Australian Government
Productivity Commission



Unlocking business dynamism

Interim report webinar transcript – 9 November 2026

Note: This transcript has been edited for clarity and brevity. Certain words have been modified or omitted, while maintaining the integrity of the original message.

Commissioners Stephen King and Alison Roberts

Stephen King: Let's get started. So, welcome folks. I'm Stephen King leading this inquiry with Alison Roberts, who you can see on the screen, also supported by Commissioner Martin Stokie and the team led by Lou Will.

Our interim report, Unlocking Business Dynamism, is about removing unnecessary barriers so productive businesses can start, grow, adapt and exit, not encouraging churn for its own sake. It builds on our inquiry report from last year on creating a more dynamic and resilient economy, and it's complementary to our current inquiry on non-financial business reporting.

So for those of you who are looking in particular what the PC has been recommending around the regulation space, I do recommend you go back, have a bit of a look at what we recommended last year, particularly in Pillar 1, and obviously keep your eye out for the non-business financial report. Together, they form a package, so read our interim recommendations and requests for information within that context.

I'm going to cover the reform directions from the front half of the report and then hand to Alison for insolvency. We want to leave some time for questions at the end. We've only got 45 minutes, but we do have a team behind the scenes ready to monitor the questions and feed them to Alison and myself. So please use the Q&A function to pop some questions in and the team will deal with those.

Okay, let me just begin by acknowledging the traditional owners of Country throughout Australia and their continuing connection to land, waters and community. Now, I'm joining you today from Wurundjeri Country, down here in Naarm. I pay my respects to cultures, country and elders past and present, and to any Aboriginal and Torres Strait Islander people joining us today.

I want to start with the big picture, what business dynamism is, why it matters for productivity, and why we think Australia has lost some momentum.

Business dynamism is essentially the economy's capacity to renew itself through business growth, entry, sorry, growth, restructuring and exit. So it's a business life cycle. These processes move workers, capital and ideas towards more productive uses. New firms bring new ideas to the market, successful firms expand, existing firms adapt. Business dynamism creates opportunities for workers and creates better products and choice for consumers.

But entry and exit rates have fallen. Workers are changing jobs less often. Market leaders tend to be more persistent, and young firms are employing a smaller share of workers. And you can see that on this slide.

Now, no single measure tells the whole story around business dynamism, but together, this range of indicators suggests that economic renewal has weakened in Australia. Now, the government's role is not to maximise churn or decide which firms succeed, but the government does have a role to play in removing unnecessary and avoidable barriers across the business life cycle.

Our task in this interim report has been to identify these avoidable barriers, as well as potential policy solutions. We examined regulation, finance, management capability and business transactions, alongside the design operation and integrity of the insolvency system. Tax, workplace relations and mergers frameworks are not the focus of this inquiry. There's obviously been a range of press speculation about this. But again, I want to point out this is one of a number of inquiries. And if you go and look at Pillar 1 from last year, you'll find discussion of tax and a proposal for corporate tax.

Since receiving the terms of reference for our inquiry on the 12th of May, we've received 92 submissions and held 113 meetings alongside undertaking our own research. The interim report was released last Thursday on November 5th. We are inviting further submissions, due December 11 and we will hold public hearings in February. The final report is due to government in May 2027.

In our interim report, we've identified some reform directions that are clear. We've got others where we want more evidence on the cost, benefits and practical design of potential reforms before we make our final recommendations.

So, looking at regulation. Regulation protects important economic, social, and environmental objectives. We need regulation. The rules underpin business dynamism, but the question is whether we can achieve the relevant protections without unnecessary barriers for business.

Regulation obviously affects every part of the business life cycle. Licences and approvals at entry, obligations as businesses grow, the rules around restructuring and the rules around closing a business. Licencing applications can take months. For instance, we heard about electrical trade licences taking three months, during which time businesses may incur costs, but are unable to trade.

