

Cut to red tape would help fast-track businesses: IPA

[Joe Kelly](#) 12:00AM June 8, 2018



Red tape is preventing many projects from getting off the ground.

Small-time entrepreneurs to billionaire mining magnates would be able to start new projects and open businesses without obtaining government approvals under a proposed shake-up to Australia's red-tape regime.

The radical proposal from the Institute of Public Affairs is part of a suggested overhaul that pushes for the red-tape burden to be moved from the "pre-construction phase" of a project to the "post-construction phase".

In a report released today by Daniel Wild and Darcy Allen, the right-wing think tank proposes a major redesign of Australia's regulatory regime. The overhaul is aimed at removing upfront costs for businesses as well as a reduction in the red-tape compliance costs incurred by entrepreneurs over the lifetime of a business or a major project.

The report notes that setting up a restaurant in NSW can require the filling out of 48 forms and obtaining 72 approvals while Gina Rinehart's Roy Hill iron ore mine in Western Australia's Pilbara required 4967 licences, approvals, and conditions for the pre-construction phase alone.

"Business investment as a percentage of GDP is lower today than during the economically hostile Whitlam years," Mr Wild said.

“We need urgent action. A complete, radical and immediate overhaul of Australia’s regulatory system is needed.

“Every year, red tape costs Australian workers, families and businesses \$176 billion. Australians have better things to do with their lives than satisfying the arbitrary and petty demands of unelected bureaucrats and regulators.”

The report also proposes other changes to the red-tape regime. For example, it argues that approvals and licences required from business owners to achieve government objectives are too onerous. It cites the case of projects that need approvals under state-based native vegetation laws before the clearing of land.

While the IPA recognises that these approvals are aimed at improving the conservation of native vegetation, it argues that landowners should have the freedom to determine the most efficient way of achieving that goal.

The discretionary imposition of conditions by ministers is also strongly opposed by the IPA report, which warns that it can provide an “avenue to cronyism” and constitutes an “affront to the rule of law”.