South Australian Productivity Commission

Issues Paper

Review of Red Tape

07 September 2026

Government of South Australia

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South Australian Productivity Commission
GPO Box 2343
Adelaide South Australia 5001
AUSTRALIA

Telephone: 08 7085 1888
Email: sapc@sa.gov.au
Website: www.sapc.sa.gov.au

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Invitation from the Chairman of the Commission

Wakefield House
Level 15, 30 Wakefield Street
Adelaide SA 5000

GPO Box 2343
Adelaide SA 5001

T: 08 7085 1888
E: sapc@sa.gov.au
W: www.sapc.sa.gov.au

DX56201
ABN 94 500 415 644

07 September 2026

Dear Reader,

South Australian households haven't been securing enough of the benefit from our economic opportunities

Despite strong demand in the economy delivering record employment this hasn't translated into higher living standards for households.

Average South Australian real wages in the private sector are lower today than they were 12 years ago. Real wages in the public sector are lower today than they were 14 years ago.

Something is not working the way it should.

Meanwhile productivity growth and improved competitiveness is the only sustainable way to increase real household incomes over the long term. But productivity growth rates have slipped sharply in Australia and South Australia.

Until recently there seemed to be a broad consensus that South Australia could get away with keeping everyone happy instead of needing to take on the tough reforms. However, there is finally a growing recognition that this cannot continue and that we urgently need reform to deliver an economy that works better for South Australian households.

We have an opportunity to untangle our economy

Growth in the scale and complexity of red tape is frequently identified as one of the things that has held back South Australian productivity and therefore wages since the mid-2000s. For example, almost 60 per cent of firms identified red tape as one of the main issues affecting their business in the June 2026 Business Chamber of SA survey of business expectations.[1]

But red tape is also an important way in which the government protects South Australians and South Australia from risk and harm.

This means it is important to understand red tape's benefits as well as its costs. A regulation that costs business $50 million a year but delivers benefits of $150 million is delivering good value to society. However, a regulation that costs $50 million a year and delivers only $10 million in benefits is ripe for reform.

This inquiry, launched by the Premier and Treasurer as part of a set of productivity reforms in the recent budget, gives us a rare and unique chance to come together as 'Team South Australia' across business, community groups and the political divide to see where we can come up with a better balance between economic growth and management of risk.

[1] South Australian Business Chamber (2026), 'Survey of Business Expectations', June 2026 Quarter Report.

Like the 1980s when the Hawke and Keating government's reforms kick started the strongest period of productivity growth in Australia's history, South Australia has the right conditions for change:

- A broad consensus on the need to address the weak productivity growth that has held us back;
- High level political and intellectual commitment from the Premier and Treasurer; and
- The establishment of this inquiry which provides an independent and transparent process to pull together the best red tape reform ideas from across the state.

But we need the active, open minded and non-political engagement of all stakeholders to help us understand the benefits and costs of specific elements of red tape in South Australia, and to identify the priorities for reform to recommend to the Premier.

A warning though - We need to be willing to accept the costs of reform to get the benefits, so this is not going to be easy

The temptation with policy reform is all too often to look only for "win wins" where no one loses out on anything they currently have.

But worthwhile red tape reform is very unlikely to be without costs and discomfort.

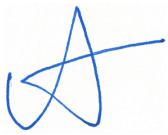
If there were quick and easy wins with no losers, they would have been done already. Shifting to a more sensible balance in risk management likely means we will have to prioritise carefully and make trade-offs.

This might mean we make controversial evidence-based recommendations to the Premier and Treasurer that we believe are in the state's best interests. For example, to accept more risk to health, safety or the environment, or restrict rights, such as who has the right to object to a planning decision, or to put more trust in businesses with a proven record of doing the right thing.

But if we can make some of these potentially hard choices, the economic rewards for South Australian households could be significant.

If we can find a better balance between the costs and benefits of red tape it will boost productivity, support South Australian real wages growth and make our lives better.

