

Concerns regarding inadequate consultation for complex legislative and regulatory reform

We write on behalf of the undersigned Alliance of Industry Associations to raise a growing concern about government's inadequate consultation on recent complex legislative and regulatory reforms. We represent 30 groups from across the economy including small, medium and large businesses, farmers, builders, retailers, universities and tax and accounting professionals.

Our organisations support genuine and timely consultation as a cornerstone of good policy making and democratic governance. This allows government to test its proposals against real-world impact and allows impacted businesses and professionals to properly understand and respond to proposed change. Indeed, consultation, when done well, is a critical step in ensuring good policy design and minimising unintended consequences of policy reform.

Increasingly, however, we are being asked to review and respond to complex exposure draft legislation, regulations and consultation papers within windows that leave little realistic opportunity for considered input with recommendations from Departments to limit our submissions to 1,000 words. This leaves us with limited capacity to highlight complex issues.

This runs contrary to the Government's stated principles

The Australian Government's *Guide to Policy Impact Analysis*, and the Office of Impact Analysis' guidance note on *Best Practice Consultation*, commit policy makers to consulting with impacted businesses and community organisations "in a genuine and timely way" and point to a minimum consultation period of 30–60 days for engagement on significant reforms.

These principles recognise that genuine consultation requires sufficient opportunity for stakeholders to identify practical problems, propose solutions and have those views properly considered before decisions are finalised.

The Regulatory Initiatives Grid (RIG), maintained by Treasury for the financial sector, is a welcome example of government seeking to give industry earlier visibility of, and adequate time to prepare for, upcoming regulatory change. While the RIG is not perfect, we would like to see that same spirit of transparency and lead time applied consistently across all portfolios and agencies.

The pattern, across portfolios

Recent experience suggests that inadequate consultation is not a one-off issue but is endemic across portfolios and topics. Stakeholders, businesses, the community or unions - face inadequate opportunities to consider or provide meaningful responses that will be listened to.

The table in Attachment A provides a selection of recent examples. In every case, the consultation period fell short of the OIA's minimum, in the shortest cases, government allowed only a third a OIAs suggested minimum. Government has shown that considerably longer timeframes are readily achievable when it chooses to apply them. To illustrate:

- The Budget night announcements of changes to capital gains tax and negative gearing saw legislation promptly introduced and passed in less than a month.

- Consultation on the Budget night announcement around removing tariffs on yarn and mushrooms will continue into January. Consultation on tranche 2 of the Privacy Act reforms were only released this month following passage of the Privacy and Other Legislation Amendment Act 2024.
- The Department of Agriculture, Fisheries and Forestry on the Forests Australia website user experience consultation started October last year and finishes in December – *this* year.
- A 65-business day review into the Wheat Port Code.
- A 41-business day consultation run by the Department of Health, Disability and Ageing/OGTR on the commercial supply of a genetically modified vaccine for chickens.

These examples underscore that the constraint on consultation is one of prioritisation, not capacity. At the same time, the risks are plain to see with policy that may ultimately require further changes, not achieve its policy intent, or require future delays.

Proposed solution

To address this pattern and restore confidence in the consultation process, we ask that government commit to the following:

- 1** Strengthen Cabinet scrutiny of new regulation, consistent with the rigor applied to new expenditure proposals.
- 2** Appoint an independent Office of Impact Analysis Commissioner to strengthen the key role of the OIA located within PM&C.
- 3** Adopt standard minimum stakeholder consultation periods across all Commonwealth policy initiatives, to ensure that rushed legislation does not create unnecessary compliance costs or unintended consequences.

We welcome the opportunity to discuss these concerns and recommendations directly, and to work with the government on a more consistent and workable approach to consultation timeframes for policy reforms.

Kind regards



Recent consultation windows

Consultation	Portfolio / agency	Consultation window	Business days
Tax Practitioners Board sanctions reforms	Treasury	3 Aug – 14 Aug 2026	10
Deferred Sales Model for add-on insurance – exposure draft regulations	Treasury	27 Jul – 7 Aug 2026	10
Innovative business CGT concession – exposure draft legislation	Treasury	11 Sep – 28 Sep 2026	12
Expanding tax incentives for venture capital schemes	Treasury	11 Sep – 28 Sep 2026	12
Sustainable FBT treatment of electric cars	Treasury	11 Sep – 28 Sep 2026	12
Monthly Pay as you go instalments	Treasury	11 Sep – 28 Sep 2026	12
Better targeting the R&D Tax Incentive – exposure draft	Treasury	11 Sep – 28 Sep 2026	12
Minimum tax on discretionary trusts – exposure draft legislation	Treasury	3 Sep – 18 Sep 2026	12
Privacy Act (tranche 2) reforms consultation on exposure draft legislation	Attorney-General's Department	31 Aug – 18 Sep 2026	15
Privacy Act (tranche 2) reforms Impact Assumptions paper	Attorney-General's Department	7 Sep – 21 Sep	10
Non-financial reporting inquiry	Productivity Commission	9 Sep – 30 Sep 2026	16
New modern slavery criminal offence; not raised during the Broader modern slavery reforms consultation	Attorney-General's Department	21 Aug – 25 Sep 2026	26
Exposure Draft Online Safety Amendment (Digital Duty of Care) Bill 2026	Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts	8 Sep – 22 Sep	11