

12 May 2022

Regulatory Policy
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

via email: deregulation@pmc.gov.au

Dear Sir/Madam

Supporting Economic Resilience through Regulatory Responsiveness

We welcome the opportunity to comment on the Consultation Paper: *Supporting economic resilience through regulatory responsiveness – lessons from COVID-19 and other shocks*. The burden of regulation falls disproportionately on small business who lack the resources of their larger counterparts. In all circumstances regulation should be ‘right-sized’, proportional, implemented with consideration for timing and to minimise cumulative or duplicative impacts.

The pandemic has highlighted the cost of regulatory burden and the benefit of a responsive and dynamic regulatory environment to best support economic resilience and as such we provide the following comments.

- 1. Regulators should proactively engage with industry regarding the practicality and communication of regulatory changes.** The pandemic has highlighted the significant challenge small and family businesses face when dealing with a dynamic regulatory environment. Regulatory agencies should consult with small business representative bodies to ensure regulatory changes are ‘fit for purpose’ for the small business sector.

Furthermore, to maximise compliance where new regulation is implemented, we suggest regulatory agencies work with industry and peak bodies as well as small business trusted advisers to ensure changes in regulation are effectively communicated through the sector.

- 2. Proactive and targeted support should be preferenced over punitive action.** Regulators should understand the commercial realities of small businesses navigating the complex and dynamic regulatory environment. We suggest regulators proactively ensure small business has adequate support and guidance when managing regulatory changes.

Regulators should also consider factors including a lack of previous offences and the time a business has been operating when undertaking compliance activity. For example, where an unintentional error is made by a newly operational small business, that business should be provided with targeted education and guidance rather than be subject to punitive measures.

- 3. Consideration should be given to the implementation, where necessary, of temporary simplified regulations to support economic resilience.** Significant work undertaken by this Office into small business natural disaster preparedness and resilience demonstrated the importance small and family businesses play in rebuilding local communities. To assist small business in managing exogenous shocks we recommend regulatory agencies be provided with the appropriate powers to implement temporary simplified regulation, freeing up small business resources. Where this regulation is demonstrated to be the effective minimum

intervention to achieve the desired standard consideration should be given to the long-term implementation.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr Cameron Dyson-Smith on 02 5114 6105 or at Cameron.Dyson-Smith@asbfeo.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bruce Billson', written in a cursive style.

The Hon. Bruce Billson

Australian Small Business and Family Enterprise Ombudsman