

22 September 2014

Office of Deregulation
Department of the Prime Minister and Cabinet
By email: officeofderegulation@pmc.gov.au

Dear Sir/Madam,

As the state's peak body for small and medium businesses, the Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide feedback on the Government's proposed Regulator Performance Framework.

The cost and burden of regulatory compliance falls heavily on small and medium businesses, and encouraging regulators to minimise their impact in achieving their regulatory objectives will assist in increasing efficiency and productivity, while reducing red tape.

It is vital that those responsible for implementing and enforcing regulation are able to recognise and accommodate the particular circumstances of small and medium businesses, who do not have the scale or workforce to dedicate resources towards compliance activities in the same way that larger business can.

In March 2013 CCIQ provided a detailed submission¹ to the Productivity Commission on Regulator Engagement with Small and Medium Businesses, which was referenced extensively in their final report. CCIQ believes this to be relevant to the development of the Regulator Performance Framework.

Proposed Framework and key performance indicators

CCIQ considers the key performance indicators are suitable for assessing the performance of regulators. In particular CCIQ welcomes the key performance indicators that encourage regulators to:

- adapt their approaches (including policies and operational procedures and practices) to small and medium business, in an effort to reduce disproportionate and unnecessary burdens to them;
- provide targeted advice and guidance to small and medium businesses on regulatory requirements, including consulting with industry groups (as representatives of small and medium businesses) prior to changing processes and policies, and clearly articulating the particular expectations of the regulator;
- recognise the difficulties of small and medium businesses in finding the resources or skills to respond to compliance requirements, and consider the risk and consequences of particular

¹ CCIQ submission to the Productivity Commission on Regulator Engagement with Small and Medium Businesses found at <https://www.cciq.com.au/assets/Documents/Advocacy/FINAL-PC-Submission-Regulator-Engagement-with-SMEs-March-2013.pdf>

non-compliances to ensure that actions are not disproportionately burdensome to small and medium businesses;

- streamline inspection and monitoring approaches, including actively reducing duplication within and between regulators, coordinating inspection visits with similar regulators and encouraging information sharing among regulators, so as to minimise the compliance costs imposed on small and medium businesses;
- deliver greater transparency in the way that they regulate, so as to increase accountability of regulators as well as community confidence and understanding; and
- actively and regularly engage small and medium businesses to identify shortcomings in the regulatory framework and administrative processes, and use industry feedback and engagement to improve and adapt the framework on an ongoing basis, with the view to reducing compliance costs for small and medium businesses.

CCIQ would like to see the framework more strongly encourage regulators to tailor their advice and guidance when engaging with small and medium businesses. KPI 2 could be expanded in this regard. It is important that regulators are not unnecessarily restricted by their communication policies so that they cannot provide clear and targeted support to small and medium businesses.

Regulators should also be guided to consider what other agencies already impose on small and medium businesses when developing and designing their regulatory programs, policies and engagement strategies. KPI 1 could be expanded in this regard, with a stronger view to addressing the net or cumulative effect of regulation on small and medium businesses.

Self-assessment and reporting requirements

CCIQ considers self-assessment a suitable method of reviewing regulator performance against the framework, so long as regulators are encouraged to be transparent in their assessment. To this end, it is suitable that self-assessments will be externally validated, and subject to scrutiny by the relevant Ministerial Advisory Councils and the public.

Requirement under the framework to provide evidence against the KPIs from a range of sources would also encourage regulators to actively seek to meet the criteria. Regulators should be strongly encouraged to recognise their shortfalls in light of industry engagement and feedback, and highlight areas for improvement and change for the following year.

Please do not hesitate to contact me should you have any questions in relation to this correspondence.

Yours sincerely,



Nick Behrens

General Manager - Advocacy