

---

## A Conduct of the benchmarking study

This appendix details:

- the progress of the study (below)
- how the study was initiated (the Terms of Reference — section A.1)
- the organisations and individuals that have participated in the study (sections A.2–A.5)
- the subset of Australian cities on which the study is focussed (section A.6).

The Commission advertised the study in national and metropolitan newspapers following receipt of the Terms of Reference on 12 April 2010, and an initial circular advertising the study was distributed to interested parties. The Commission released an Issues Paper in May 2010 to assist participants in preparing their submissions. A draft report was released on 25 February 2011. The 104 submissions received by the Commission for this study are listed in table A.1.

In conducting its study, the Commission has been assisted by an Advisory Panel comprised of representatives from the Australian Government, state and territory governments and the Australian Local Government Association (table A.2).

In addition, the Commission met with a number of industry stakeholders, including unions, business groups, individual businesses and government departments. A list of those meetings is in table A.3. Many of these stakeholders contributed to the Commission's surveys for this study. Respondents to each survey are listed in tables A.4–A.6.

The Commission would like to thank all those who have contributed to the study.

---

## A.1 Terms of Reference

### A1.1 Text of the overarching terms of reference (11 August 2006)

The Productivity Commission is requested to undertake a study on performance indicators and reporting frameworks across all levels of government to assist the Council of Australian Governments (COAG) to implement its in-principle decision to adopt a common framework for benchmarking, measuring and reporting on the regulatory burden on business.

#### *Stage 1: Develop a range of feasible quantitative and qualitative performance indicators and reporting framework options*

In undertaking this study, the Commission is to:

1. develop a range of feasible quantitative and qualitative performance indicators and reporting framework options for an ongoing assessment and comparison of regulatory regimes across all levels of government.

In developing options, the Commission is to:

- consider international approaches taken to measuring and comparing regulatory regimes across jurisdictions; and
  - report on any caveats that should apply to the use and interpretation of performance indicators and reporting frameworks, including the indicative benefits of the jurisdictions' regulatory regimes;
2. provide information on the availability of data and approximate costs of data collection, collation, indicator estimation and assessment;
  3. present these options for the consideration of COAG. Stage 2 would commence, if considered feasible, following COAG considering a preferred set of indicators.

The Stage 1 report is to be completed within six months of commencing the study. The Commission is to provide a discussion paper for public scrutiny prior to the completion of its report and within four months of commencing the study. The Commission's report will be published.

#### *Stage 2: Application of the preferred indicators, review of their operation and assessment of the results*

It is expected that if Stage 2 proceeds, the Commission will:

1. use the preferred set of indicators to compare jurisdictions' performance;
2. comment on areas where indicators need to be refined and recommend methods for doing this.

---

The Commission would:

- provide a draft report on Stage 2 for public scrutiny; and
- provide a final report within 12 months of commencing the study and which incorporates the comments of the jurisdictions on their own performance. Prior to finalisation of the final report, the Commission is to provide a copy to all jurisdictions for comment on performance comparability and relevant issues. Responses to this request are to be included in the final report.

In undertaking both stages of the study, the Commission should:

- have appropriate regard to the objectives of Commonwealth, state and territory and local government regulatory systems to identify similarities and differences in outcomes sought;
- consult with business, the community and relevant government departments and regulatory agencies to determine the appropriate indicators.

A review of the merits of the comparative assessments and of the performance indicators and reporting framework, including, where appropriate, suggestions for refinement and improvement, may be proposed for consideration by COAG following three years of assessments.

The Commission's reports would be published.

PETER COSTELLO

11 August 2006

---

### **A.1.2 COAG's response to stage 1 report (13 April 2007)**

In its communiqué of 13 April 2007 (COAG 2007, Regulatory Reform Plan, p. 10), COAG responded to the Commission's stage one report as follows:

- COAG has agreed to proceed to the second stage of a study to benchmark the compliance costs of regulation, to be undertaken by the Productivity Commission. Benchmarking the compliance costs of regulation will assist all governments to identify further areas for possible regulation reform. The benchmarking study will examine the regulatory compliance costs associated with becoming and being a business, the delays and uncertainties of gaining approvals in doing business, and the regulatory duplication and inconsistencies in doing business interstate. COAG has asked Senior Officials to finalise by the end of May 2007 any variations to the areas of regulation to be benchmarked in the three-year program outlined in the Commission's feasibility study '*Performance Benchmarking of Australian Business Regulation*'. COAG noted the Commonwealth will fully fund the benchmarking exercise.

