

# IPA BRIEFING DOCUMENT

Institute of Public Affairs | Australia's leading free market think tank

**EMBARGOED UNTIL 1AM, TUESDAY 10<sup>th</sup> MARCH 2015**

## **MOUNTING EVIDENCE OF A RED TAPE EMERGENCY IN AUSTRALIA**

This briefing document pulls together recent evidence of the growing regulatory burden faced by Australian businesses. The first page of the briefing document covers today's exclusive new IPA poll results in more detail. A media release is also available from the IPA at [www.ipa.org.au](http://www.ipa.org.au).

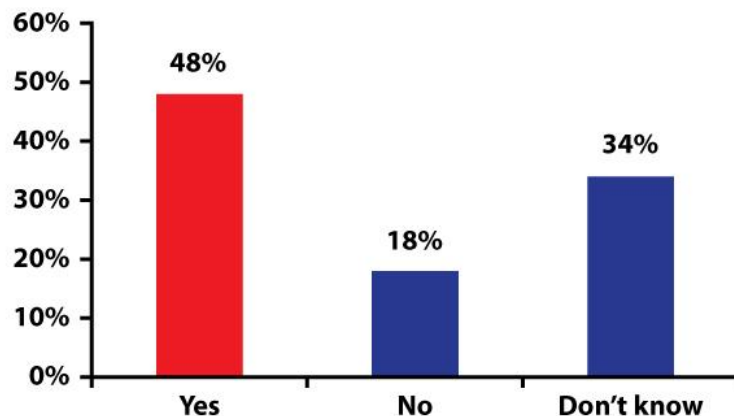
### **Today's IPA poll finds that Australians think there is too much government regulation on business**

In today's exclusive poll 48% of Australians said that there is too much government regulation on Australian businesses. Only 18% said that there is not too much government regulation.

The results were even stronger amongst full time workers with 57% believing that there is too much government regulation on Australian businesses.

The online Galaxy poll, conducted exclusively for the IPA, surveyed 1,054 people aged 18 years of age and over, between Tuesday 24 February and Thursday 26 February 2015.

### **"In your opinion, is there too much government red tape on Australian businesses?"**



**National poll of 1,054 Australians aged 18 years and older taken between 24 February and 26 February 2015**

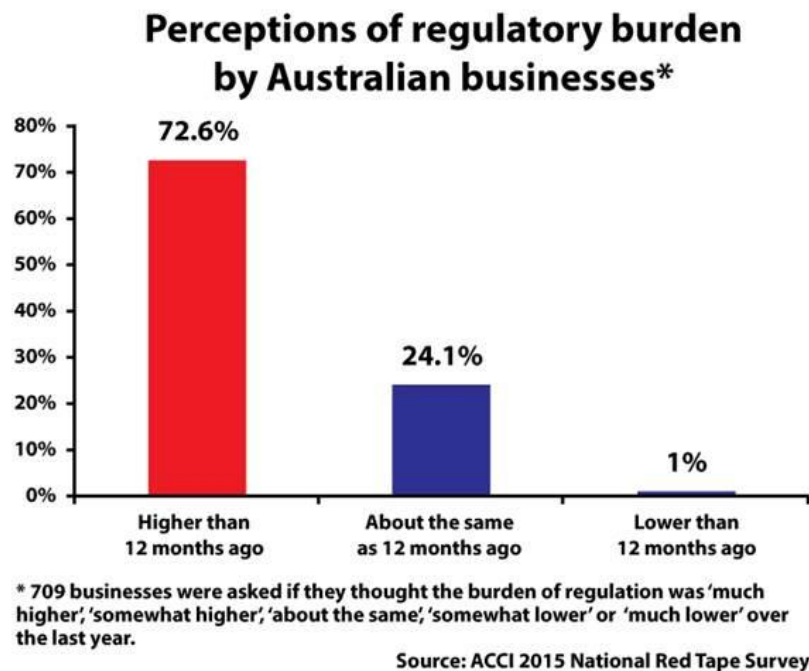
**Source: Galaxy Online Omnibus**

*The briefing document continues over the next two pages and details the growing body of evidence of the red tape crisis faced by Australian businesses.*

## 2015 National Red Tape Survey highlights the negative impact of red tape on business<sup>1</sup>

The Australian Chamber of Commerce and Industry's 2015 National Red Tape Survey, released in February 2015, found that 74% of businesses believe that regulation has had a negative impact on their business.

