but a more legible, intelligent and stewarded one. Australia can preserve necessary safeguards while reducing the unnecessary friction created by fragmented architecture.^{[14][15][16]} A business environment that is easier to navigate is also one in which new firms can test ideas, existing firms can grow, distressed firms can restructure, and regulators can focus attention on genuine risk. That is the kind of regulatory system needed to support innovation, productivity growth and a more dynamic Australian economy.^{[11][12][13][20]}

Glossary of Key Terms

Term	Meaning in this submission
Business dynamism	The capacity of firms to enter, grow, innovate, contract, restructure, transfer ownership, exit and re-enter markets in ways that support productivity, competition and resource reallocation.
Business lifecycle	The practical sequence through which a firm moves, including idea validation, business identity, premises, licensing, activation, employment, growth, transfer, restructuring, exit and possible re-entry.
National Business Lifecycle Pathway	The proposed cross-jurisdictional organising architecture that would guide firms through lifecycle stages by mapping obligations, sequencing requirements, identifying agency owners and supporting risk-tiered navigation.
Regulatory architecture	The structure through which regulation operates in practice, including legal authority, institutional responsibility, administrative process, operational sequencing, behavioural expectations, data systems and stewardship arrangements.
Seven-layer regulatory architecture model	The analytical model used in this submission to distinguish seven organisational locations of regulatory authority: primary statutory regulators, statutory regulators within departments, embedded regulatory units, professional and network-based regulators, cross-jurisdictional regulatory arrangements, tribunal-based regulatory authority and regulatory dark matter.
Regulatory Dark Matter	The informal routines, tacit norms, practical judgments and unwritten expectations that shape how regulation is interpreted, delivered and experienced beyond the formal text of rules.
Lifecycle misalignment	A condition in which regulatory obligations are organised around agency structures rather than the practical stages and transition points through which firms move.
Regulatory fragmentation	The dispersion of obligations, guidance, approvals, evidence requirements and decision points across multiple agencies, jurisdictions or service systems without coherent end-to-end coordination.
Administrative burden	The time, effort, cost, uncertainty and managerial attention required to understand, comply with and sequence regulatory obligations.
Cognitive load	The interpretive and decision-making burden placed on founders when they must identify, understand and sequence obligations without clear guidance or specialist support.
Time to market	The elapsed time between a business concept or decision and lawful trading, hiring, expansion, restructuring or other operational activation.
Risk-tiered guidance	Guidance that differentiates between low-risk and higher-risk activities so that simple businesses are not overburdened while complex or high-risk businesses are escalated to specialist obligations early.

Reusable identity and evidence layer	A governed mechanism through which firms can reuse verified identity, ownership, premises or basic business information across participating systems, subject to privacy, security and accountability safeguards.
Stewardship	The ongoing responsibility for keeping the lifecycle pathway accurate, current, coherent and evidence-informed as obligations, risks, business models and agency systems change.

Notes

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Attachment A. Worked Example: Coffee Shop Business Lifecycle Pathway

A.1 Purpose of the worked example

This attachment illustrates how the proposed National Business Lifecycle Pathway could operate in practice. It uses the example of a first-time founder opening a small coffee shop in leased premises. The example is illustrative rather than exhaustive and should not be read as legal advice or as a complete compliance checklist. Its purpose is to show how an ordinary business journey could be reorganised from a fragmented set of agency-specific requirements into a staged, risk-tiered and stewarded pathway.

A.2 Business scenario

The founder intends to open a small coffee shop in a leased suburban or inner-city retail premises. The business will prepare and sell coffee and simple food, employ several staff members, use electronic point-of-sale systems, display signage, manage supplier relationships, hold insurance, and comply with ongoing food safety, workplace, and renewal obligations. The founder is assumed to be capable and willing to comply but is unfamiliar with the regulatory sequence and lacks in-house legal, accounting, or compliance support.

A.3 Worked lifecycle pathway

Lifecycle stage	Founder question	Typical obligations or decisions	Relevant authority or actor	Pathway design response
1. Idea and validation	Can this concept become a lawful and viable business?	Define the business model, proposed products, likely premises, trading model, finance needs and risk profile.	Business advisory services, accountants, financiers, landlords and business.gov.au-style guidance.	Provide an early diagnostic that identifies likely lifecycle stages, risk flags and obligations that may arise later.
2. Business identity and structure	What legal identity and registrations are needed before I can proceed?	Choose a structure, register a business name, obtain an ABN, consider GST, PAYG and related registrations, establish banking and basic records.	Australian Business Register, ATO, ASIC, ABRS, banks and advisers.	Create a reusable identity and evidence profile so the founder does not repeatedly provide the same information across systems.
3. Premises and operating model	Is the proposed site suitable for a coffee shop?	Negotiate the lease, confirm zoning, check planning requirements, assess the building, plumbing, ventilation, waste, accessibility, signage, and fit-out implications.	Local government, landlord, certifiers, trades, insurers and advisers.	Sequence lease, planning, building and fit-out checks before major sunk costs are incurred.