Yours faithfully



Adrian Tembel

Chairman and Presiding Commissioner, South Australian Productivity Commission

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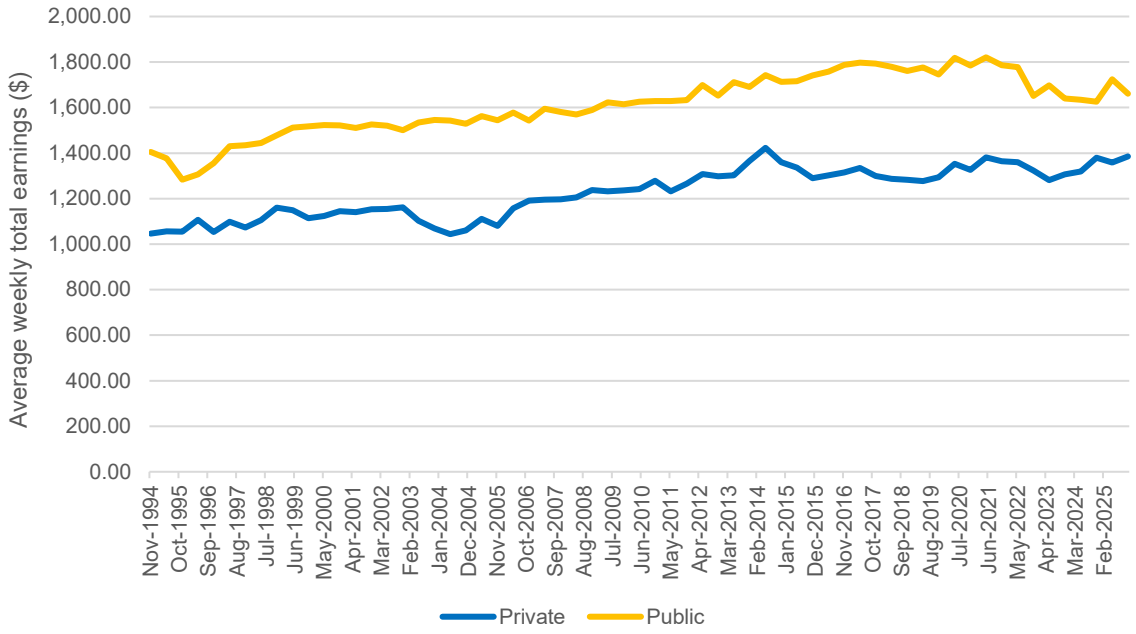
1. Delivering on South Australia's economic potential

1.1 Our economy isn't delivering for many South Australians

Economic demand in South Australia is currently strong. The July 2026 unemployment rate was 4.1 per cent, well below the national average of 4.5 per cent. The last time the state's unemployment rate had a 5 in front of it was 2023.

But despite this strength in demand, the real value of South Australian's earnings from work has seen over a decade of weakness, and more recently taken a substantial hit from the high rates of inflation following on from COVID. In November 2025, real total earnings in the private sector had still not regained the level they saw at their May 2014 peak, and real total earnings in the public sector have fallen to where they were in 2012 (Figure 1).

Figure 1: South Australian average real weekly wages, public and private sector, 2025 values ($)



Note: The ABS data report average weekly total earnings, which includes both contracted wages and any bonuses or overtime. They do not include salary-sacrificed compensation, or superannuation. The ABS earnings data are presented in nominal terms; to measure changes in real purchasing power the data have been converted to real terms using the consumer price index for Adelaide.
Source: Australian Bureau of Statistics (2026), 'Average Weekly Earnings, Australia', Australian Bureau of Statistics (2026), 'Consumer Price Index', quarterly data

Sustainable real wages growth requires growth in productivity, but Australia's, and South Australia's, rates of productivity growth have slowed significantly over the past two decades. Labour productivity growth in South Australia averaged 2.3 per cent a year over the decade to 2004-05 but has fallen to just 0.6 per cent a year over the most recent decade.

This fall in productivity has led to a similar fall in economic output per person and caused a significant impact on living standards. If South Australia had been able to maintain the growth rate in productivity and per capita incomes that it achieved over 1995-96 to 2004-05, then economic output per person would have been $42,000, or fifty per cent, higher by 2024-25 (see Figure 2).

Figure 2: The slowdown in productivity has made South Australians much less productive and wealthy than we could have been



Source: Australian Bureau of Statistics (2025), Estimates of Industry Multifactor Productivity, experimental estimates of state productivity, 2024-25; Australian Bureau of Statistics (2025), Australian National Accounts: State Accounts: 2024-25

1.2 New economic challenges need a new policy focus

For most of the past fifty years, South Australia's key economic challenge was delivering enough new jobs to make up for those lost to deindustrialisation and structural change as the economy adjusted to greater international competition, technological change and a shift towards services. Unemployment rates were routinely above 8 per cent in the 80s, 90s and 2000s, and in bad years would hit double digits. Manufacturing employment fell from around 25 per cent of total employment at its peak in the late 1960s to 7 per cent by 2020.