As part of the survey 96.7% of businesses reported that the regulatory burden on businesses was either the same or higher than it was 12 months ago.



## Deloitte Access Economics estimates the huge cost of red tape to Australia<sup>2</sup>

Released in October 2014, the Deloitte Access Economics report, *Get out of your own way: Unleashing productivity*, has estimated that red tape is costing Australia \$249 billion every year, which represents 16% of the Australian economy.

## IPA research on the growing burden of new federal legislation<sup>3</sup>

Exclusive research, released by the Institute of Public Affairs in February 2015, showed that in 2014 alone 4,607 pages of new legislation were passed by the federal parliament. This is on top of all the new regulations introduced by state or local governments, and all of the existing laws passed in previous years that must be complied with.

<sup>1</sup> '2015 National Red Tape Survey', ACCI, <http://www.acci.asn.au/Research-and-Publications/Research/National-Red-Tape-Survey>

<sup>2</sup> 'Get out of your own way: Unleashing productivity', *Deloitte Access Economics*, [http://landing.deloitte.com.au/rs/deloitteaus/images/Deloitte-Australia-BTLC4-Get-Out-Of-Your-Own-Way.pdf?mkt\\_tok=3RkMMJWWf9wsRonvavLdO/hmjTEU5z16u0qUKW3IMI/0ER3fOvrPUfGjI4DTcZnPK+TFawTG5toziV8R7fDLc1p2NkQWB](http://landing.deloitte.com.au/rs/deloitteaus/images/Deloitte-Australia-BTLC4-Get-Out-Of-Your-Own-Way.pdf?mkt_tok=3RkMMJWWf9wsRonvavLdO/hmjTEU5z16u0qUKW3IMI/0ER3fOvrPUfGjI4DTcZnPK+TFawTG5toziV8R7fDLc1p2NkQWB)

<sup>3</sup> 'New research shows benefits of hostile senate: Pages of legislation passed declines by 43% over 2 years', *IPA* <https://ipa.org.au/publications/2332/new-research-shows-benefits-of-hostile-senate-pages-of-legislation-passed-declines-by-43-per-cent-over-2-years>

## **Australia's low competitiveness ranking in comparison to other countries<sup>4</sup>**

The World Economic Forum's annual *Global Competitiveness Report* ranks countries based on a range of economic criteria. In the 2014-15 report Australia was ranked 124<sup>th</sup> out of 144 countries in terms of the burden of government regulation.

## **Australian CEOs say that over-regulation is a threat<sup>5</sup>**

A PricewaterhouseCoopers survey, released in January 2015, found that 95% of Australian CEOs surveyed stated that they were very concerned about over-regulation.

## **IPA research shows a dramatic decline in the number of new businesses being created**

Exclusive research, released by the Institute of Public Affairs in December 2014<sup>6</sup> and submitted to the Productivity Commission's *Inquiry into business set-up, transfer and closure* in February 2015<sup>7</sup>, found that there has been a substantial fall in the number of new businesses being created over the last ten years.

In 2003-04, Australia's firm entry rate was 17.4%. By 2012-13 the entry rate had fallen to 11.2%. This constituted 86,706 fewer businesses being created.

## **ANZ predicts a sharp decline in earnings from major projects<sup>8</sup>**

In their latest *Australian Major Projects Update*, published in February 2015, ANZ predicted that falling commodity prices would result in Australia's export earnings from bulk commodities and liquefied natural gas being \$110 billion lower between 2014 and 2018.

ANZ also predicted a sharp decline in capital expenditure in Australia, with investment forecast to fall from \$104 billion in 2013 to \$32 billion in 2017.