Often the problem is not one bad rule, but the requirements that accumulate across agencies and levels of government. For example, obligations relating to occupational entry, vehicle registrations, freight improvement, approvals accumulate and they vary by state, and sometimes even by local council area. Business have to navigate across the combined system, and there's duplicated requirements that impose duplicated costs on business.

The indicators support that regulatory costs have grown, and with a recent report from Mandala putting the total regulatory burden at a cost of $160 billion to Australia. Now, such estimates of burden are imperfect, but they do reinforce what business has told us. Compliance is absorbing an increasing amount of time and resources that could otherwise be productively spent on investment, innovation and growth.

Our previous productivity inquiries recommended system-wide improvements, and again, referring back to Pillar 1 from last year, to remove or review those regulatory thickets, particularly where overlapping requirements are. creating high cumulative costs for business.

Now this can be especially hard on smaller business. In one survey, 39% of small businesses reported spending more than six hours a week on regulatory compliance.

Some reviews of these burdens are underway, we're looking at housing supply regulation and business reporting, as noted. We're now asking which sectors should come next. So we want your feedback when looking across the whole regulatory system, rather than looking at rules in isolation, where do we need these deep dives? We've heard concerns about cumulative burdens in care, construction, financial services, technology and motor trades, among others. Are they the right areas for the next deep dives? Are there others that we've missed?

While deep regulatory reform remains the priority, government can also make the existing system easier to navigate. Business repeatedly provide the same information to different agencies. A genuine tell us once approach would cut duplication without weakening protections. Government has committed to this. But fragmented accountability and inconsistent data practises are holding it back.

We propose clearer expectations, an implementation target, and a better use of data sharing arrangements. If government already holds reliable information why should it be asking business for that information again? Getting to tell us once is a technical solution, from the government side in particular.

On the other side, we have guidance which is a problem for business. An ACCI survey showed that only 38% of small businesses felt confident that they understood all of their obligations. This is not surprising when guidance around those obligations is scattered across agencies, jurisdictions and online portals. And often businesses need to work out not only what applies, but the sequence which they have to meet the relevant requirements.

We need connected, authoritative guidance, not simply more information. Business software, AI and regulatory technology can help deliver timely advice. We're seeking views on the standards and safeguards needed to make those tools trustworthy.

Next, if we turn to finance. Businesses need capital to start and grow, but not every rejected loan signals a policy problem. Our focus is the avoidable barriers facing otherwise commercially viable businesses.

Different businesses face different barriers to accessing finance. Young firms may lack credit histories. Services businesses may lack conventional collateral. We've heard about biases in capital raising, particularly relating to women founders. We've heard about collateral issues that reinforce historical exclusion for Aboriginal and Torres Strait Islander entrepreneurs. These are different problems and they need different responses. There's not a one-size-fits-all solution here. We need to identify the specific failure and whether a targeted intervention would be cost effective. Not assume that some sort of broad subsidy to business is going to solve the problems.

Better information could make lending decisions faster and more informed. We support continuation of the reforms around the consumer data right and easier access for businesses to data about them. This includes government-held data with appropriate, but not necessarily duplicative, privacy protections.

As we've noted elsewhere, current consumer data right privacy protections are not in line with the Australian Privacy Act, and we need to fix that.

Now, data reform can't and won't solve every problem. We are also seeking evidence on targeted options such as credit guarantees, alternative collateral, including their costs and risks. And that's one of the areas we're asking for feedback on.

We also looked at the settings around venture capital. Existing tax collections support early-stage investment. Sorry, existing tax concessions. I think I said collections.

Existing tax concessions support early-stage investment. Some of the programme rules though create unnecessary complexity and distort investment decisions. So we've proposed a more flexible venture capital investment system without extending the tax concessions, a broader pathway for experienced industry investors, the recognition of what are called SAFE notes, when investments are made. We also want evidence on where the gaps lie for commercially viable startups being missed by established providers before considering changes to existing programmes of new support. So again, after your feedback there.