But this isn't the economy we find ourselves in today.

Economic demand is already strong and is expected to strengthen significantly over the next decade, with a historically large infrastructure pipeline as well as some significant on-going opportunities promising a boost to demand that may rival that of the 1960s. There is currently confirmed major government infrastructure spending over the next decade of:

- $30 billion in the Osborne nuclear submarine shipyard, with average employment of 4,000 people
- $14 billion on the Torrens to Darlington motorway, with average employment of 5,500 people
- $3.2 billion on the New Women's and Children's Hospital

And potential, but not confirmed pending final approvals or sales processes, spending of:

- $5 billion on the Northern Water project, with an estimated average of 4,000 jobs;
- A potential $10 billion investment to double or triple the output of BHP's copper assets in South Australia;
- A potential large-scale re-fit of the smelter in Whyalla and expansion of magnetite mining once the administrator has completed the sale process; and
- Large scale investment in datacentres and associated renewable energy and storage

Potential on-going boosts to economic activity from large projects include:

- An additional 9,000 jobs in defence manufacturing including from the AUKUS nuclear submarine project;
- An additional 8,000 jobs in mining if the potential expansion of BHP's copper, and other potential projects in critical minerals go ahead;
- A substantial increase in the housing construction workforce to meet the expected additional demand for housing; and
- Significant increases in the aged care workforce over the next decade to accommodate our ageing population and expected increase in demand for residential aged care.

However, this strong labour market, and significant opportunities, come with their own challenges.

Persistent inflation at even relatively modest current levels of economic growth, and the fact that the state is currently close to full employment suggests that the surge in demand has not been met with an equivalent boost to the productive capacity of the state. Absent a significant boost to productive capacity from productivity gains, education and training, and research and innovation we risk seeing these demand side opportunities lost to inflation rather than translating to real income gains for South Australian households.

Not since World War Two have we needed to transform the productive potential of our economy so fast to meet the future.

There are some encouraging policy reforms in train.

The South Australian Government has been investing strongly in educational changes that is aimed at boosting the skills of our workforce over the long-term including universal three-year-old preschool, the technical colleges, fee free TAFE, and a process being led by the Skills Commission to shorten the duration of apprenticeships where that can be done without compromising the skills of new tradespersons.

On research and innovation, there have been promising recent reforms including facilitating the formation of the new Adelaide University, and the announcement in the most recent state budget of the establishment of a Research and Development Productivity Fund with an initial investment of $50 million, delivering on a recommendation from the South Australian Productivity Commission's 2025 inquiry.

Up to now the question of whether red tape is holding back our productivity had not had the same degree of focus. This inquiry gives South Australians the opportunity to work together to see if there are any areas where the cost of red tape is disproportionate to its benefit and where regulatory reforms can untangle the state's economy and help drive increased productivity and a return to solid growth in real wages.

Encouragingly, sensible reforms of red tape have successfully boosted growth rates of productivity and per capita incomes before. For instance, joint Australian and state government efforts to reduce red tape, most notably through the national competition policy reforms, were important in driving strong growth during the 1990s.[2]

[2] Important reforms included extending prohibitions on anti-competitive practices to sectors that had previously been exempt, ensuring government owned businesses competed on a level playing field, and requiring competition in the electricity and gas markets. Wood, D. and A. Robson (2024), 'Reforms of 1990s helped lift productivity and we can do it again', *Australian Financial Review*, 19 November 2024; Industry Commission (1995), *The Growth and Revenue Implications of Hilmer and Related Reforms*, Canberra: Industry Commission.

2. Red Tape in South Australia

Red tape[3] is an essential part of how governments achieve their objectives.

Regulations that are well designed and well implemented play a key role in supporting market functioning, protecting health and safety, addressing market failures and establishing clear, transparent government procedures.[4]

But red tape also involves costs. Even in the best of cases, red tape generates a range of costs for businesses, including on compliance, reporting and purchasing new equipment. The impacts of red tape are not just to divert staff and resources away from their clients and products. It also restricts what goods and services can be provided, what can get built where, how firms operate, and whether new firms can afford to enter a market.

The question then is weighing up the balance between the benefits red tape produces and the costs it imposes. Red tape with disproportionately high costs relative to benefits is the focus of this inquiry.