## **PetroChina blames overly strict regulations for derailing \$20 billion project<sup>9</sup>**

In February 2015, PetroChina blamed overly strict regulations on compliance and environmental protection for cancelling their \$20 billion plus liquefied natural gas project that had been planned for Queensland.

The head of PetroChina in Australia, Jiang Manyu, said 'The key reason is the cost and also the very strict regulations on legislation and compliance.'

**For media and comment: James Paterson, Deputy Executive Director, 0423 502 147 or [jpaterson@ipa.org.au](mailto:jpaterson@ipa.org.au)**

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<sup>4</sup> 'Global Competitiveness Report', *World Economic Forum*, <http://www.weforum.org/reports/global-competitiveness-report-2014-2015>

<sup>5</sup> '18<sup>th</sup> Annual Global CEO Survey', ANZ, <http://www.pwc.com.au/media-centre/2015/ceo-survey-jan15.htm>

<sup>6</sup> 'Where have all the entrepreneurs gone?', IPA, <http://ipa.org.au/publications/2299/where-have-all-the-entrepreneurs-gone>

<sup>7</sup> 'Innovation strangled by red tape', IPA, [http://ipa.org.au/portal/uploads/200215\\_Submission-DA-innovation-strangled-by-red-tape.pdf](http://ipa.org.au/portal/uploads/200215_Submission-DA-innovation-strangled-by-red-tape.pdf)

<sup>8</sup> 'Australian Major Projects Update', ANZ, <https://bluenotes.anz.com/posts/2015/02/australias-major-project-spend-in-decline/>

<sup>9</sup> 'PetroChina blames regulations for derailing \$20b Arrow LNG project', *WA Today*, <http://www.watoday.com.au/business/mining-and-resources/petrochina-blames-regulations-for-derailing-20b-arrow-lng-project-20150226-13nrj8.html>



# Red Tape Study

Prepared for the Institute of Public Affairs

February 2015

1

# Methodology



# Methodology

This study was conducted on the Galaxy Online Omnibus between Tuesday 24 February and Thursday 26 February 2015.

The sample was 1,054 Australians aged 18 years and older distributed throughout Australia, as follows:

➤ NSW/ACT	312
➤ Victoria/Tasmania	295
➤ Queensland	193
➤ South Australia	129
➤ Western Australia	125

Age, gender and region quotas were applied to the sample.

Following the completion of interviewing, the data was weighted by age, gender and region to reflect the latest ABS population estimates.

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# Main Findings



# Main Findings

- The majority of full time workers (57%) believe there is too much government red tape on Australian businesses.
- Full time workers that believe there is too much red tape (57%) outnumber those that don't (19%) by a margin of three to one.
- Among all adults 48% believe there is too much government red tape on Australian businesses. A further 18% don't and 34% are uncommitted.



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# Questionnaire

**SECTION B – ASK ALL RESPONDENTS**

B1. Thinking now about government rules and regulations. In your opinion, is there too much government red tape on Australian businesses?

Yes..... 1  
No .....2  
Don't know .....3

4

# Detailed Tabular Findings



# Tables

The tables of findings are set out such that they include the following details:

**Base Weight Sample (000s):**

The number of completed interviews has been weighted to reflect the latest ABS population estimates. These estimates are shown in thousands (000's). The percentages in the table are based on these weighted figures.

**Weights:**

This indicates that in order to reflect the latest ABS population estimates the data has been weighted by age, gender and area.

**Filters (where applicable):**

If the table is based on a subset of respondents then this will be titled as a Filter and accompanied by a description of the sample upon which the table is based.

**Respondents:**

These figures show the actual sample size, indicating the total number of respondents who were asked the relevant question.