### A.1.3 Request for the Commission to commence the second stage of the benchmarking program



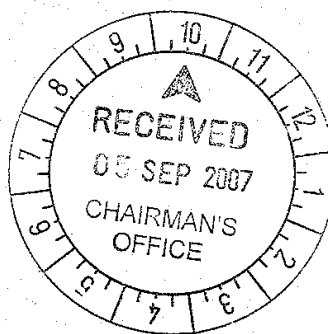
**TREASURER**

PO BOX 6022  
PARLIAMENT HOUSE  
CANBERRA ACT 2600

Telephone: 02 6277 7340  
Facsimile: 02 6273 3420

[www.treasurer.gov.au](http://www.treasurer.gov.au)

- 3 SEP 2007



Mr Gary Banks AO  
Chairman  
Productivity Commission  
PO Box 80  
BELCONNEN ACT 2616

Dear Mr Banks

On 11 August 2006 I requested that the Productivity Commission conduct a two stage study on performance benchmarking of Australian business regulation. The Commission's stage one report, released on 6 March 2007, concluded that benchmarking of regulatory burdens across jurisdictions is feasible and would complement other initiatives to monitor and reform regulation.

Accordingly, and consistent with the decision of 13 April 2007 by the Council of Australian Governments, I request that the Commission commence stage two of the study extending over the next three years. In keeping with the terms of reference, stage two of the study is to examine the regulatory compliance costs associated with becoming and being a business, the delays and uncertainties of gaining approvals in doing business, and the regulatory duplication and inconsistencies in doing business interstate.

The Commission is requested to begin stage two of the study by providing a draft and final report on the quantity and quality of regulation, and results of benchmarking the administrative compliance costs for business registrations within 12 months.

In undertaking stage two of the study, the Commission is requested to convene an advisory panel, comprising representatives from all governments, to be consulted on the approach taken in the first year. The panel should be reconvened at strategic points, providing advice on the scope of the benchmarking exercise and facilitating and coordinating data provision. It must also be given the opportunity to scrutinise and comment on the preliminary results.

The Commission is requested to review the benchmarking exercise at the conclusion of year three and report on options for the forward programme of the benchmarking exercise.

Yours sincerely

  
PETER COSTELLO

---

**A.1.4 Request for the Commission to continue the second stage of the benchmarking program**



**The Hon Chris Bowen MP  
Assistant Treasurer  
Minister for Competition Policy and Consumer Affairs**

16 DEC 2008

**Mr Gary Banks AO  
Chairman  
Productivity Commission  
GPO Box 1428  
CANBERRA CITY ACT 2601**

Dear Mr <sup>Gary</sup>Banks

I am writing to you regarding the 2009 work plan of the Productivity Commission's Performance Benchmarking of Australian Business Regulation study.

In response to your request of 12 September 2008, this matter was raised at the 24 October 2008 Council of Australian Governments' Business Regulation and Competition Working Group meeting.

The BRCWG:

- noted the merit in continuing the benchmarking work program;
- agreed that occupational health and safety and food safety regulation should be considered by the Commission in year 2;
- requested that the Commission complete the OH&S and food safety benchmarking reports by December 2009; and
- agreed to revisit the Commission's future work plan in relation to the benchmarking study in 12 months time.

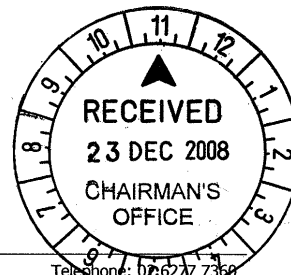
I would be grateful if you could undertake whatever action is necessary to fulfil the BRCWG's direction. The Commission may structure its work as it sees fit within the timeframe indicated above.

I have copied this letter to the Minister for Finance and Deregulation and the Minister Assisting the Finance Minister on Deregulation.

