

# Regulatory Sandbox Policy Development

Unlocking innovation through smarter, evidence-led regulation.

**LOCATION**

Victoria

**CLIENT**

Confidential

POLICY AND STRATEGY

**Background**

Regulators globally are facing increasing pressure to keep pace with innovation, particularly as emerging technologies challenge traditional policy and regulatory frameworks. Many existing regulatory environments are not designed to accommodate rapid experimentation, creating barriers for organisations seeking to trial new products, services or business models.

Regulatory sandboxes have emerged as an effective solution to this challenge. They provide structured, controlled environments where organisations can test innovations in real-world conditions under regulatory oversight. These frameworks balance flexibility with safeguards, enabling experimentation while managing risk.

NineSquared was engaged by a government client to explore how a regulatory sandbox could be applied in their context. The objective was to develop a robust, evidence-based policy approach that would support innovation, enhance regulatory learning, and inform future regulatory reform.

**Our role**

NineSquared was engaged to develop a comprehensive policy framework to support the introduction of a regulatory sandbox. This included a detailed review of established sandbox models across Australia and internationally, spanning sectors such as finance, energy, mobility and technology.

Drawing on this analysis, we identified the core elements that underpin effective sandbox design, including governance structures, eligibility criteria, monitoring and evaluation processes, and risk management frameworks.

We then translated these insights into a tailored policy approach, designed to:

- Enable organisations to trial innovative solutions in a controlled, real-world environment
- Provide regulators with high-quality data to inform future policy and regulatory settings
- Support collaborative engagement between regulators and innovators
- Manage uncertainty and risk through structured oversight and safeguards

The resulting policy framework provides a practical pathway for implementing a regulatory sandbox, allowing the client to move from concept to execution with confidence. It also establishes a foundation for ongoing regulatory evolution, ensuring that policy settings can adapt with technological change.

Through this work, our client was better positioned to foster innovation, accelerate the adoption of new solutions, and build a more agile and responsive regulatory environment.

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## FOR FURTHER INFORMATION

For more information, find one of our experts at [ninesquared.com.au/people](https://ninesquared.com.au/people)