Now, third, management capability. How businesses organise people and resources, make decisions, adopt technology, respond to change. These are the day-to-day activities of business. And the ability of managers of Australian businesses to work through those issues, to organise, to run their companies is critical to businesses' success. And better managed firms tend to be more productive, innovative and likely to grow. Management helps turn opportunities into outcomes and supports the movement of workers and capital towards more productive businesses.

Now, the 9.8% figure that you've got here on this slide. It models Australian manufacturing sector relative to US management levels. And yes, sometimes it can be difficult to measure these things, but it does illustrate management's economic importance.

And this isn't again one particular policy. The issue is, how do we get our management capability up to an international best standard? And what, if anything, has the government got to do about this? What do I mean by that? Well, you know, business itself is primarily responsible for their management and they get the benefits when they improve their management. So, it's not obvious that there's an underlying role here for government. But at the same time, government shapes incentives through competition, trade, skills regulation, and targeted support can also help where businesses do not recognise a weakness or cannot find credible advice.

Support should address demonstrated barriers and be tested for effectiveness. At the moment, that's not happening. We're not seeing that testing for effectiveness in business programmes. And our approach is not that every business needs some sort of assistance. It is: identify the barrier, match the response to the problem, test the intervention, scale what works, and redesign or stop what doesn't work. And that will be a major change on current practise.

International evidence shows management support can work, but no single intervention suits every business. Some need information, others need hands-on help to implement change. Australia's evidence is really very limited. The last dedicated Australian ABS collection was in 2015–16, and rigorous programme evaluations are just scarce. Our direction is better evidence, targeted support, rigorous evaluation. Scale what works. Redesign or stop what doesn't. This is about a more coherent set of programmes, not simply more programmes.

In the short term, government can make better use of its interactions with the businesses that already occur. Let's build on the touch points between government and business, but let's make sure we're doing things that we know work. Not just things that sound good. What do I mean by this? Well, existing interactions with government, registration, employing staff, paying tax or missing obligations can be useful moments for prompt diagnostic rules.

We propose trials through existing agencies, regulators and digital tools with proper evaluation. The aim is timely help without managers having to find their way through another portal or another reporting requirement when these business owners are already being swamped. We're seeking views on which lifecycle moments are the most useful to have these touch points, which channels are likely to prompt action, and where technology or in software notifications can help lower cost.

Separate concern relates to people being pressured or coerced into becoming directors, guarantors or owners without informed consent. Consequences can include substantial tax liabilities and insolvency. Again, information alone cannot address coercion. We're seeking evidence on additional safeguards we need to see around those roles such as directors, guarantors and owners that are able to protect vulnerable people and ensure genuine consent, rather than prescribing some sort of onerous mechanism.

Fourth business transitions: Dynamism is not only about startups and growth, it also depends on ownership. Assets and workers moving to better uses when circumstances change. We've discovered or determined a number of barriers that we need some more information about.

For example, delayed landlord consent to transfer a commercial lease, that can actually derail viable business sales. Retail lease protections vary and may not cover other commercial leases. So what we're seeking is evidence on the scale of the problem around commercial lease transfer and appropriate consent timeframes and protections to reduce unnecessary uncertainty while preserving legitimate landlord interests.

Similarly, solvent companies that cease operating can voluntarily deregister. But they can only do that if remaining assets are below $1,000. Otherwise, they need a member's voluntary liquidation, and that involves greater costs and procedural requirements. So is that threshold right? We are asking for feedback about the threshold and the requirements that remain appropriate, and how to simplify exit without weakening creditor or integrity safeguards.

Now, that’s exit for solvent companies. I'm now going to pass over to Alison to talk about our work on insolvency.

Alison Roberts: Thanks very much, Stephen, and hello everyone. Good to be with you today.

As Stephen mentioned at the beginning, our insolvency work covers the insolvency system’s design, operation and integrity as set out in our terms of reference.

I think an important thing to say here is that Insolvency matters well before a business fails because those settings influence lending, investment, risk taking and whether or not a company decides to attempt to restructure. And that makes it central to business dynamism.