Yours sincerely

**CHRIS BOWEN**

PO Box 6022  
Parliament House  
CANBERRA ACT 2600



Telephone: 02 6277 7350  
Facsimile: 02 6273 4125  
<http://assistant.treasurer.gov.au>

---

## A.1.5 Request for the Commission to commence this study



### ASSISTANT TREASURER SENATOR THE HON NICK SHERRY

26 MAR 2010

Mr Gary Banks AO  
Chairman  
Productivity Commission  
GPO Box 1428  
CANBERRA CITY ACT 2601

Dear Chairman *Gary*

#### 2010 TOPICS FOR THE PRODUCTIVITY COMMISSION'S PERFORMANCE BENCHMARKING OF AUSTRALIAN BUSINESS REGULATION

I am writing to you regarding the topics for the Productivity Commission's Performance Benchmarking of Australian Business Regulation in 2010.

This matter was discussed at the Council of Australian Governments' (COAG) Business Regulation and Competition Working Group (BRCWG) meeting of 5 February 2010. It agreed that the Commission be asked to undertake performance benchmarking in 2010 of States and Territories' planning and zoning systems and land development assessments.

The performance benchmarking of States and Territories' planning and zoning systems is to be undertaken consistent with the enclosed terms of reference. The terms of reference have been agreed in consultation between the Commonwealth and the States and Territories, and were specified by COAG at its 7 December 2009 meeting.

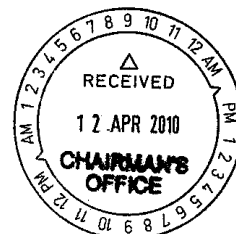
I look forward to receiving the reports on this further work.

I have copied this letter to the Minister for Finance and Deregulation and the Minister Assisting the Finance Minister on Deregulation.

Yours sincerely

*Nick Sherry*  
NICK SHERRY

enc



---

PO Box 6022  
Parliament House  
CANBERRA ACT 2600

Telephone: 02 6277 7360  
Facsimile: 02 6273 4125  
<http://assistant.treasurer.gov.au>

## **PERFORMANCE BENCHMARKING OF STATES AND TERRITORIES' PLANNING AND ZONING SYSTEMS**

### **TERMS OF REFERENCE**

The Productivity Commission is requested to undertake a benchmarking study of States and Territories' planning and zoning systems, and report back by December 2010.

#### ***Context***

Planning systems play an important role in managing the growth of cities. They aim to preserve the environment, provide and coordinate community services and facilities, and promote the orderly and economic use and development of land. The systems serve the valuable purposes of balancing the often competing social, environmental, and economic impacts of a development. Planning systems, and in particular the zoning of land, affect the location, quantity, and use of land for specific activities, but at the same time they can affect competition within local markets. The extent of this impact on competition within local markets varies across States and Territories, and over time.

The Productivity Commission is requested to examine and report on the operations of the States and Territories' planning and zoning systems, particularly as they impact on business compliance costs, competition and the overall efficiency and effectiveness of the functioning of cities. As part of the study, the Commission should report on planning and zoning laws and practices which unjustifiably restrict competition and best practice approaches that support competition, including:

- measures to prevent 'gaming' of appeals processes;
- processes in place to maintain adequate supplies of land suitable for a range of activities; and
- ways to eliminate any unnecessary or unjustifiable protections for existing businesses from new and innovative competitors.

---

## A.1.6 Granting of an extension on the reporting date for this study



**ASSISTANT TREASURER  
SENATOR THE HON NICK SHERRY**

14 JUL 2010

Mr Mike Woods  
Acting Chairman  
Productivity Commission  
PO Box 1428  
CANBERRA CITY ACT 2601

Dear MrWoods

**EXTENSION OF PRODUCTIVITY COMMISSION STUDY INTO BENCHMARKING  
BUSINESS REGULATION: PLANNING, ZONING AND DEVELOPMENT  
ASSESSMENTS**

Thank you for your letter of 1 July 2010 requesting an extension of reporting for the Productivity Commission Study into Benchmarking Business Regulation: Planning, Zoning and Development Assessments.

I note that this study requires extensive engagement and consultation with the States and Territories and local councils, and will benefit from a longer period from which to collect data for the 2009-10 financial year and fully engage with interested stakeholders.

As such, I agree to your request to extend the reporting date from December 2010 to April 2011.

I look forward to seeing the reports in due course.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick Sherry', written over the typed name.

