



Rein In Regulators To Cut Red Tape

Publish Date:

June 2019

“Unelected regulators are imposing red tape on businesses and the community with little democratic oversight, resulting in significant and irreparable economic damage,” said Kurt Wallace, Research Fellow free market think tank the Institute of Public Affairs.

A new report from the Institute of Public Affairs, authored by IPA Research Fellow Kurt Wallace, measures ‘regulatory dark matter’ defined as “regulatory actions taken by departments and agencies that are subject to little scrutiny or democratic accountability.” Regulatory dark matter consists of legislative instruments and quasi-regulations including; guidance documents, codes, letters, and publications made by agencies.

“Five agencies in the finance and banking sectors have piled on 75,976 pages of regulatory dark matter, negatively affecting businesses and consumers in these sectors. This page count is more than 52 times larger than Tolstoy’s *War and Peace* and 8 times larger than the legislation passed by Parliament granting power to these agencies,” said Mr Wallace.



“Regulatory dark matter is inherently undemocratic. The level of delegation by the parliament leaves agencies unaccountable and free to expand their power at the expense of burdening the economy with further red tape.”

“The proliferation of guidance material that provides the regulator’s interpretation of existing regulation in effect adds a softer form of regulation to which businesses are forced to comply.”

“Regulators amplify the regulatory effect of legislation. For every page of enabling legislation passed by Parliament we can expect 8 more pages in regulatory material.”

“Regulatory dark matter undermines the ability of smaller businesses to compete with larger established firms by forcing them to devote increasing resources to understanding and complying with regulation.”

“If the Morrison government wants congestion busting in the public service, and wants to create 250,000 new small and family businesses, it must cut red tape and reign in the regulators.”

“Regulatory dark matter contributes to the red tape burden on the Australian economy which already costs \$176 billion each year in lost economic output.”

“Red Tape drives up the cost of living for all Australians and damages our international competitiveness, reducing investment and undermining productivity and wage growth.”

“Regulators need to be held accountable for their role in increasing the red tape burden,” said Mr Wallace.

[Download Report](#) – *Regulatory Dark Matter: How Unaccountable Regulators Subvert Democracy By Imposing Red Tape Without Transparency*