It is a frequently expressed view that the increased volume and complexity of red tape is an important factor in the slowdown in productivity growth since the mid-1990s. Government policies, legislation and compliance remain among the top few issues affecting South Australian businesses. In the South Australian Business Chamber's regular survey of businesses, 58 per cent of respondents identified 'government policies and compliance' as one of the main issues affecting their business, including 71 per cent of businesses in 'healthcare and social assistance' and 71 per cent of businesses in construction.[5]

Estimates of the economic costs of regulation nationally are substantial, although it should be noted that these are generally not measures of net impact and so do not include the offsetting benefits red tape produces:

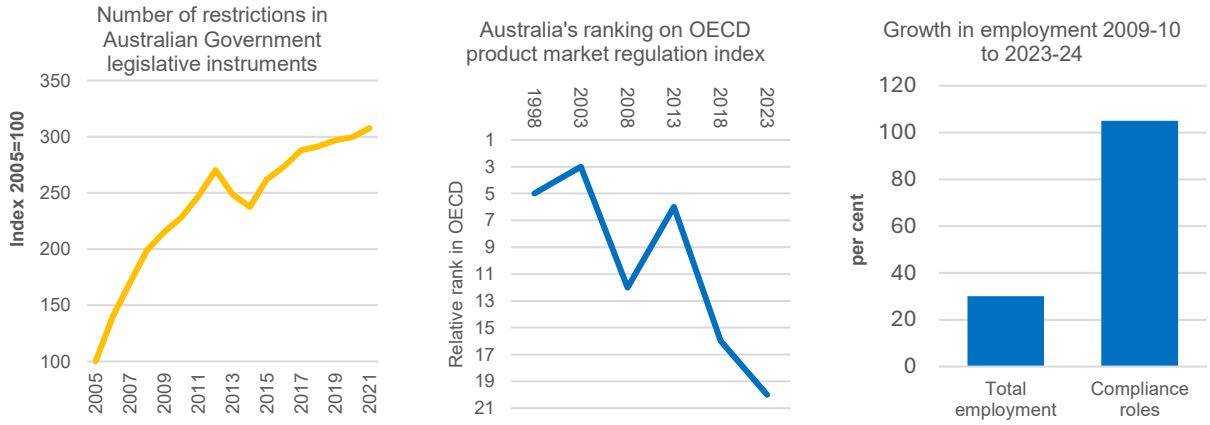
- The OECD estimates that around 4.5 per cent of wages in Australia are spent on regulatory compliance roles.[6]
- The Productivity Commission estimates that Australian Government red tape cost the economy at least $115 billion in administration, compliance and delay costs in 2024-25.[7]
- Mandala consulting estimate that Australian Government regulations cost the Australian economy 5.8 per cent of GDP, or $160 billion per year in 2024-25 values.[8]
- Analysis by the Institute of Public Affairs (IPA) suggests that the increase in red tape at all levels of government since the mid-2000s has resulted in just under 400,000 fewer

[3] For the purposes of this inquiry we are defining red tape to refer to all the ways in which government bureaucracy effects businesses and individuals, including laws, regulations, enforcement activities, inspection regimes, reporting and data collection requirements, licensing and approvals processes and rules around government procurement.
[4] OECD (2026), *Smart Regulations, Strong Business: Enabling growth and societal protection in a fast-changing world,* Paris: OECD publishing, pp. 12-20.
[5] South Australian Business Chamber (2026), 'Survey of Business Expectations, June 2026 Quarter Report', available at: https://business-sa.imgix.net/content-library/SOBE-June-2026_DIGITAL.pdf.
[6] Andrews, D., S. Turban and S. Tyros (2026), 'Regulatory compliance costs and productivity: new task-based evidence', OECD Economics Department Working Papers no 1856
[7] Productivity Commission (2025), *Creating a more dynamic and resilient economy*, Inquiry report no. 109, Canberra: Productivity Commission
[8] Mandala (2025), '$160 billion and counting: The cost of Commonwealth regulatory complexity', report prepared for the Australian Institute of Company Directors, November 2025, available at: https://www.aicd.com.au/news-media/research-and-reports/economic-cost-of-regulatory-complexity.html

businesses being created, and costs the economy 9.2 per cent of GDP, or $250 billion per year in 2024-25 values.[9]

