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Dr Warren Mundy
Commissioner
Productivity Commission
PO Box 1428
Canberra City ACT 2601

By email: localgov@pc.gov.au

Dear Dr Mundy

CPA Australia Ltd
ABN 64 008 392 452

Level 20, 28 Freshwater Place
Southbank VIC 3006
Australia

GPO Box 2820
Melbourne VIC 3001
Australia

Phone 1300 737 373

Outside Aust +613 9606 9677

Website cpaaustralia.com.au

Business Regulation Benchmarking - Role of Local Government

CPA Australia represents the diverse interests of more than 132,000 members in 111 countries throughout the world. Our vision is to make CPA Australia the global accountancy designation for strategic business leaders.

Against this background we provide this submission in response to the Productivity Commission's issues paper on business regulation benchmarking - role of local government.

CPA Australia believes that continuing to reduce regulatory burden remains a key factor in improving the productivity and competitiveness of the Australian economy. As stated by the OECD Secretary-General Angel Gurría "*Australia needs to boost productivity to return to long-term sustained growth. An efficient regulatory system is a main step to achieve that goal.*"¹ Local governments play an important role in the regulatory environment for business, particularly small business and hence improving local government regulation is of national interest.

The focus of this submission is not on identifying particular issues with local government regulation, but on the framework that could improve the current stock of local government regulations, reduce regulatory overlap and maintain the benefits of such improvements through better design and implementation of new regulations.

In this regard we recommend that the Commonwealth should consider offering reward payments to states and territories (similar to the reward payments for meeting milestones under the COAG regulatory reform agenda) that develop and implement processes, guidance and resources that assist local governments to improve the current stock of regulations, reduce regulatory overlap and improve the quality of new regulation. In other words, the reward payments should aim to build the capacity of local governments to improve the design and implementation of regulations so that where regulations are assessed to be necessary, such regulations achieve their policy objectives at least cost and intrusion to business.

We also note that Standard Business Reporting (SBR) is an important framework which all levels of government can use to reduce regulatory burden and overlap. The Productivity Commission may wish to explore what would be required to improve the uptake of SBR amongst local governments.

Should you have any queries on this submission, please do not hesitate to contact me.

Yours faithfully

Gavan Ord
Business Policy Adviser

¹ OECD press release *Australia should boost productivity through better regulation, says OECD* 15 February 2009
http://www.oecd.org/document/58/0,3746,en_2649_37421_44598138_1_1_1_37421_00.html