# Tables *...continued*

Each question has been analysed by a series of demographic variables as follows:

**SEX:**

- Male
- Female

**AGE:**

- 18-24 years
- 25-34 years
- 35-49 years
- 50 years or older

**MARITAL STATUS:**

- Married (Married/de facto, living together)
- Not married (Never married, separated, divorced, widowed)

**CHILDREN LIVING AT HOME:**

- Children aged under eighteen years living in the household
- No Children aged under eighteen years living in the household



# Tables *...continued*

## **WORK STATUS:**

- Full time
- Part time
- Not working

## **SOCIO-ECONOMIC STATUS:**

- Occupation of the household's main income earner
  - White collar (professional/senior management, upper white collar, lower white collar)
  - Blue collar (upper blue collar, lower blue collar)

## **LOCATION:**

- NSW/ACT
- Victoria/Tasmania
- Queensland
- South Australia
- Western Australia

## **CAPITAL CITY:**

- Sydney, Melbourne, Brisbane, Perth, Adelaide
- Rest of Australia



# Tables *...continued*

## **HOUSEHOLD INCOME:**

- Under \$40,000
- \$40,000-\$89,999
- \$90,000 or more

## **HIGHEST LEVEL OF SCHOOLING:**

- Below Year 12
- Year 12

GALAXY RESEARCH

TABLE 1 Standard Banner 1 \*BY\* B1. Too much government red tape on Australian businesses

BASE: WGHT SAMPLE (000s)

WEIGHTS: Age/Sex/Area

	Total	Sex		Age				Marital Status		Children		Work Status			S.E.S.	
		Male	Female	18-24	25-34	35-49	50+	Marr-ied	Not Marr-ied	Yes	No	Full Time	Part Time	Not Working	White	Blue
RESPONDENTS	1054	526	528	105	195	301	453	663	391	375	679	400	240	414	556	498
WGHT SAMPLE (000s)	18028	8873	9155	2160	3075	4977	7816	10896	7132	6101	11927	6729	4294	7005	9624	8404
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B1. Too much government red tape on Australian businesses																
Yes	8627	4739	3888	849	1583	2289	3907	5254	3373	2795	5831	3826	1819	2981	4571	4056
	48%	53%	42%	39%	51%	46%	50%	48%	47%	46%	49%	57%	42%	43%	47%	48%
No	3236	1829	1407	467	459	834	1476	2051	1185	1023	2213	1269	677	1290	1825	1411
	18%	21%	15%	22%	15%	17%	19%	19%	17%	17%	19%	19%	16%	18%	19%	17%
Don't know	6165	2305	3860	845	1033	1854	2434	3591	2574	2282	3883	1634	1797	2734	3228	2937
	34%	26%	42%	39%	34%	37%	31%	33%	36%	37%	33%	24%	42%	39%	34%	35%
TOTALS	18028	8873	9155	2160	3075	4977	7816	10896	7132	6101	11927	6729	4294	7005	9624	8404
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



GALAXY RESEARCH

TABLE 2 Standard Banner 2 \*BY\* B1. Too much government red tape on Australian businesses

BASE: WGHT SAMPLE (000s)

WEIGHTS: Age/Sex/Area

	Total	State				Capital City		Household Income			Schooling		
		NSW Vic/Tas	Qld	SA	WA	Yes	No	< \$40K	\$40K-\$89K	\$90K+	Below Year 12	Year 12	
RESPONDENTS	1054	312	295	193	129	125	688	366	240	328	325	249	805
WGHT SAMPLE (000s)	18028	6163	4994	3612	1375	1884	11451	6577	4021	5857	5429	4183	13845
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B1. Too much government red tape on Australian businesses													
Yes	8627 48%	3107 50%	1918 38%	1732 48%	836 61%	1033 55%	5471 48%	3156 48%	1732 43%	3030 52%	2738 50%	2084 50%	6542 47%
No	3236 18%	972 16%	1173 23%	649 18%	116 8%	327 17%	2051 18%	1185 18%	660 16%	1285 22%	1029 19%	585 14%	2651 19%
Don't know	6165 34%	2084 34%	1903 38%	1232 34%	422 31%	524 28%	3929 34%	2236 34%	1629 41%	1543 26%	1661 31%	1514 36%	4651 34%
TOTALS	18028 100%	6163 100%	4994 100%	3612 100%	1375 100%	1884 100%	11451 100%	6577 100%	4021 100%	5857 100%	5429 100%	4183 100%	13845 100%



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