There is also, at least at the national level, good evidence that the volume and complexity of regulations has increased significantly (see Figure 3). Since 2005 the number of pages of Australian Government legislative instruments (regulations) has more than tripled, from 13.9 million to 42.9 million, and the number of 'restrictive words' has increased from 77,000 to 238,000.[10] Over a similar period, Australia's ranking for the effectiveness with which its product market regulations promote competition has declined markedly, from third in the OECD in 2003 to 20th in 2023.[11] A similar pattern can be seen in the World Bank's Ease of Doing Business index with Australia falling from fifth to 14th in its ranking between 2005 and 2020.[12]

Figure 3: The regulatory burden in Australia has worsened over the past two decades



Source: QuantGov (nd), RegData Australia 2.2 dataset, available at https://www.quantgov.org/csv-download; OECD (2025), OECD Indicators of Product Market Regulation; Mandala (2025), '$160 billion and counting: The cost of Commonwealth regulatory complexity'

Over the shorter timeframe of 2010 to 2024, Mandala estimates that the number of compliance related roles has increased by 105 per cent, more than triple the 30 per cent growth in total employment. Growth in compliance related employment was particularly acute in 'healthcare and social assistance', where compliance roles grew by 355 per cent.[13]

All of this suggests that it is worth taking a careful look at South Australian red tape to discover if there are any cases where the costs outweigh the benefits, where coordination across government could be significantly improved, or where the outcomes being sought from red tape can be delivered at a much lower cost.

[9] Hussey, C. (2020), 'How Red Tape Stops Business and Job Creation', Institute of Public Affairs, August 2020, available at: https://ipa.org.au/publications-ipa/red-tape-stops-398000-new-businesses-894000-jobs-and-26-billion-in-wages; 2024-25 Australian GDP data from ABS (2025), 'Australian National Accounts: State Accounts' cat no. 5220.0, calculations SAPC

[10] QuantGov (nd), RegData Australia 2.2 dataset, available at https://www.quantgov.org/csv-download; analysis by SAPC

[11] OECD (2025), OECD Indicators of Product Market Regulation (PMR)

[12] Productivity Commission (2025), *Creating a more dynamic and resilient economy*, Inquiry report no. 109, Canberra: Productivity Commission

[13] Mandala (2025), '$160 billion and counting: The cost of Commonwealth regulatory complexity', report prepared for the Australian Institute of Company Directors, November 2025, available at: https://www.aicd.com.au/news-media/research-and-reports/economic-cost-of-regulatory-complexity.html

3. This inquiry, and how you can help

3.1 Our approach

The South Australian Productivity Commission has been asked to identify a shortlist of specific priority reform opportunities in state and local government regulation to provide to the Premier (the notice of inquiry from the Premier is included in Appendix B). In particular, we have been asked to:

- Identify specific priority reform opportunities in state and local government regulation.
- Include licensing and approvals, compliance obligations, and interactions with regulators and agencies in the scope of the inquiry.
- Focus on practical and specific regulatory reforms that could be implemented in South Australia at either the state or local government level.
- Prioritise the recommended reforms by their potential impact.

The final report will be submitted to the Premier in June 2027

Figure 4: Indicative inquiry timeline



Our focus in on the impacts of regulation and red tape in practice. This is where you come in.

This first phase of the inquiry is focused on understanding the full range of South Australians' experiences with red tape – both positive and negative. The initial factor we will be looking for to identify potential candidates for reform is elements of red tape where the costs appear to be disproportionately high compared to the benefits being delivered.

We have released a short on-line survey to capture a broad range of experiences with red tape across the South Australian community. This can be accessed through YourSAy. The survey is seeking to capture particular 'pain points' from red tape in South Australia, as well as areas where regulation is working well and delivering value to the community.

What we learn from the survey, data analysis and consultations with industry associations and other stakeholder groups will be used to produce a short-list of up to ten potential reform opportunities where it appears that the costs to South Australia of the red tape are substantial and considerably outweigh the benefits. This could include red tape that is inherently costly, as well as cases where the regulation itself is reasonable but it is being implemented in a way that is unnecessarily costly, innovative solutions are being precluded, or where there is a lack of coordination across government.

In prioritising elements of red tape for potential reform, after having identified areas of red tape that appear to have disproportionately high costs, the Commission will also consider a range of factors, including how many businesses and consumers are affected, whether there appear to be sensible and cost-effective alternatives to the existing approach, and how potential reforms fit in with broader government priorities (see Section 3.3 for more details on our approach to prioritising potential reform opportunities).

