Creating a more dynamic and resilient economy inquiry

Questionnaire response 60

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1. Support business investment through corporate tax reform

1. What features of the Australian business environment have encouraged or restrained investment over the past 10 years?

The participant did not respond to this question.

2. What elements of the corporate tax system encourage and/or discourage investment and risk-taking?

The participant did not respond to this question.

3. Which parts of the corporate tax system do you find the hardest, or most time or cost-intensive to comply with? How could the compliance burden of the business/company tax system be reduced?

The participant did not respond to this question.

2. Reduce the impact of regulation on business dynamism

1. What areas of regulation do you see as enhancing business dynamism and resilience? What are the reasons for your answer?

Well designed and administered consumer product regulations assist businesses by setting clear guidelines that can be met without undue compliance burden. This enables impacted businesses to test for and ensure compliance within their own supply chain. Aspects of products like safety and sustainability can be commercially advantageous.

2. How has your regulatory burden changed over time?

As a consumer product consultant and policy adviser I have seen a significant increase in regulatory burdens over recent years. These are both in the context of cumulative and unharmonised burdens. While product safety regulations are important for consumers and responsible businesses, the range of government agencies involved with this accumulation adds complications and there is limited evidence of coordination. Notably, the situation with states separately regulating consumer plastics has created inordinate extra burden. Sustainability and related regulations like DCCEEW’s PFAS are also starting to encroach on safety regulations, eg. takeaway containers that can’t adequately hold hot liquids. Compliance staff in conscientious businesses must spend a great deal of time to juggle the variety of regulatory specifications. Sadly this is not always apprehended by senior managers, unless any non compliance is uncovered.

3. What regulations do you find time-consuming, overly complex or otherwise constraining business dynamism and resilience? What are the reasons for your answer?

All consumer product regulation now comes in the context of online retail platforms. Major retailers now run their own platforms and endeavour to compete with overseas platforms, but the latter are essentially beyond the reach of enforcement agencies. Many overseas platforms pay scant attention to Australian laws and often to safety and consumer welfare more generally. I believe there must be more support for Australian consumer product businesses than is currently provided. This should come from government in terms of how regulations are made and also how they are administered. While the Office of Impact Analysis ostensibly vets prospective regulations for viability, it does not have capacity to check the detail of regulatory burden. Perhaps more significantly, there is no area of government that monitors or reviews how regulations are administered once declared. Sometimes regulators do not provide the follow up support that is often needed once the regulations come into effect. Interpretations and detailed guidance can be necessary so as to minimise the burden involved in achieving compliance in practice.

4. Can you share any specific examples of where you think a regulator has done a good or bad job of understanding and reducing regulatory burden on businesses and why?

   The recently introduced mandatory safety standard for toppling furniture is an unfortunate example of regulatory design and administration. The ACCC did not sufficiently engage with regulated businesses, or sufficiently research the market before having the minister declare its specifications. It also chose not to expedite guidance needed to clarify the coverage and implementation issues reported immediately by suppliers. It further chose not to provide any formal grace period to address the practical impossibility of compliance for some products. The burdens of this include: threat of multi million dollar fines, increased financial and time costs to business, opportunity costs for other safety work, undue amount of stakeholder time to deal with the poorly written regulation and an occupational health burden in impacted staff.