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Ease of Doing Business



The World Bank's Doing Business 2009 report found Australia has the ninth most business friendly regulations out of 178 economies. The World Bank also rated Australia the third most efficient country in the world for starting a business. It takes two days, two procedures and 0.8% of annual income per capita to register a private limited liability company in Australia. This encourages new business, job creation, innovation and economic growth. The report also showed that the number of procedures required to enforce a contract in Australia was one of the lowest in the world. Additionally, Australia was ranked eighth in the world for the flexibility of its labour market.

The New South Wales Government recognises the burden red tape imposes on businesses, and has embarked on a wide-ranging program to improve the quality of regulation. In the 18 months to June 2008, the Government has agreed or implemented 128 reforms in the areas of planning, film production, workers compensation and shop trading hours that will help stimulate investment in the State. Additionally, the Government has set a target to save \$500 million in red tape costs in the next two years.

In partnership with the Australian Government, all states are working on harmonising regulatory requirements across the country, including the introduction of a one-stop online facility enabling businesses to make a single application and payment for a national business name and number. The facility will also deliver online business information services and improve interactions between government and business.

Ease of doing business, 2009

Country	Starting a business (1)		Enforcing a contract (2)		Ease of doing business world ranking (3)
	No. of procedures	Time (days)	No. of procedures	Time (days)	
Singapore	4	4	21	150	1
New Zealand	1	1	30	216	2
United States	6	6	32	300	3
Hong Kong SAR	5	11	24	211	4
United Kingdom	6	13	30	404	6
Australia	2	2	28	395	9
Japan	8	23	30	316	12
Thailand	8	33	35	479	13
Malaysia	9	13	30	600	20
Korea	10	17	35	230	23
Germany	9	18	30	394	25
France	5	7	30	331	31
Taiwan	8	42	47	510	61
China	14	40	34	406	83
India	13	30	46	1,420	122
Indonesia	11	76	39	570	129
Philippines	15	52	37	842	140

Footnotes:

- 1 Where the business:
 - is a limited liability company
 - operates in the economy's largest business city
 - is 100% domestically owned and has five owners, none of whom is a legal entity
 - has start-up capital of 10 times income per capita at the end of 2007, paid in cash
 - performs general industrial or commercial activities, such as the production or sale to the public of products or services.
 - does not perform foreign trade activities and does not handle products subject to a special tax regime (e.g. liquor or tobacco)
 - is not using heavily polluting production processes - leases the commercial plant and offices

and is not a proprietor of real estate

- does not qualify for investment incentives or any special benefits
- has at least 10 and up to 50 employees one month after commencement of operations (all nationals)
- has a turnover at least 100 times income per capita
- has a company deed 10 pages long A procedure is defined as any interaction of the company founders with external parties (e.g. government agencies, lawyers, auditors or notaries). Time is measured by the median duration that incorporation lawyers indicate is necessary to complete a procedure with minimum follow up with government agencies and no extra payments.

2 Measures the efficiency of the judicial system in resolving a commercial dispute by following the step-by-step evolution of a commercial sale dispute before local courts. Data are collected through a study of the codes of civil procedure and other court regulations, as well as surveys completed by litigation lawyers (and, in a quarter of the economies, by judges as well).

Assumptions about the case: - the value of the claim equals 200% of the economy's income per capita - the dispute concerns a lawful transaction between two businesses (seller and buyer) located in the economy's largest business city, where the buyer refuses to pay the seller for goods delivered on the grounds that they were not of adequate quality - a court in the economy's largest business city with jurisdiction over commercial cases worth 200% of income per capita decides the dispute (for Australia, this is the District Court of NSW) - the judgement is 100% in favour of the seller, the buyer does not appeal the judgement, and the money is successfully collected through a public sale of the buyer's movable assets.

3 Rankings out of 181 countries. The ease of doing business ranking is the average of the economy's rankings across the 10 topics covered (starting a business, dealing with construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, closing a business).

Source: *Doing Business 2009*, World Bank and the International Finance Corporation