The short-list of up to ten potential reform areas will be set out in an interim report. This interim report will form the basis for additional consultation and analysis on the nature and scale of the costs and benefits of the potential areas for reform, and on ways in which the costs could be reduced. These additional consultations, and more detailed analysis by the inquiry team, will be used to produce a final prioritised list of around five areas of red tape recommended for reform, and the specific reforms recommended to better balance the costs and benefits of regulation in each case.

3.2. What reform of South Australian red tape could mean in practice

The Commission has started thinking about reform opportunities that might meet these criteria. Given the terms of reference of the inquiry these could span the full range of ways in which red tape impacts on businesses.

We are mindful that any identified reform is likely to have downsides. If there were ways to reduce the costs and complexity to business of red tape that had no negative impacts, they would likely have been introduced by now. This means that whatever we recommend will have some costs, for example by reducing a disproportionate control of a risk or removing a current right to appeal a decision or complain about an activity. Our task in prioritising potential reforms to recommend to the Premier is to understand both the costs and benefits of any proposed changes.

To give an idea of the scale of reforms that may need to be contemplated, areas we may explore in the inquiry could potentially include ideas such as:

1. **Reforming licensing and approvals requirements** including planning rules and occupational and business licensing:
    - Drawing on the national Productivity Commission's recent recommendation,[14] would it be reasonable to grant automatic planning approval to townhouses of up to 3 storeys, requiring only building consent to be sought (providing their construction wouldn't involve the demolition of a state or local heritage place)?
    - Can lower risk occupations such as hairdressers and painters be removed from occupational licensing schemes?
    - Should all approval or licensing processes such as setting up a new business have a single "lead" regulator who is responsible for collecting any data needed to consider the application and passing it on to other approval agencies?
    - Should control over the use of roads, including restrictions on what type of vehicles can use them and when, be solely a matter for the State Government rather than split between councils and State Government. And for that matter, does there need to be a more general centralisation of other functions that are better managed at a whole of state level rather than be delegated to individual councils.
2. **Reducing compliance obligations**, such as reporting to government and inspections of business operations:
    - Should regulations routinely enable trusted third parties to certify compliance, for example accepting external accreditation for food safety standards?

[14] Productivity Commission (2026), *Interim report - Housing supply regulation*, Interim report, Canberra, July, available at: https://assets.pc.gov.au/2026-07/housing-supply-interim.pdf?VersionId=jcCTe3ztH8OtVerAHQip9F4w0P9bBNTy

- Should pre-existing activities, such as hotels hosting live music, be given protection from noise complaints from new neighbours?
- Do existing Australian Government environmental laws adequately protect native vegetation from development allowing the state government to remove or reduce the scope of its own controls?

3. **Improving interactions with regulators and agencies**, such as streamlining processes through better coordination and data sharing across agencies, or providing clearer guidance and greater regulatory certainty to businesses:
    - Is there a mechanism to radically streamline reporting by business to Government so any business can just report required data once through a central portal?
    - Should inspections around workplace health and safety or food safety be required to focus on how businesses manage risks, rather than micromanaging the controls used?
    - At times businesses can find themselves subject to a series of uncoordinated interruptions where councils, State Government agencies, and/or utilities companies perform local construction works that affects their business? Should there be some form of binding mechanism that ensures work is coordinated to minimise the time businesses are affected?
4. **Addressing other high-impact regulatory barriers identified through consultation and analysis**, including restrictions that inhibit the formation or growth of businesses or make pursuing business opportunities unnecessarily costly:
    - Would it be proportionate to significantly restrict the grounds on which planning approvals can be appealed?
    - Should government procurement processes be simplified, for example by removing apprenticeship or traineeship requirements, to better enable local, and particularly small, firms to participate?
    - Should there be a mechanism so that the cost of heritage controls to homeowners and the broader housing market are shared with the local councils that impose them, for example through rates discounts, cost sharing of structural maintenance, or an annual fee payable to the State Government to contribute to public housing development?

