



Regional Health Division &
Strategic Reform and Planning Branch
NSW Health

By email: MOH-ODS-Regional@health.nsw.gov.au

To whom it may concern,

Thank you for the opportunity to provide feedback on experiences of consultation and engagement with NSW Health. The NSW Small Business Commission (the Commission) is an independent statutory office of the NSW Government. It provides advice, advocacy and affordable dispute resolution services to small businesses across NSW.

The Commission understands that NSW Health is seeking feedback on stakeholder insights and experiences to help shape the planning and delivery of health services to meet local needs. While NSW Health engages with a broad spectrum of stakeholders, the Commission welcomes the opportunity to contribute perspectives relating to small business that may occasionally be impacted by NSW Health decisions or activities.

Recently, the Commission engaged with small businesses to better understand their preferences when consulting with NSW Government agencies. We are pleased to share these insights should they be of assistance in the development of future health projects. The Commission would be happy to meet to discuss the findings further should this be of interest.

Feedback from small business on consultation processes

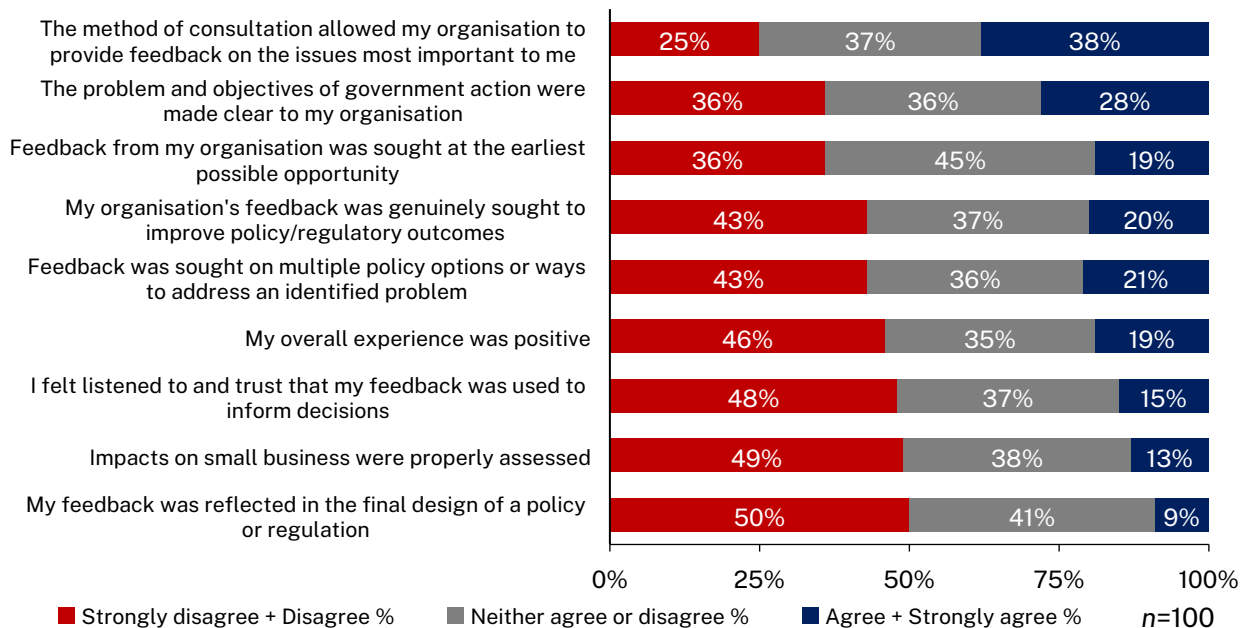
As part of the [Review of small business experiences with regulatory policymaking](#) (the Review), the Commission heard feedback from small businesses who identified opportunities to improve consultation methods commonly used by NSW Government agencies.

One of the most common concerns raised by small business stakeholders was a lack of effective and genuine stakeholder engagement when seeking their input in the decision-making process. They indicated perceptions that consultation processes often felt like a mere formality or “tick the box” exercise, if it occurred at all. Only 15 per cent of respondents to a survey conducted as part of the Review indicated they felt listened to and trusted their feedback was used to inform decisions (see Chart 1).

While stakeholder engagement should occur throughout the decision-making process, only 19 per cent of survey respondents indicated feedback from their organisation was sought at the earliest possible opportunity. Feedback suggested a tendency for stakeholders to be engaged only after policy solutions have been developed and are approaching implementation.

Stakeholders also reported a lack of transparency in how feedback is used to inform decisions. There is often no clear indication of how stakeholder input influences the final outcomes, leading to a lack of trust in the process. The absence of any follow-up processes to understand and acknowledge feedback discourages small businesses from participating in future consultations, as they do not see the value in providing feedback that is perceived to be ignored.