In Australia, we've had decades of piecemeal reform in the insolvency space and they've really left Australia without a contemporary system-wide statement of our insolvency system's purpose and principles to underpin it. We've recommended, or we have a reform direction here in our interim report, to put that foundation into both the Bankruptcy Act and the Corporations Act.

The focus and purpose is dealing with the financial affairs of individuals and companies in financial distress, so not just formal insolvency. And that means having objectives that are to preserve and redeploy value, timely intervention, integrity and personal rehabilitation, underpinned by principles of

proportionality, efficiency and accessibility, which would guide reform while retaining the distinct functions of personal and corporate insolvency.

Small business owners can face connected company debts and personal guarantees. But in undertaking this inquiry, our assessment is that wholesale integration of personal and corporate insolvency isn't warranted. The frameworks themselves have distinct functions and conflicts between estates would remain even if they were merged. Companies and individuals remain legally and economically different. A personal insolvency has a distinct rehabilitation function, for example, and conflicts between company and director estates would persist even under a single framework.

What we also identified is that the connected problem is also quite concentrated. We saw that there were 1,167 cases accessing both frameworks in the last financial year, which is equivalent to 8% of corporate insolvencies or 9% of personal insolvencies.

Now that said, even though these are small proportions, we recognise that for people who do have to use both systems, duplicated advice and processes create real costs. So for affected business owners, getting separate advice, practitioners and timelines can increase cost and confusion, and it can discourage people seeking help early. Creditors can also face duplicated administration and participation costs. We're therefore seeking targeted solutions instead of merging the two systems. So targeting by having a no wrong door entry point to help direct debtors to appropriate corporate and personal pathways, better coordination and possible treatment of some personal guarantees within a corporate process, with appropriate safeguards, and again, we'd welcome your feedback on that.

Now, as well as system design, we were also asked to look at operation and integrity. So turning to individual pathways: are restructuring, liquidation and debt relief working as well as they should?

Well, small business restructuring lets viable companies compromise their debts while directors can remain in control of the company and businesses can continue to trade. Uptake of this pathway has grown to more than 1700 appointments in the last financial year. And as you can see on the slide, that was up from just 12 a few years prior. And this suggests it's meeting a real need.

In looking at this, we don't currently see a case for broad eligibility expansion beyond indexing the $1 million liability threshold that exists currently. Instead, what we're testing through our feedback requests are process improvements and also examining whether some of the licence and insurance cancellations that can occur immediately upon a business entering a restructuring process unnecessarily prevents access to this option in certain sectors. So we'd welcome, if you have experience with that, your feedback.

Simplified Liquidation, as we discovered through this inquiry, is not in fact operating as meaningfully simpler or cheaper than standard liquidation, despite its intention to do so. It was used just four times in the last financial year. We're testing targeted simplification against a larger redesign into a mainly administrative process for straightforward and low risk cases. Either approach must reduce cost while retaining safeguards against misconduct.

For individuals with very low assets, income and liabilities, full bankruptcy can be disproportionately costly and restrictive. And we certainly heard about that in submissions. Here we've recommended a reform direction around a minimal asset procedure that offers eligible debtors a faster fresh start. So the specific eligibility thresholds are not settled. The model previously consulted on by the Attorney General's Department included a one-year discharge period, four years on the National Personal

Insolvency Index and strict eligibility thresholds. Again, the principle here is about proportionality, where repayment capacity and likely creditor returns are already minimal, a simpler pathway can reduce hardship and support re-engagement. And that leaves more complex cases to remain in full bankruptcy. We will also, of course, keep abreast of the government's recently announced consultation on other changes to improve bankruptcy's proportionality settings.

Next, the incentives and information that encourage restructuring and preserve value for businesses and creditors. Around 80% of corporate administrations involve realisable assets that are below $50,000. By the time formal insolvency occurs, there's often very little value remaining and unsecured creditor recoveries are low. So looking to change the order in which creditors are prioritised would mainly redistribute those losses, not create additional value. Existing priorities also fund administration, the process, and protect employees. The stronger focus in our view is on earlier intervention and restructuring options to preserve more value in the 1st place.