Lifecycle stage	Founder question	Typical obligations or decisions	Relevant authority or actor	Pathway design response
4. Licensing and approvals	What permissions are needed before trading?	Apply for a food business licence, prepare food safety procedures, address inspection requirements, arrange food safety supervisor training where required and respond to requests for information.	Local government, food safety authorities, training providers and inspectors.	Make dependencies visible, including what must be completed before inspection, approval and trading.
5. First sale / activation	What must be in place before opening day?	Finalise insurance, point-of-sale systems, record keeping, supplier arrangements, waste arrangements, inspection outcomes, signage permissions and customer-facing compliance settings.	Local government, insurers, payment providers, suppliers and advisers.	Provide an opening-readiness checklist that distinguishes mandatory pre-trading requirements from ongoing obligations.
6. First employee	What changes when I hire staff?	Understand award obligations, payroll, PAYG withholding, superannuation, Single Touch Payroll, workers' compensation, workplace safety, rostering and training.	ATO, Fair Work Ombudsman, Safe Work Australia or state WHS bodies, workers' compensation providers and payroll systems.	Trigger employment obligations only when hiring becomes relevant, while making the lead time and setup requirements clear.
7. Growth and adaptation	What new obligations arise if the business grows or changes?	Add seating, expand trading hours, offer catering, sell online, open another site, employ more staff, change ownership interests or cross local boundaries.	Local government, ATO, Fair Work, insurers, landlords, food safety regulators and possibly additional councils.	Use threshold-based prompts so the pathway updates when scale, location, products, employment or business model changes.
8. Transfer, restructure or exit	What happens if I sell, restructure, close or experience distress?	Manage licence transfer or cancellation, employee entitlements, tax obligations, lease exit, creditor arrangements, record retention and possible restructuring options.	ASIC, ATO, local government, Fair Work, landlords, creditors, advisers and insolvency practitioners where relevant.	Provide early signposts for transfer, restructuring and orderly exit so firms do not encounter these pathways only at crisis point.

A.4 Seven-layer architecture implications

The coffee shop pathway illustrates how a simple business journey can engage multiple layers of regulatory authority. Primary statutory regulators may be relevant for tax, corporate identity, consumer protection and workplace rules. Statutory regulators within departments may shape sector-specific permissions or guidance. Embedded regulatory units are likely to be central through local licensing, planning, building, food safety and inspection functions. Professional and network-based actors may influence practical compliance through certifiers, accredited training providers, insurers, accountants and advisers. Cross-jurisdictional arrangements arise where national, state and local requirements interact. Tribunal-based authority may become relevant if approvals, licences, leases or employment disputes are contested. Regulatory dark matter may manifest as informal local expectations, undocumented assessment practices, internal panels, or practical conventions that shape what is accepted in practice.

A.5 How the pathway would change the founder experience

Under the current fragmented experience, the founder must discover obligations by moving between websites, advisers, agencies, landlords, certifiers, insurers and informal networks. The National Business Lifecycle Pathway would reorganise that experience around a structured business profile and staged sequence. It would show which steps are immediate, which are conditional, which are triggered by later thresholds, which require specialist advice and which agency or actor owns each step. The pathway would not remove food safety, employment, planning, insurance or tax obligations. It would make those obligations visible, sequenced and proportionate to the business journey.

For example, the pathway could warn the founder not to sign a lease or begin fit-out before checking zoning, food premises suitability and inspection requirements. It could show that payroll, workers' compensation and award obligations are not abstract background rules but are triggered by the decision to hire. It could separate opening-day requirements from post-opening renewal and inspection obligations. It could also preserve escalation pathways for complex matters, such as liquor licensing, outdoor dining, major building work, franchising, multiple sites or financial distress.

A.6 Pilot design value

Hospitality would be a strong candidate for an initial pilot because the pathway is common, visible and cross-jurisdictional. It involves Commonwealth identity and tax systems, state and local food safety settings, local planning and licensing, private intermediaries such as landlords and insurers, and employment obligations once staff are hired. It also contains clear sequencing points that can be tested: business identity before licence applications, premises suitability before fit-out, food approval before trading, and employment systems before staff commencement.

A pilot could measure whether the pathway reduces elapsed time to opening, duplicated information requests, abandoned applications, advice costs, avoidable rework, late-stage approval failures and founder uncertainty. It could also measure regulatory integrity outcomes, including whether applications are more complete, inspections are better prepared, payroll obligations are understood earlier, and agencies gain clearer data on where firms encounter friction.

A.7 Illustrative pathway output

Pathway output	What the founder sees	Why it matters
Immediate actions	Register the business identity, select the structure, prepare premises suitability questions, and identify likely licences.	Reduces early uncertainty and prevents premature investment in unsuitable premises.
Conditional actions	Apply for food licence if preparing or selling food; confirm signage or footpath dining permissions if relevant.	Links obligations to the actual business model rather than presenting all possible rules at once.
Future trigger points	GST, PAYG, payroll, workers' compensation, award obligations, and workplace safety systems when hiring or revenue thresholds are met.	Helps founders plan for obligations before they become urgent or are missed.
Escalation points	Outdoor dining, liquor, major building work, multiple sites, franchise arrangements, financial distress or licence disputes.	Preserve specialist regulation and avoid oversimplifying high-risk or complex scenarios.
Stewardship feedback	Common user questions, repeated errors, abandoned steps, duplicated information and unclear agency handoffs.	Allows governments to improve the pathway and target reform where friction is actually occurring.

A.8 Conclusion

This worked example demonstrates the submission's core proposition. The problem is not that a coffee shop should be exempt from food safety, planning, employment, tax or consumer obligations. The problem is that a capable founder is currently required to assemble the pathway from fragmented systems. A National Business Lifecycle Pathway would preserve legitimate safeguards while making the journey more intelligible, more sequenced, and more capable of continuous improvement.