3.3 How we will be prioritising

Identifying specific, practical priority reform opportunities is not an exact science. We will prioritise a small number of *specific reforms* using two key criteria:[15]

1. **The expected impact of the reform**, including:
    - the magnitude of the expected costs and benefits;

[15] This approach is broadly consistent with the approached used for other policy prioritisation exercises – see for example CEDA (2025), Towards a More Seamless Australian Economy, available at: https://cedakenticomedia.blob.core.windows.net/cedamediatest/kentico/media/research-team/reports/ceda-seamless-economy-2025-final.pdf; Productivity Commission 2023, 5-year Productivity Inquiry: Advancing Prosperity, Vol. 1, Inquiry Report no. 100, Canberra, available at: https://assets.pc.gov.au/inquiries/completed/productivity/report/productivity-volume1-advancing-prosperity.pdf; Grattan Institute (2020), Prioritising a Government's Agenda', available at: https://grattan.edu.au/wp-content/uploads/2020/09/Prioritising-a-governments-agenda-Grattan-Institute-Report.pdf

- the net cost of the existing red tape;
- the number of people and businesses affected;
- the contribution to short-term versus long-term productivity and economic growth; and
- the strength of the supporting evidence.

2. **The feasibility of implementing the reform**, including:
    - state and local governments' ability to implement the reform, and the extent of coordination required;
    - the degree of legislative and administrative complexity;
    - the success of similar reforms elsewhere;
    - fiscal cost, implementation complexity and potential risks; and
    - stakeholder support and political feasibility.

This inquiry will focus on reforms with the greatest expected net impact, while also recognising implementation constraints. Reforms assessed as both high expected impact and highly feasible are likely to be identified as immediate priorities for government. Reforms with high expected impact but lower feasibility may require further work to strengthen the evidence base, build stakeholder confidence in the solution, refine the policy design, or reduce implementation risks.

The benefits of existing red tape will be an important element of our prioritisation as the focus is on cases where the costs are disproportionate relative to the benefits. For example, a regulation that costs businesses $50 million per year but which generates social benefits worth $150 million is delivering good value to society. By contrast a regulation costing a similar amount generating $10 million worth of benefit would have costs that are disproportionate compared to its benefits and would be a potential candidate for reform.

To be clear, this is a prioritisation exercise. We cannot do everything at once, and some good ideas will inevitably be excluded from the final list of recommendations. Focusing on the two key criteria above – economic impact and implementation feasibility – will help us to effectively prioritise the reform opportunities with the greatest potential to put forward to the Premier. And we will need active cooperation from stakeholders to help us gather the data needed to prioritise the potential reforms.

3.4 Scope

We have been tasked with identifying a shortlist of practical, priority reform areas for South Australian Government and local government red tape.

This means we are interested not just in the direct impacts of South Australian Government legislation and regulations, but in the full burden of red tape associated with them, including application and reporting processes; impacts of approaches to enforcement and inspection, including inconsistencies in how regulations are interpreted; duplication of reporting or compliance activity across regulators; examples where risk management has become too extensive; consultation and appeal rights that have become too expansive; examples of where red tape is process driven rather than enabling business to find the most efficient way of delivering the outcomes regulation is seeking to achieve; and cases where procurement practices are unnecessarily costly or complicated.

We are also interested in the benefits being generated by existing regulations and other red tape as we cannot consider the costs of red tape in isolation from the benefits it generates.

We can only make recommendations on South Australian state and local government red tape, and so Australian Government regulations are out of scope. However, any areas regulated by both the South Australian and Australian Government where there is evidence that Australian Government regulation adequately manages the risks and the South Australian Government could step back are within scope. We are also interested in any areas where South Australia is demonstrably more restrictive or burdensome than other similar jurisdictions.

Revenue policy, including taxation and cost recovery fees, is out of scope for this inquiry, as are broader whole of government process for monitoring and managing regulation, which have been the subject of past inquiries. However, mechanisms to support the implementation of local government-level regulatory reforms could be considered.

3.5 Next steps

We encourage all interested stakeholders, including individuals and businesses, to participate in the survey.

The survey can be accessed at YourSAy (https://yoursay.sa.gov.au/red-tape-reduction-review) and closes on Sunday 18 October.

Further submissions on the shortlisted reform areas are likely to be requested in early 2027 following the release of the interim report.

If you would like to discuss how best to communicate with the Commission, or arrange an in-person conversation, the Office of the South Australian Productivity Commission can be contacted via email at sapc@sa.gov.au.

Appendix A: About the South Australian Productivity Commission

The Commission provides the South Australian Government with independent advice on facilitating productivity growth, unlocking new economic opportunities, supporting job creation and removing existing regulatory barriers.

Premier and Cabinet Circular PC046 sets out the objectives and functions of the Commission; how inquiries are referred to the Commission, undertaken and reported on; and how the Commission and public sector agencies work together.

