

Peter Harris
Chairman
Productivity Commission
4 National Circuit
Barton ACT 2600, Australia

Consumer Law Enforcement and Administration Draft Report

23 January 2017

Please find below a submission from the Council of Small Business Australia (COSBOA) to the Productivity Commission in relation to the Consumer Law Enforcement and Administration Draft Report.

COSBOA welcomes the opportunity to provide a voice for small business people to the Productivity Commission. We note that based on 2016 data from the Australian Bureau of Statistics, small businesses employ approximately 4.8 million people and remain a vital part of the Australian economy.

Productivity is an important issue to people in small business and we are always willing to work with the Commission to improve productivity outcomes for all Australians.

If you require any further information in relation to the submission, please feel free to contact me on ceo@cosboa.org.au.

Sincerely

Peter Strong
Chief Executive Officer
Council of Small Business Australia

Council of Small Business Australia



Submission to the Productivity Commission in relation to the Consumer Law Enforcement and Administration Draft Report

January 2017

COSBOA Submission

The Council of Small Business Australia (COSBOA) is a strong supporter of the work of the Productivity Commission (the Commission). As an organisation eager to support measures to improve efficiency and productivity for small businesses, we welcome and value the opportunity to comment on the Consumer Law Enforcement and Administration Draft Report.

Small businesses are always willing to work with government and comply with reasonable regulations; however, Australia's regulatory environment must be fair and simple. As employers of over 4.8 million Australians, we believe it is important for the Commission to work with COSBOA on measures that improve the regulatory environment in Australia.

We congratulate the Commission on its work in relation to this Draft Report and are broadly impressed by the recommendations included. If we as a society are to maintain our current standard of living we need to become more productive. When managed correctly, the Australian Consumer Law (ACL) is important to this. It helps to protect Australians and ensures that safety standards are maintained. While this is true, too much regulation can be a bad thing.

Over-regulation that is administrated by a complex bureaucracy can reduce productivity and result in red tape and a compliance burden for small businesses. Frustration is increased when different levels of government overlap in their management of regulation. Oversight is important, but this should be efficient and simple.

Small businesses need a regulatory environment that is simple and easy to understand. Recommendations within the Commission's draft report support simplification and COSBOA underscores our appreciation for this.

It is clear that the Commission's Draft Report is well considered and we are broadly supportive of its recommendations. COSBOA would like to highlight to the Commission that COSBOA:

- Agrees that our current consumer protection system is unnecessarily complex and welcomes recommendations to simplify the administration and enforcement of the Australian Consumer Law.
- Supports the recommendation for states and territories to relinquish powers in favour of the ACCC being the main enforcing agency. In achieving this, COSBOA believe the Government must ensure that the ACCC is supported with the capacity to carry out these responsibilities.

- Emphasises that any changes must be focused on simplifying the administration of the ACL and ensuring that it is easy to understand for hard working small business people who are driving the national economy.

COSBOA would also like to highlight to the Commission the importance of regulatory bodies having the capacity to work with and educate those who are working in small businesses. The regulatory environment in Australia can be complex to navigate for individuals without significant time and knowledge to both engage with and understand our legal frameworks that govern the operation of small businesses.

We highlight that COSBOA:

- Notes the proposed increase in financial penalties and that believes that this must be appropriate for the context size and offence and product, particular in relation to those small businesses who have been working hard to comply with the ACL.
- Believes that as with all regulation, building understanding is critical and that small business people with the complexities of regulation and red tape in Australia
- Highlights that people who run small businesses in Australia consistently strive to comply with ACL and that enforcement of this must occur with an understanding that those people are trying to do the right thing.

Additionally, in relation to the production and manufacturing of goods, COSBOA:

- Calls for a greater emphasis on standards and compliance in manufacturing products from the Australian Government.
- Calls on the Australian Government to continue working to ensure that imported goods meet Australian standards.
- Believes that there is an important distinction between manufacturing and retailing and that an onus must be placed on a manufacturer who has guaranteed their products quality.

COSBOA will be confronting productivity challenges with our members throughout 2017 and look forward to further opportunities to work with the Commission in support of small businesses.



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