The ATO is both a major creditor and a source of information about financial distress. Here we are supportive of model creditor guidelines to make the ATO's decisions in this space more transparent, predictable and consistent. We're also testing greater disclosure by the ATO of unpaid tax debt below the current $100,000 threshold. Earlier warnings could help creditors, but could potentially penalise temporary cash flow problems or discourage engagement with the ATO. So we want evidence on that balance and the safeguards needed.

A distressed but viable business may need suppliers to keep trading, yet payments can later be clawed back as unfair preferences if restructuring fails. That supports equal treatment of unsecured creditors, but it can discourage support when in fact that support could preserve value in that business. Here we've proposed protecting payments received in the ordinary course of business, even where a creditor ought to have suspected insolvency. The aim is confidence for ordinary trade creditors, not protection for collusive or exceptional transactions, and so obviously striking that balance is important.

The final group of reforms concern system integrity, encouraging earlier action, ensuring assetless companies can exit in an orderly way, and making anti-phoenixing laws work effectively. As mentioned earlier, businesses often act too late after restructuring options and value have disappeared. Small business and small medium businesses directors may struggle to recognise distress and we heard that awareness of this can be low. You can also struggle to understand duties or to afford advice at that particular point.

Enforcement matters, but it can't overcome all of these barriers. So we've proposed here practical prompts and referrals when ATO lodgements or payments are missed, and that the government implement outstanding Safe Harbour Review recommendations, which are all about giving directors clearer guidance and certainty about their options for restructure.

Some insolvent companies can't fund liquidation as they have too few assets. As a result, that leaves them outside the formal insolvency process, often leaving their debts unresolved and potential misconduct where it exists unexamined. Of course, not every dormant company falls into this category, and what's known as zombie companies. We propose here an official liquidator as a public provider of last resort for eligible assetless companies.

It's not a replacement for private liquidators. Cases could transfer to private practitioners where assets emerge or where there are specialist needs and also have a pathway for suspected misconduct to be referred to ASIC.

Then we have illegal phoenixing, which involves shifting a business or its assets to another company for inadequate value, leaving debts behind. And we often see these cases reported in stories in the media. It's obviously harmful to creditors. It gives an unfair advantage to those businesses that engage in this conduct over businesses that do meet their obligations.

Hearing from participants in our inquiry, they generally favoured stronger enforcement of the 2020 reforms, not a wholesale redesign. So we're seeking targeted feedback on evidentiary and enforcement barriers, including a possible rebuttal presumption of insolvency. And these are consultation options, not settled recommendations at this stage. It's good to remember here that these reforms were only introduced in 2020, so people are reflecting on the impact since.

The final thing is to say that, as you would have gathered from all of this, there's no single fix for business dynamism, no silver bullet, unfortunately. Barriers, as we've identified, arise across the business life cycle, and that requires action on several fronts, which we've outlined today and in more detail in the report. The common themes, though, are clearer information, simpler government systems, targeted support, easier transitions, and earlier restructuring.

Together, these can help productive businesses grow and their resources to move to higher value uses. We welcome evidence on these interim proposals through submissions and through our public hearings in February ahead of our final report to government in May.

And as Stephen mentioned, we also have on foot another related inquiry that's looking specifically at non-financial corporate reporting. So they're looking at things like payment times, you know, gender and climate reporting, and they've got an interim report to be released later this month.

So thank you for your attention today and for joining, and thanks very much from Stephen and myself to the team behind the report. We really welcome your feedback through the inquiry contact that's shown here, and we're also happy to take questions through the Q&A function now.

Alison Roberts: So I just suggest people don't do the raise hands function. You need to put your questions, sorry, in the Q&A option. Just makes it easier for us to manage. Thank you.

Stephen King: Yeah. Yeah, Catherine, we've got, we've got, yeah, we've got a team behind the scenes putting together the questions and we have Lou Will as the voice of the questions. Probably can stop sharing the slide, but Lou, do you want to run through the first question?