The Commission was established to assist the government to:

- improve the rate of economic growth and the productivity of the South Australian economy in order to achieve higher living standards for South Australians;
- improve the accessibility, efficiency and quality of services delivered or funded by government;
- improve South Australia's competitiveness for private sector investment;
- reduce the cost of regulation;
- facilitate structural economic changes while minimising the social and economic hardship that may result from those changes;
- take into account the interests of industries, employees, consumers and the community;
- increase employment;
- promote regional development; and
- develop South Australia in a way that is ecologically sustainable.

The Commission is supported by the Office of the South Australian Productivity Commission (OSAPC) which is an attached office of the Department of the Premier and Cabinet. The Chair of the Commission also serves as the Chief Executive of the OSAPC.

For more information on the Commission, including circular PC046, visit the website at www.sapc.sa.gov.au.

Appendix B: Notice of Inquiry

THE HON PETER MALINAUSKAS MP

PREMIER OF SOUTH AUSTRALIA

Mr Adrian Tembel
Chair
South Australian Productivity Commission
GPO Box 2343
ADELAIDE SA 5001

fB564663

Dear Mr Tembel Adrian,

Please find enclosed a Notice of Inquiry into Review of Red Tape which sets out the terms of reference for the inquiry.

I thank you and the South Australian Productivity Commission in advance for your efforts in relation to this matter.

Yours sincerely

Peter Malinauskas
PREMIER

27 / 7 / 2026

Attachment: Notice of Inquiry – Review of Red Tape.

State Administration Centre 200 Victoria Square Adelaide SA 5000
GPO Box 2343 Adelaide South Australia 5001
+61 8 8429 3232 | premier@sa.gov.au
premier.sa.gov.au

Terms of Reference

The Commission's inquiry should identify and prioritise reforms to reduce unnecessary regulatory burden on businesses in South Australia, with a focus on lowering costs, improving timeliness, reducing barriers to market entry, and supporting investment, productivity, innovation and economic growth.

The inquiry should identify specific priority reform opportunities in state and local government regulation, including targeting areas where South Australia is demonstrably more restrictive or burdensome than other similar jurisdictions. Consideration should be given to comparable international experience where appropriate.

In making recommendations, the Commission's focus should be on practical and specific regulatory reforms that could be implemented in South Australia at either the state or local government level.

The final report should include a prioritised reform package ranked by impact.

The Commission could draw on previous SAPC work (below) and relevant national Productivity Commission reports:

- Extractives Supply Chain Review, August 2020
- Development Referrals Review, October 2021
- Tourism Regulation Review, October 2022.

Scope

The scope of the inquiry is limited to state and local government regulations impacting on business activities undertaken in the state. This includes:

- Licensing and approvals (planning, environmental, occupational)
- Compliance obligations (reporting, audits, inspections)
- Interactions with regulators and agencies.

The inquiry is to focus on the impact of the regulations in practice which could include exercises such as benchmarking time to decision / approval or identifying any duplication or inconsistent reporting requirements across agencies. The inquiry could also prioritise opportunities for increased digital interaction by business with government in areas where manual processes remain.

The term 'red tape' is sometimes interpreted in a broad sense to include areas such as taxation or cost recovery fees. For the avoidance of doubt revenue policy is not in scope of this inquiry. In undertaking consultation for this inquiry, the Commission will need to take this into consideration.

Whole of government processes for monitoring and managing regulation have been the subject of past reports; as such reforms in this area are not in scope for this inquiry. However, the inquiry could provide advice on mechanisms to best support the implementation of local government-level regulatory reforms.

Inquiry process

The Commission will consult with SA agencies, industry, relevant peak bodies and other key stakeholders during the inquiry. Industry outreach is to be a core part of the process, and the Commission should make efforts to solicit industry feedback through multiple mechanisms.

The Commission is to release an issues paper at the beginning of the inquiry process and if considered useful an interim report by end January 2027.

To inform its deliberations, the Commission is to share its relevant draft recommendations with relevant government agencies and other key stakeholders for feedback prior to concluding the final report. The Commission is free to make recommendations notwithstanding feedback received.

A final report is to be provided to me no later than June 2027.

For an exercise of this scope, the Commission may, should it be considered necessary, provide subsequent supplementary reporting around its recommendations and findings to ensure definitive and complete advice.

Peter Malinauskas
PREMIER

21 / 2 / 2026

For more information

W: www.sapc.sa.gov.au
E: sapc@sa.gov.au
P: (08) 7085 1888

30 Wakefield Street
Adelaide SA 5000