NICK SHERRY

---

PO Box 6022  
Parliament House  
CANBERRA ACT 2600

Telephone: 02 6277 7360  
Facsimile: 02 6273 4125  
<http://assistant.treasurer.gov.au>

## A.2 Submissions

Table A.1

<i>Participant</i>	<i>Submission number</i>
Adelaide City Council	23, DR77
Aged and Community Services WA	70
Aged Care Association Australia	69
Aldi Stores	11
Amana Living Incorporated	68
Australian Association of Convenience Stores	63
Australian Hotels Association	56
Australian Institute of Architects	6, DR83
Australian Local Government Association	33, DR79
Australian Logistics Council	46
Australian National Retailers Association's (ANRA)	44, DR76
Australian Network of Environmental Defender's Offices Inc	7, DR90
Australian Pipeline Industry Association	DR75
Australian Property Institute (API) and the Spatial Industries Business Association (SIBA)	20
AV Jennings Properties Limited	64
Bingwood Pty Ltd	67
Brisbane City Council	18, DR74
Bulky Goods Retailers Association	37
Business Council of Australia	38
Business SA	24
Cement Concrete and Aggregates Australia	4, 54
Certain Planning	36, DR82
City of Marion	3
City of Onkaparinga	52
City of Perth	DR85
City of Sydney	15
City of West Torrens	DR101
Climate Specific Architects	DR71
Council of Capital City Lord Mayors	31
Council of Mayors (South East Queensland)	40
Department of Infrastructure, Transport, Regional Development and Local Government	45
Department of Premier and Cabinet NSW	48
Department of Resources, Energy and Tourism	22
Department of Urban and Regional Planning, University of Sydney	DR89
Development Assessment Forum	58
Environmental Defenders Office (Tas) Inc	12
Fremantle Ports	14
Heine Architects Pty Limited	66, DR102
Housing Industry Association (HIA) Ltd	42, DR91
Independent Retailers of NSW and the ACT Inc	16, 62
Institute of Public Affairs	35
Ipswich City Council	DR81

---

<i>Participant</i>	<i>Submission number</i>
Landcom	DR86
Local Government Association of Queensland	29
Local Government Association of Queensland and the Council of Mayors (South East Queensland)	DR94
Local Government Association of South Australia	DR72, DR88
Master Builders Australia	32, DR78
Mitre 10 Australia	39
National Association of Retail Grocers of Australia (NARGA)	47, DR103
North Queensland Bulk Ports Corporation	DR87
North Sydney Council	17
NSW Aboriginal Land Council	26
NSW Business Chamber	25, DR80, DR104
Organisation Sunshine Coast Association of Residents	21
Pacific Infrastructure Corporation	8
Planning Institute of Australia	27
Planning Institute of Australia – ACT	13
Planning Institute of Australia (NSW Division)	1
Planning Institute of Australia (Victoria Division)	DR84
Ports Australia	60
Prospect Residents	34
Save our Suburbs – Adelaide	5
Save our Suburbs – NSW	28
Shire of Mundaring	DR73
Shopping Centre Council of Australia	43, DR95
South Australian Federation of Residents and Ratepayers Associations Inc	51, DR96
South Australian Government	57
Tasmanian Conservation Trust	49
Timber Queensland	9
Tourism and Transport Forum (TTF)	50
Town of Vincent	2
Urban Development Institute of Australia	53, DR93
Urban Land Development Authority	19
Urban Taskforce Australia Pty Ltd	59, 61, DR92, DR100
Victorian Tourism Industry Council	10
Victorian Tourism Industry Council	10, 30
Warringah Council	DR97
Western Australian Local Government Association	41
Whyalla City Council	55
Woolworths Limited	65, DR98
Yum! Restaurants International	DR99

---

---

## A.3 Advisory committee meetings

Table A.2 **Government Advisory Panel Roundtable  
5 May 2010 and 14 December 2010, Canberra**

---

<b>Commonwealth</b> Department of Finance and Deregulation The Treasury	<b>New South Wales</b> NSW Department of Premier & Cabinet NSW Treasury
<b>Victoria</b> Victorian Department of Premier & Cabinet Victorian Department of Treasury and Finance	<b>Queensland</b> Department of Premier and Cabinet <sup>a</sup> Queensland Office for Regulatory Efficiency Department of Infrastructure & Planning <sup>b</sup>
<b>ACT</b> ACT Treasury	<b>Western Australia</b> Department of Treasury and Finance
<b>South Australia</b> Department of Trade and Economic Development	<b>Northern Territory</b> Northern Territory Treasury
<b>ALGA</b> Australian Local Government Association	<b>Tasmania</b> Department of Treasury and Finance

---

<sup>a</sup> 14 December 2010 meeting only. <sup>b</sup> 5 May 2010 meeting only.