Lou Will: Yes. So, Helena Waldman asks whether or not our final report is going to recommend targeted reviews for the areas that are not currently subject to review.

Alison Roberts: So the short answer is yes, that's part of what we're looking into. And as Stephen outlined, we've heard of a number of areas, care, for example, construction and so on, but we're welcoming further feedback on the areas where the highest priority exists.

Stephen King: Yeah.

Lou Will: Michael Murray asks, isn't market competition a fundamental driver of business dynamism? Is competition policy within the scope of the inquiry?

Stephen King: Yeah, so I'm happy to take that one. Thanks, Michael, for the question. So short answer on does competition and competition policy matter? Yes. Competition is a driver of business dynamism and directly interacts. If you've got dynamic businesses, they compete better. There's a whole range of

existing work that is being done in that competition space. So we've deliberately made sure that we don't simply overlap and repeat that work. So we're focused on those regulatory burdens. But for example, you might be aware of the new merger rules. Treasury's progress on the digital platforms rules around competition. The National Competition Council has essentially been revamped and there's a National Competition Policy Programme that's really getting up and running.

In some ways, the closest link is that our inquiry does deal with a range of issues that the National Competition Policy Group is also trying to deal with. So for example, occupational licencing. And in those areas, we're hoping to be able to provide input to that National Competition Policy process. So yeah, we haven't looked, we haven't sort of said, hey, let's review the Competition and Consumer Act. But we're very cognisant of the other reforms going on and making sure that we're complementary to those.

Lou Will: Thanks, Stephen. Louise Smith notes that there are a number of mentions of the adoption of innovative technologies developed by others in the report, but no mention of businesses undertaking their own RDA, R&D, sorry, not RDA, research and development.

Stephen King: Yeah.

Lou Will: Is this something that's missing from the inquiry?

Stephen King: Um... Previously, I've actually worked on a number of areas where the PCs looked at R&D and looked at the behaviour of Australian businesses. By international levels, R&D by Australian businesses is relatively low, but our focus here has not been, well, how do we increase it? We're focused much more on the 98% of firms, I think it is, it's around that level, where the main drivers of improved productivity come from the adoption of stuff that's already out in the world.

So Australia adds very, perhaps put another way, Australia adds very little new to world research and development, but what our businesses are okay at is grabbing innovations from overseas, from other businesses, introducing them to Australia, sometimes introducing them to the best specific market.

So where we have focused on is how do we improve the incentives for businesses to adopt, for example, the latest technology and to pick on some other work that the PC has done. We know that consumers in Australia are great at picking up AI. Our businesses are a lot slower. Why? How do we change that? And that's part of the managerial capability that we talk about in this report.

Lou Will: Amanda Bull asks, if a submission has identified an industry as suffering disproportionately from regulatory burden, for example, construction, is that sufficient, or would we like further information for the final report?

Alison Roberts: You don't need to resubmit. Consider that we'll take all of the original submissions as we go further into looking at identifying those areas. And if we've got further questions on the evidentiary basis of that, we can follow up with those who've made submissions. So we don't want to require people to submit twice.

Lou Will: So Roland Eois asks when we think about business Dynamism in the age of AI, when Australians are working longer hours ...

Alison Roberts: I think the question is around whether business dynamism is weakened by AI and whether or not some of those factors that Stephen put up on the early slides around new firm entry, job reallocation are being impacted by AI.

I mean, my sense is we don't know a lot about that yet. It was not a key focus of this inquiry to look at the impact of AI, although we do know, as Stephen said, there are some signs that businesses are late adopters, which also could be related to some of the other things that we identified in the report, which is that we have lower levels of management capability that a lot of ...

Stephen King: Yeah.

Alison Roberts: business time and board time is spent on compliance and regulatory activities, which leaves little time for adopting new technologies, innovation, and also our systems aren't talking to each other as well as they could with some of those other reforms that Stephen spoke to, which means that where there are AI tools that businesses could use, they're not being enabled as well as they should. So we looked at it from that perspective, but not the impact of AI on jobs or workforce. That was not within the scope of our terms of reference. It's an interesting question though.