Chart 1: Small business participation in NSW Government consultation



Timing of consultation

The timing of consultations can also pose challenges for small businesses, which often have limited time and resources to engage. For example, one industry association noted that some consultations occur during peak business or holiday periods, making it difficult for small businesses to participate. Strategies should be implemented to avoid consultation during these periods to ensure relevant stakeholders have an opportunity to participate and be heard.

Similarly, the consultation period should match the complexity of the proposal. Although the NSW Guide to Better Regulation requires a minimum of 28 days, longer periods can be adopted for more significant or complex proposals, or when necessary for the stakeholders or issues involved.

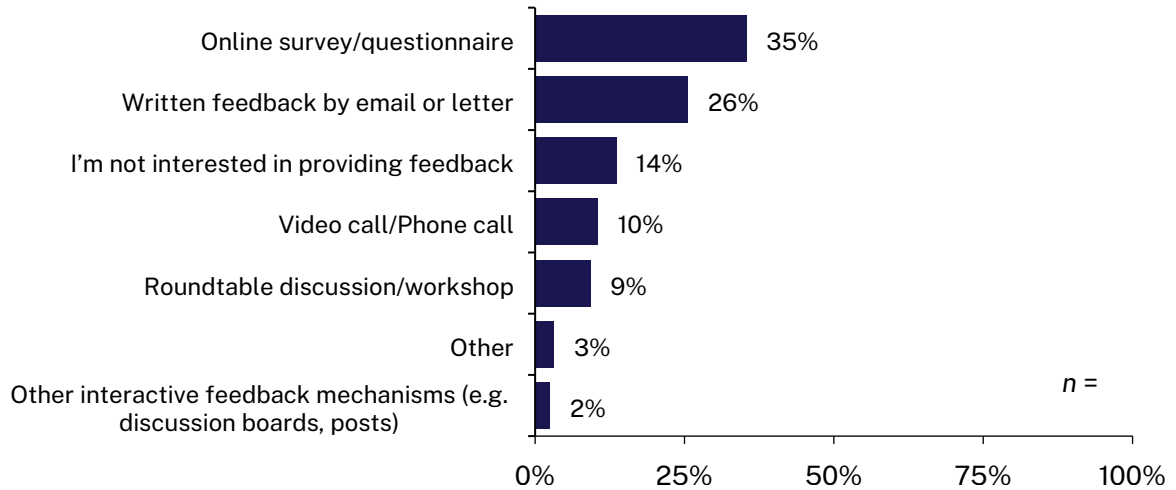
Consultation methods

The Review also sought to identify the preferred methods for consultation. Online surveys/questionnaires, written feedback and participation through video or phone calls were the most preferred options (see Chart 2). Some of these methods, and others, can be facilitated through the NSW Government's 'Have Your Say' platform. However, the most appropriate methods should align with the preferences of the industry and businesses affected by the proposed changes. It is also important to make available a diversity of consultation methods to accommodate diverse consultation preferences.

More generally it can be difficult to engage small business perspectives as part of a consultation process, even if ample opportunities are provided for stakeholders to contribute feedback. Out of over 1,000 respondents, only 10 per cent indicated they had participated in consultations on new policy decisions. By far the single biggest reason why small businesses do not participate in consultations is because they are unaware of the opportunity to do so (60 per cent). However, different businesses face different barriers to involvement, with other common reasons for not participating including time or resource constraints (30 per cent) or concerns about whether their input will be valued (26 per cent).

The onus should be on government agencies to understand impacts on the community and so efforts should be taken to proactively understand potential impacts on small business, even if few stakeholders respond to a consultation opportunity.

Chart 2: Preferred method of providing consultation feedback



Opportunities for improvement

Feedback from survey respondents provided the foundation for recommendations to improve the consultation process, such as:

- When small businesses are significantly impacted, implement a defined consultation strategy that prioritises early engagement to shape potential policy solutions. This strategy should be supplemented with a structured follow-up process to discuss how feedback was considered.
- Adopt a broad range of consultation methods to support varying preferences.
- Ensure consultations are authentic and not just procedural. Government agencies must do more than simply provide opportunities to seek feedback, but actively engage small businesses and their representatives to obtain their input and unique perspectives.
- Small interest-specific consultation groups to allow for more focused discussions and consideration of diverse perspectives.
- Enhance communications by providing clear, timely and accessible information about consultations, policy changes and decisions.

Thank you for the opportunity to make a submission. If you require further information, please contact my Executive Officer Megan Bennett, at either megan.bennett@smallbusiness.nsw.gov.au or (02) 9372 8767.

Yours sincerely

Chris Lamont
Commissioner
NSW Small Business Commission

Date: 08/10/24