---

## A.4 Visits and consultations

Table A.3

---

*Commonwealth and National Organisations*

---

Australian Competition and Consumer Commission (ACCC)  
Australian Local Government Association  
Australian National Retailers Association  
Australian Property Institute  
Council of Australian Governments (COAG) Reform Council  
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)  
Department of Infrastructure and Transport (Regional and Local Government Policy Branch)  
Department of Prime Minister & Cabinet  
Department of Resources, Energy and Tourism  
Department of the Environment, Water, Heritage and the Arts  
Housing Industry Association  
Infrastructure Australia  
Infrastructure Australia (Major Cities Unit)  
National Capital Authority  
Planning Institute of Australia  
Urban Development Institute of Australia  
Property Council of Australia  
Shopping Centre Council of Australia  
Australian Retailers Association  
Australian Industry Group  
Development Assessment Forum  
Business Council of Australia

---

*Australian Capital Territory*

---

ACT Planning and Land Authority (ACTPLA)  
Department of Treasury  
CIC Australia  
Department of Land and Property Services  
Land Development Agency  
Master Builders Association (ACT)  
Planning Institute of Australia (ACT)  
Independent Retailers of NSW and the ACT Inc

---

*South Australia*

---

Cheltenham Park Residents Association  
Department for Transport, Energy and Infrastructure  
Department of Planning and Local Government  
Department of Premier and Cabinet  
Environment Protection Authority  
Makris Group  
Masonic Homes  
Masterplan Local Government Association of South Australia  
Planning Institute of Australia (SA Branch)  
Urban Development Institute of Australia (SA)

---

(continued next page)

---

## Table A.3 continued

---

### *New South Wales*

---

Queanbeyan City Council  
CB Richard Ellis  
Costco  
Department of Planning  
Department of Premier & Cabinet  
Department Premier and Cabinet (Local Government)  
Landcom  
Leighton Holdings  
Local Government and Shires Associations of New South Wales  
Meriton  
Planning Assessment Commission  
Planning Institute of Australia (NSW)  
Stockland  
Sydney Water  
Toll Holdings  
Urban Development Institute of Australia (NSW)  
Urban Taskforce  
Woolworths

---

### *Tasmania*

---

Environmental Protection Agency  
Local Government Association of Tasmania  
Property Council of Australia (Tasmanian Division)  
Real Estate Institute of Tasmania  
SEMF Pty Ltd  
Tasmanian Chamber of Commerce and Industry  
Tasmanian Conservation Trust  
Tasmanian Planning Commission  
Department of Treasury and Finance

---

### *Western Australia*

---

Department of Environment and Conservation  
Department of Transport  
Environmental Protection Authority  
Landcorp  
Urban Development Institute of Australia (WA)  
Department of Treasury and Finance  
Western Australia Local Government Association  
Western Australian Planning Commission  
Department of Planning

---

(Continued next page)

---

**Table A.3 continued**

---

*Victoria*

---

Aldi  
Australian Conservation Foundation  
Australian Housing and Urban Research Institute (AHURI)  
Box Hill Institute  
Bulky Goods Retailers Association  
Coles  
Department of Planning and Community Development  
Department of Transport  
Municipal Association of Victoria  
Urban Development Institute of Australia (Vic)  
Urban Land Development Authority  
Urbis  
Victorian Competition and Efficiency Commission  
Growth Areas Authority  
VicUrban  
Department of Treasury and Finance  
Department of Premier and Cabinet

---

*Queensland*

---

Delfin Lend Lease (Brisbane)  
Delfin Lend Lease (Townsville)  
Department of Infrastructure and Planning  
Development Watch  
Gold Coast City Council  
Griffith University – Urban Research Program  
Local Government Association of Queensland  
Logan City Council  
Metroplex Management  
Organisation of Sunshine Coast Association of Residents (OSCAR)  
Port of Townsville Limited  
Queensland Office for Regulatory Efficiency  
Sunshine Coast Council  
Townsville Council  
Tweed Heads Council  
Urban Development Institute of Australia (Townsville)  
Urbis  
Wolter Consulting

