

JOINT STATEMENT: Budget takes a positive first step on productivity

13 May 2026

The Alliance of Industry Associations described measures in the Federal Budget as positive first steps on productivity reform, while calling for further action to deliver sustained cost of living relief for households and businesses.

The Alliance, representing around 30 industry groups from a broad cross-section of Australia's economy, has previously called for a significant package to reduce regulatory costs for consumers and businesses.

The Budget's productivity package is a strong first step, with a plan to reduce regulatory costs by more than \$10 billion each year, which should support lower costs for consumers and businesses.

With regulatory compliance costing the Australian economy around \$160 billion each year and increasing, the next step is a coordinated national effort from the Federal Government and states and territories to cut red tape costs by 25 per cent by 2030.

With the economy impacted by world events, cutting further excessive red tape will help businesses cut costs for consumers and build resilience, while not impacting the Budget bottom line.

The Alliance also supported the Government's decision not to proceed with the Productivity Commission's proposed cashflow tax, which it had previously argued strongly against. This tax would have resulted in higher prices for households, increased inflationary pressure, reduced investment and slowed economic growth.

The Budget includes progress in several areas consistently advocated for by the Alliance, including;

- \$10 billion cut to regulatory costs each year
- Rejection of the cashflow tax
- Research and development tax cap increase to \$200 million
- Streamlining project approvals through EPBC, FIRB and incentives for state and territory reform to build homes and projects faster
- Streamlining of reporting requests from financial regulators and simplifying climate disclosures

The Alliance of Industry Associations stands ready to continue working constructively with governments on the next phase of productivity and regulatory reform.

This statement is on behalf of the Alliance of Industry Associations and concerns productivity measures announced in last night's Federal Budget. Members have individual views on other budget measures, which have been articulated in press commentary.

