

18 May 2012

ATT: Dr Warren Mundy, Commissioner

Business Regulation Benchmarking- Role of Local Government
Productivity Commission
PO BOX 1428
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NSW Business Chamber
incorporates

- Sydney Business Chamber
- Australian Business Limited Apprenticeships
- Australian Business Lawyers and Advisors
- Australian Business Consulting and Solution

Dear Commissioner,

The NSW Business Chamber (NSWBC) welcomes the opportunity to comment on the Productivity Commission's draft report Business Regulation Benchmarking – Role of Local Government as Regulator. These comments follow the NSWBC's initial submission to this review as well as its attendance at the Commission's stakeholder discussion panel in Canberra.

At the outset, the NSWBC wishes to congratulate the Commission on a very well structured and detailed draft. Local Government regulation is a significant issue for businesses across Australia however analysis of the impacts of this regulation has been, to this point, limited.

In addition, the leading practices identified within the draft provide sensible improvements to the regulatory functions of local government. The NSWBC supports these leading practices becoming standard practice across councils in Australia, and is happy to assist in promoting these practices wherever possible.

Turning to the specific information requests made by the Commission in the draft report, the NSWBC provides the following responses:

ALGA's Involvement with the new Ministerial Council System

The NSWBC strongly supports the alignment of priorities and co-ordination of Government services and regulation at the local, state and federal level. While steps to improve this coordination have already been made by appointing the President of ALGA as a full member of COAG, there is a need, once the reform of the COAG's Ministerial Councils has been undertaken to ensure that ALGA and its state representative bodies are given sufficient opportunity engage in the various ministerial councils.

The Establishment of a Primary Authority Scheme

The establishment of a Primary Authority scheme to allow a business to engage with a single local authority for regulatory compliance is strongly supported by the NSWBC. For businesses that operate across council boundaries, dealing with multiple local authorities has a significant impact on that businesses productivity and compliance costs.

While the NSWBC can envision a time where there is broad based competition between councils for partnerships with businesses under such a scheme, in its initial stages, the functional areas in which such a scheme could be launched would need to be carefully considered.

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As the Commission has identified, public health and safety and compliance under environmental regulations could be two key regulatory areas where such a scheme could be established. Other areas that may be appropriate would be in the building certification and food safety.

The NSWBC notes that while such a scheme is supported, councils' regulatory practices would be greatly simplified via the introduction of standard application documents and fee structures. The NSWBC would accordingly support an approach also being noted as a leading practice.

Planning Zoning and development assessment

The NSWBC strongly supports any change to current practice that leads to an improvement in the accessibility of land use information. Information provided in this manner should be free of charge and able to be legally relied upon. While not provided at a local government level, the NSWBC notes the work of the Victorian Government in its attempts to develop better information online via its eGovernment Resource Centre¹.

Providing accurate, legally reliable, land use information online presents an opportunity for significant cost savings for businesses looking to develop and expand their operations in an area. For example the development of a single online database with zoning information could remove the requirement for councils issuing s.149 certificates in NSW. We encourage the Commission to support such approaches as a leading practice in its final report.

While the NSWBC does support councils providing pre-DA lodgement meetings to identify issues related to a proposed development, the fees applied by some councils to undertake such meetings can make them prohibitive. For example Manly Council charges \$2,500 for a pre DA lodgement meeting with Senior Planners and Managers, North Sydney \$1,000 and Mosman \$950 (plus 0.001% on amount in excess of \$1,000,000). If pre DA meetings are to be supported as a leading practice, appropriate mechanisms to ensure councils are not charging excessively for such meetings need to be put in place.

Yours sincerely

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¹ <http://www.egov.vic.gov.au>