---

*Northern Territory*

---

Department of Lands and Planning  
Environment Protection Authority  
Department of Natural Resources, Environment, The Arts & Sport (Environment & Heritage Division)  
Department of Natural Resources, Environment, The Arts & Sport (Natural Resources Division)  
Larrakia Development Corporation  
Department of Construction and Infrastructure  
Sitzler  
Land Development Corporation  
Northern Territory Treasury

---

## A.5 Surveys and providers of information

Table A.4 Council responses by jurisdiction

<b>New South Wales</b>	<b>Victoria</b>	<b>Western Australia</b>
Albury	Banyule	Armadale
Ashfield	Boroondara	Bayswater
Auburn	Cardinia	Cambridge
Bankstown	Casey	Canning
Blacktown	Frankston	Gosnells
Botany Bay	Geelong	Joondalup
Camden	Glen Eira	Kalamunda
Campbelltown	Greater Dandenong	Peppermint Grove
Canada Bay	Hobsons Bay	Rockingham
Cessnock	Knox	South Perth
Gosford	Manningham	Subiaco
Hawkesbury	Maribyrnong	Swan
Holroyd	Melbourne City	Vincent
Hornsby	Melton	Wanneroo
Hunter's Hill	Monash	
Hurstville	Moonee Valley	<b>Tasmania</b>
Ku-ring-gai	Moreland	Clarence
Lake Macquarie	Mornington Peninsula	Derwent Valley
Lane Cove	Nillumbik	Glenorchy
Leichhardt	Port Phillip	Hobart City
Liverpool	Whittlesea	Launceston City
Maitland	Yarra	West Tamar
Manly	Yarra Ranges	
Marrickville	Wodonga	<b>South Australia</b>
Mosman		Adelaide City
Newcastle	<b>Queensland</b>	Adelaide Hills
Parramatta	Brisbane City	Barossa
Pittwater	Cairns	Burnside
Queanbeyan	Gold Coast	Charles Sturt
Randwick	Lockyer Valley	Holdfast Bay
Rockdale	Logan	Light
Shellharbour	Moreton Bay	Mount Barker
Strathfield	Redland	Mount Gambier
Sutherland	Scenic Rim	Norwood, Payneham & St Peters
Tweed	Somerset	Playford
Warringah	Sunshine Coast	Port Adelaide Enfield
Wollondilly	Townsville	Prospect
Wyong		Salisbury
	<b>Northern Territory</b>	Tea Tree Gully
<b>ACT</b>	Alice Springs	Victor Harbor
ACT Planning and Land Authority	NT Department of Lands and Planning	

---

**Table A.5 State and territory planning agencies which were surveyed**

---

New South Wales	Department of Planning
Victoria	Department of Planning and Community Development
Queensland	Department of Infrastructure and Planning
Western Australia	Western Australian Planning Commission
South Australia	Department of Planning and Local Government
Tasmania	Tasmanian Planning Commission
ACT	ACT Planning and Lands Authority
Northern Territory	Department of Lands and Planning

---

**Table A.6 Business organisations surveyed**

---

Australian Institute of Building Surveyors
Australian Institute of Architects
Urban Development Institute of Australia
Building Designers Association of Australia
Master Builders Australia
Engineers Australia
Australian Spatial Information Business Association
Housing Industry Association

---

## **A.6 Cities selected for this study**

As suggested by the terms of reference, this study focuses on cities. For the purposes of this study, the Commission has focused on a subset of 24 cities. These include each state and territory capital city (both the central business district and surrounding metropolitan area) and all cities with a population over 50 000. To that list was added two cross-border cities for inter-jurisdictional comparison (Queanbeyan and Wodonga). To ensure at least two cities from each jurisdiction (except ACT) were covered, Mt Gambier, Alice Springs and Geraldton-Greenough made up the final cities on the list.

---

Table A.7

---

**New South Wales**

Sydney  
Wollongong  
Queanbeyan  
Albury  
Newcastle  
Tweed

**Queensland**

Brisbane  
Toowoomba  
Gold Coast  
Sunshine Coast  
Townsville  
Cairns

**ACT**

Canberra

**Victoria**

Melbourne  
Geelong  
Wodonga

**South Australia**

Adelaide  
Mount Gambier

**Western Australia**

Perth  
Geraldton-Greenough

**Northern Territory**

Darwin  
Alice Springs

**Tasmania**

Hobart  
Launceston

---