



Trump Red Tape Cuts Delivers Economic Boom

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“President Trump’s red tape reduction agenda has delivered a once-in-a-generation economic boom in the United States,” said Daniel Wild, Director of Research with the free-market think tank the Institute of Public Affairs.

Today the Institute of Public Affairs released a research report which analyses the Trump Administration’s red tape reduction agenda. The report finds a \$31 billion USD (\$45 billion AUD) reduction to red tape in President Trump’s first two years in office.

“The key to Trump’s success is a one-in-two-out requirement, where two regulations must be repealed for every new regulation introduced.”

“The lesson for Australian policy makers is to be bold, aggressive, and quick in reducing red tape.”

“Private business investment in Australia is just 11.2 per cent of GDP, which is lower than during the Whitlam-era. Reducing red tape will boost business investment, which will drive employment



and wages growth.”

This paper finds the Administration’s red tape reduction agenda, a reduction to the corporate tax rate from 35 per cent to 21 per cent, liberalisation of the domestic energy sector, and instant asset write-offs, has contributed to several positive economic outcomes, including:

- The lowest unemployment rate in 50 years.
- New private sector business investment above both the 20- and 40-year averages.
- An increase to average quarterly business applications (a proxy for new business formation) from 650,000 in 2016 to 826,000 in 2019.
- A net increase of 422,000 jobs in the manufacturing sector since 2016.

“Cutting red tape will allow more young Australians to realise their dream of starting their own business and owning their own home,” said Mr Wild.

Previous IPA research estimated that red tape costs Australian families, businesses, and individuals \$176 billion each year, which is the equivalent to 10 per cent of GDP.

Download the [report](#).