

- Sectors that have undergone significant government mandated regulatory review and transformation to strengthen consumer protections, professionalism, and disciplinary structures, should receive proportionate reductions in the Commission's levies. For example, the financial advice and mortgage broking sectors have undergone government directed transformation to provide high quality services supported by industry funded consumer protections. The successful transformation of these sectors should reduce the Commission's enforcement activities and result in proportionally lower levies.

Where government prescribed regulations have resulted in unintended consequences that require remediation, consideration should be given to the Government subsidising a portion of the Commission's enforcement activities in the implementation of the refreshed regulatory framework.

- The Commission's IFM requires sufficient flexibility such that small businesses are not required to absorb the Commission's levy shocks. The Commission's levies to small businesses should be proportionate, consistent, fair, and capped to ensure that the total levies and other regulatory Commission fees paid by small businesses is not excessive. We suggest proposed levy increases that exceed the cap require Treasury approval, and provide small businesses sufficient notice to absorb the increased costs.
- Consideration should be given to reviewing the Commission's expenditure model to ensure costs and outcomes are harmonised to stakeholder expectations by providing the Commission's regulated industries with the appropriate mix of support, guidance, and regulatory enforcement functions. Proactive stakeholder support and guidance may help to improve regulatory outcomes, via enhanced stakeholder self-regulation, and a reduction in enforcement costs.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr David Meakin on 02 5114 6106 or at David.Meakin@asbfeo.gov.au

Yours sincerely



The Hon. Bruce Billson

Australian Small Business and Family Enterprise Ombudsman