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GOVERNMENT BEGINS TO REVERSE TIDE ON RED TAPE

“Living standards will go backwards unless the government does more to address the sharp decline in Australian productivity. We need to cut the red tape burden on business and the community if Australia is to remain globally competitive,” says James Paterson, Deputy Executive Director at free market think tank the Institute of Public Affairs.

Mr Paterson’s comments follow today’s release of the *Best Practice Regulation Report 2013-14*, by the Office of Best Practice Regulation. The report found that the federal government has registered record compliance with its best practice regulatory regime, ensuring that Australia moves towards a reduction in red tape regulations.

Compliance with regulatory impact statements is now sitting at 98 per cent under the Coalition. Under the previous Labor government in 2010-11 compliance was only 75 per cent.

“The government’s progress on complying with the best practice regulatory regime is commendable. But this represents the tip of the iceberg. Australia still ranks 124th out of 144 economies in terms of the burden of government regulation, according to the World Economic Forum’s 2014-2015 Global Competitiveness Report,” Mr Paterson says.

“Businesses are hiring compliance officers, rather than workers on the front line. Deloitte Access Economics estimates that government regulation cost the Australian economy \$94 billion every year.”

“As the Australian economy enters a more difficult phase following the decline in the commodities markets, we cannot afford to be complacent about the decline in our productivity. If Australia wants to maintain its current living standards then the government must put more effort into reducing the mammoth regulatory burden that is being placed on business.”

“As a start, the Coalition should shelve new policies which increase the burden of regulation, such as the planned crackdown on foreign investment in housing and mandatory data retention,” says Mr Paterson.

The regulatory impact statement requirements were designed to ensure that, before any major policy decision is taken by a government, the costs of new regulation are clearly measured and understood. The government’s report, *Best Practice Regulation Report 2013-14*, from the Office of Best Practice Regulation can be found here:

https://www.dpmc.gov.au/sites/default/files/publications/0010_Best_Practice_Regulation_Report_%202013-14.pdf

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