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DISCUSSION PAPER

The Liberal Party's Approach to Australia's Red Tape Emergency: A Deregulation Agenda

This high-level discussion paper outlines the Liberal Party's plan for deregulation and invites stakeholders to share their input and practical ideas - including suggested consultation questions.

The Objective of Deregulation

The main objective for deregulation is to reboot Australian enterprise and reverse the nation's economic stagnation, by promoting quality and effective regulation that facilitates economic growth and lifts Australia's global competitiveness.

Deregulation is about making sure the rules we have work for people. It is about **Backing Australians to take risks, accept greater personal responsibility, and create a better future for their families**. This includes:

- **Promoting genuine enterprise with effective fit-for-purpose regulation - not repressive regulation:** reconnecting with industry and shifting the focus to private sector enterprise, investment, and sustainable long-term job creation;
- **Increasing competitiveness:** improving Australia's global standing, which has fallen to 37th in the latest IMD World Competitiveness rankings for business efficiency;
- **Boosting productivity:** helping reverse the decline in productivity growth, which is essential to securing long-term economic prosperity and living standards.

This plan is supported by external analysis, with the [IMF](#) and [OECD](#) consistently noting the current regulatory framework is resulting in higher barriers to entry in Australia relative to peers. In addition, [recent research](#) indicates that the cost to businesses of complying with federal regulation has risen to \$160 billion (5.8% of GDP), up from \$65 billion (4.2% of GDP) in 2013.

The Liberal Party's Approach

Our approach is designed to address the persistent frustrations of business and the broader community, by tackling the deep-seated cultural and structural issues driving red tape.

The Liberal Party's deregulation agenda focuses on developing a target to cut red tape, by:

- **Blocking the flow of new regulations (the regulatory flow):** this includes strengthening and making more practical regulatory burden tools to quantify the impact of every new piece of regulation on affected cohorts and industry sectors. The net financial and economic impact of any new regulations will be assessed (e.g. if a proposal introduces a new regulatory requirement, regulatory offsets will need to be identified).

- **Identifying the total cost of existing regulations (the regulatory stock) and assessing their effectiveness, through:**
 - A new regulatory **stocktake and audit** – given that the last stocktake was done in [2014](#), with an independent audit in [2016](#);
 - Considering the **financial and economic impacts** of regulation across different industries as part of the stocktake;
 - Including an area of focus for the stocktake on **curbing unlimited delegated authority** that allows Ministers to make material regulatory decisions without proper parliamentary scrutiny.
- The findings of the regulatory stocktake will be published, followed by the publication of a quarterly **red tape tracker** to monitor the scale and scope of the regulatory burden and progress towards the red tape reduction target.
- **The Liberal Party's target to cut the red tape burden will aim to be finalised in 2026, informed by consultation with stakeholders.**

We are interested in your views on deregulation, supported by practical examples and data:

- What is the economic and financial impact of red tape in Australia? For example, impacts on investment, innovation, and business dynamism.
- How do government-related regulatory burdens affect and limit productivity growth, including regulations imposed by different Australian Government agencies?
- How do these impacts affect different businesses? For example, in terms of their size, industry or regional location.
- How can policymakers reduce regulatory creep and new regulations?
- What is the best way to take stock of the impact of existing regulations? For example, in terms of delays, financial burdens, use of AI to track regulations, and other impacts.
- What is an appropriate red tape reduction target? For example, share of GDP and timeframe.
- How can such a target be best achieved? For example, through regular progress updates and reviews.

Supporting Process

To deliver on this approach, a methodology is needed to ensure permanent red tape reduction, underpinned by an extensive engagement and consultation.

Methodology:

- Our plan requires a **whole of government approach** coordinated by the relevant Shadow Minister - Senator Bragg, Shadow Minister for Productivity & Deregulation.

- **Priority areas:** based on consultation, priority areas for focus across industry sectors will be identified that will yield the most significant impact and benefit. This can cover any area of Australia's economy - for example, across Housing and Construction, Financial Services, Mining / Resources and Energy, and Transport and Logistics.
- **Innovative or alternative regulation options should also be explored:** including opportunities for industry to self-regulate - for example, via Codes of Conduct, a process where industry bears the cost and has a deeper understanding of necessary guardrails.

Engagement and validation:

- **Industry consultation:** The door is "wide open" for specific proposals to cut red tape. These should be as practical and implementable as possible, and supported by a strong evidence base, including financial and economic costs and benefits.
- **Validation and benchmarking:** each proposal to cut red tape must be accompanied by a rigorous costing and impact analysis. The success of the agenda will be tracked against proxy measures and aspirational targets, including:
 - Reductions in the dollar value of compliance burdens measured, supported by independent review - including by the Australian National Audit Office.
 - Improvement in measures based on analysis of primary and secondary legislation - as recommended by the [Productivity Commission](#).
 - Improvement in global rankings - for example, the IMD World Competitiveness rankings, and OECD Product Market Regulation indicator.

We are interested in your views on deregulation, supported by practical examples and data:

- Which regulatory requirements impose the greatest burdens on industry, and how could these be streamlined without compromising public interest or safety?
- Which regulatory burdens have the greatest economic or financial cost / impact within and across industry sectors? For example, is it most damaging in mining, or financial services, or transport, etc.?
- What are any overlaps, duplication, or inconsistencies between Commonwealth, State, and Territory regulation that can be streamlined? Please provide practical examples.
- How closely do Australia's current regulatory settings align with international standards and comparable economies, and where have we gone further than necessary?
- What are more efficient or innovative approaches to regulation? For example, industry-led standards, codes of conduct, use of AI, and risk-based approaches.
- How can industry best be engaged in regulatory development? For example, to ensure regulations are well informed and monitored.