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RED TAPE SLAMS THE BRAKES ON BUSINESS GROWTH

Red tape is stifling business growth across NSW, with nearly one in five small businesses forced to halt their expansion plans, according to the state's peak business body.

New research from Business NSW reveals 72% of businesses rated regulatory demands as high (6+ out of 10), up from 53% in August 2023.

CEO Daniel Hunter said: "Red tape is bleeding businesses dry, blocking productivity, and holding back growth. Unless urgent action is taken, it will continue to hinder business potential and strain the economy."

Those calling regulations excessive (10/10) rose from 11% to 19%, while only 21% felt the balance was right, down from 33%.

Among small businesses, those finding regulations demanding climbed from 50% to 70%, with excessive ratings increasing from 11% to 18% over 19 months.

"These rising regulatory costs are more than just paperwork headaches," Mr Hunter said.

"They pose major obstacles to business efficiency and innovation, quietly sapping energy and diverting focus from core activities."

The research found:

- Small businesses typically spend between two and 10 hours per month on regulatory tasks, medium businesses 11 to 20 hours, and large businesses more than 40 hours each month, and
- Regulation and compliance ranked as the second biggest challenge for NSW businesses in December 2024.

Meanwhile, 63% of businesses dealing with the NSW planning system in the past five years reported negative experiences, compared to just 6% positive.

Business NSW is calling on the NSW Government to act urgently to reduce the burden on businesses by:

- creating a permanent online “red tape reporting” portal where businesses can flag regulatory issues, supported by twice-yearly government meetings to address key concerns
- reducing Development Application (DA) fees and associated costs to ease the financial strain on small businesses.

“These measures will build a more transparent and responsive regulatory environment,” Mr Hunter said.

“It’s about cutting unnecessary costs and complexity so businesses can focus on what matters most – serving customers and supporting the local economy.”

About Business NSW

Formerly the NSW Business Chamber, **Business NSW** is the peak policy and advocacy body which has been representing businesses in NSW since 1826. We represent almost 50,000 businesses.

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