Stephen King: Yeah. Yeah, I mean, just to back up, Alison, on that.

Stephen King: For every talk of jobs apocalypse, there's talk of, you know, improving quality of work and creating new jobs. Best work that we're aware of in this area, if you're interested in following up, is actually the stuff by Jobs and Skills Australia, which came out, I think, last year or earlier this year. So go and have a look at that. They do some really nice work around employment, jobs, and areas and tasks where AI will have an impact.

But yeah, just to pick up on Alison's point, a lot of what we're talking around in this report around government data, tell us once, consumer data right, it's really the background to enable businesses to use AI effectively because AI is only ever as good as the data that a business can use to ask the questions of AI.

Lou Will: Okay, thanks. Another question relating to AI from Andrew Hazard. As AI changes how lenders assess small businesses, what should the final report recommend to improve access to reliable business data while protecting privacy and avoiding new barriers to finance?

Stephen King: Thanks for the question. Sorry, I missed the name of the person who was giving it.

Lou Will: Andrew Hazard

Stephen King: The consumer data right, which is sometimes known in the finance area where it was first applied as open banking, is actually the attempt to create an ecosystem of safe, secure, privacy protected data flows where an individual or business is able to require, for example, a bank or other financial institution that is holding data about that particular business, so it's data about me, in a sense, I'm able to say I want that data to either be provided back to me or more importantly, be provided off to other parties.

So for example, I can make sure that I get the most competitive loan arrangements, that my credit history is available for possibly not a deposit taking institution, but another, let's say private equity. If they're a trusted receiver of the data, that they can get the data to be able to assess whether they're willing to lend me money. That's all underpinned by the Consumer Data Right.

It hasn't worked in nearly as well as it should have, but it is hopefully the future of Australia. There is work going on in Treasury to improve it. We think that work really needs a bit of a kick along. Sorry,

Treasury colleagues who might be listening in. And so that's why we've said, look, this work needs, you need deadlines, you need specific targets to aim for. Let's get this, the improvements underway.

Alison Roberts: Yeah, and I think the link there, if I can just add to what Stephen said, is that we did hear feedback that the length of time for lending decisions can be long in Australia compared to other jurisdictions for those who we spoke to who operate in other countries, and even getting a quick no if they're going to be denied finance, as an entrepreneur, for example, is just as important. So having those rules in place to protect people's data but enable access quickly by different types of lenders, whether debt or venture capital, is important for people being able to get businesses off the ground or be able to quickly access finance if they want to grow their business as well.

Lou Will: Thanks both. Another question from Andrew. He's asked where we see the biggest lending gaps at the moment for SMEs and whether we're planning to make recommendations relating to those in the final report.

Alison Roberts: So yes, we're planning to make recommendations around where reforms should be targeted. And so we do have information requests about where in the cycle some of those gaps are. We've certainly heard that there are challenges accessing finance, but we would like, this is an area where we would like some more examples, some information about where in the cycle people are having challenges accessing finance, whether it's growth finance, whether it's startup, whether it's at different cycles in raising capital. We're really interested in getting more specific information on that that will enable us to make more targeted recommendations rather than broad-based. One for the final.

Stephen King: Yeah, and just to follow up, the other thing that we'd really like more information on. It's pretty clear that certain groups, for example, women-led companies, are facing higher hurdles on accessing funding than other businesses. At the moment, we've got some examples of that, more information around that, because obviously recommendations in that space can be controversial. And we want to make sure we've got as solid an evidence base as possible to underpin the recommendations we make.

Lou Will: Next question from Melissa Jeremiah. Melissa has asked for some clarification around our recommendation on the official liquidator. She's asking, are we proposing that the official liquidator will be available for assetless appointments? A specialist registered liquidator be engaged where required to undertake the investigation misconduct work and that ASIC would then be relied upon for funding the registered liquidator work?

Alison Roberts: So certainly in our interim reform direction, that's our intention that it would be available for assetless appointments, but there would be a triaging component. We'll be looking at those sorts of specific implementation details, so how and where a registered specialist liquidator would be engaged in the process as part of the details for our final report and how the work is divided between private registered liquidators, the official liquidator and ASIC in those circumstances where all of those functions are required. So we'd really, we'd welcome submissions if you work in this space and would like to send us the specificity.

Stephen King: Yeah, and just on that, as some of you on the call know, New Zealand, I think it is, has an official liquidator at the moment. And obviously their model is one that we're looking at. Feedback on the positives and negatives of that model would be absolutely brilliant so that we can make our final recommendation.

Lou Will: Jill Muir asks a question about CDR and in particular what elements or which elements of CDR do we consider to have been successful? She notes that it's been utilised by finance providers primarily to date, seeking to send personalised marketing to potential consumers, rather than being used to move data by a consumer to their trusted advisors.

Stephen King: Yeah. OK, haven't heard about how CDR data is being used for advertising. CDR can't allow data dumps, so anyway, so we'd be really interested in feedback Jill around exactly what's happening there. The issue of CDR, well, it's really twofold. One, CDR has proven to be quite bureaucratic in application. So for example, the privacy requirements around CDR overlap with, but are not consistent with the Privacy Act. Well, if we've got a functioning, effective Privacy Act, which hopefully we have in Australia, then CDR should line up underneath that. Um...

The second part is, and the focus is on finance because it's only been rolled out in finance and energy so far. There is a natural reluctance by parties that have data about individual businesses and individual customers to want to hold on to that data and the processes where an applicant under CDR can essentially appeal a decision not to make their data available, or data about them available, are not particularly well defined.

So that's another area where we think that maybe there should be a shift in the onus. If the data is about your business, the assumption is you should be able to get that data and move it on to third parties, trusted third parties, so we don't say you know, oh, I got rung by a scam agent, they need my data. There should be provisions around who can get that data from you to make sure that they're safe and secure. But once they've met those provisions, the data transfer should be in your hands, because it is data about you and your business. That's our underlying principle.

Lou Will: Jill also asks, how do we arrive at 4 years for the NPII? This is a shorter period than credit reporting bureaus can hold the data, which is 7 years.

Alison Roberts: So the 4 years is the time frame that was proposed in the consultation that the Attorney General's Department undertook around some potential reforms. So we've asked for feedback on that. It aligns with the goal of providing a faster fresh start, but keen to hear if that timeline's right. Um ... So, yeah, we'd like we'd like to get feedback, and then I think we've got time for one more question for those who are sticking around. Thank you.

Lou Will: One more question. Last question from Michael McGuinness. Re cumulative burden. So a business might deal with Commonwealth, state and local government requirements as well as several regulators. Is anyone actually looking at what that adds up to for businesses?

Alison Roberts: It's a great question and something that the team that undertook one of our pillar inquiries last year looked at. So we, as Stephen mentioned in his opening, we put a report to government about creating a dynamic and resilient economy. And that did talk to the cost of this and the government picked up on this in an announcement in a productivity reform package in the budget and now has a whole of government regulatory reform agenda which has set out a number of targets for reducing regulatory burden.

It set statement of expectations for regulators to consider what additional burden new or changed regulations would apply. Our work this year is focused then on what are the next steps to build on that, with that work being underway, in particular to identify as we mentioned some of those sector specific issues as ways to address cumulative burden. And also the other work that a separate team is

undertaking into non-financial corporate reporting will look at some of the regulatory burden of specific requirements in certain policy areas. So it's a very big area of interest for us and something that we're quite focused on across a number of fronts.

Lou Will: That's the end of the questions.

Stephen King: Perfect.

Alison Roberts: Fantastic questions and engagement and look forward. Thank you to those of you on the call who made submissions. And if those who haven't but have something to say in response to either our information requests or the reform directions, we look forward to hearing from you.

Stephen King: All right. Yeah. Thanks for joining us today.

Alison Roberts: Thanks, all.

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