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Dr Warren Mundy  
Commissioner  
Productivity Commission  
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**By email: [localgov@pc.gov.au](mailto:localgov@pc.gov.au)**

Dear Dr Mundy

### **Business Regulation Benchmarking - Role of Local Government**

The Adelaide City Council area is home to approximately 5,000 businesses, of which 83% are considered micro and small businesses. The Adelaide City Council stresses the importance and necessity of regulations for an effective and competitive business environment and ultimately the positive impact it can have on a local economy. Council notes that unnecessary compliance costs are a burden on business and can have a negative impact on the local economy. A number of measures taken by Council to streamline regulatory processes and reduce costs to business are outlined in our submission.

A coordinated and consolidated approach amongst local governments and its State Government in relation to regulatory functions has the potential to reduce the burdens business may face and remove duplication and inconsistency across local government areas. For example, in South Australia the State Government and the Local Government Authority (LGA SA) are working together to investigate how local government can contribute to red tape reduction as well as red tape reduction between state and local governments.

In Section 3.7 of the draft report the costs and benefits of differences between jurisdictions and in their regulations or the way they administer them are discussed. In addition to those costs identified, any inconsistency between the States and Territories also makes it difficult for businesses to expand interstate. For example a business looking to expand interstate through franchising will find it difficult as the regulations between the States are varied as well as being applied differently by local governments. If those Acts could be standardised or 'harmonised' amongst the States this would go a long way to minimising the impact on business, as has been undertaken for example with Business Names Registration.



Whilst State Government determines the need for the regulation and what needs to be enforced by Councils, it is individual local governments that determine how they will enforce the regulations in their area and the processes they put in place and these implementation processes may also have a significant impact on business, particularly in regard to costs and timing.

In Appendix C2 (p517) the draft report distinguishes between *administrative compliance costs* and *economic costs* that can artificially distort distribution of resources, affecting competitiveness, innovation and entrepreneurial activity, noting that these cannot always be robustly benchmarked.

Currently Adelaide City Council is facilitating the activation of underutilised and unutilised places in the City, such as laneways and buildings. In doing so, Council has identified specific regulatory processes that make it difficult for businesses to take up the opportunities in these spaces and places – examples of the economic costs discussed above. One issue that has been identified is the application of the existing Building Code to existing older multi-story buildings.

In Section 7 of the draft report opportunities for reducing compliance costs associated with regulation of building and construction are discussed. While this discussion largely relates to the implementation of the existing regulatory framework opportunities for more fundamental regulatory reform could be explored, as discussed below.

Australia, like many industrialized countries, has adopted the International Building Code (IBC), creating stringent standards for all building construction. The IBC is an international standard for construction, starting with a vacant site and designing and erecting a complete and new structure. The IBC does not however work efficiently on building renovation. It can be difficult for renovations of existing multi-storey buildings to comply with the IBC and often the time and expense for meeting modern building codes is not financially feasible for renovating and revitalizing older multistorey buildings. A review of approaches used internationally to address this challenge may identify improvements to the current regulatory framework that could be implemented to stimulate further investment in renovating buildings that are currently left vacant or under-utilised.

### **Adelaide City Council's Red Tape Reduction Initiatives**

South Australian businesses surveyed were found to be most likely to be satisfied with their regulatory dealings and in Section 5.4 the draft report identifies the Red Tape Reduction Pilot Project being undertaken by the SA LGA as an example of leading practice.

Adelaide City Council is committed to building on these positive findings and continuing its efforts related to removing barriers that unnecessarily hinder business activities and development. Council understands that the costs associated with complying with regulations are a major influence on competitiveness and should be reduced where practicable. Outcome 4 of Council's Economically Prosperous City Strategy specifically identifies

strategies and actions that focus on minimising the impact on business. Actions relating to red tape reduction include:

- Assist Council staff to understand business and the impacts of Council decisions on the business community
- Improve the quality, timelines and outcomes of interactions between business and Council
- Provide thought leadership in advocating for legislative and regulatory changes that support and facilitate growth of the city's businesses.

Adelaide City Council has implemented a range of initiatives at a local level that reduce red tape when dealing with Council, and these may be considered by the Commission in the context of further identifying leading practices.

### ***Customer Journey Mapping***

The Adelaide City Council has provided a significant financial and resource commitment to Innovation and Red Tape Reduction within the Council, over the last 18 months and in particular going forward into 12/13 and beyond.

A number of Customer Journey Mapping (CJM) Exercises have been undertaken to review the services that we currently provide to our Community which is comprised of customers, including residents and businesses.

Customer Journey Mapping (CJM) captures the experiences, thoughts and feelings of customers who utilise our many services. This is done by conducting surveys, one-to-one meetings with customers and group customer focus sessions. Our services are critically reviewed and opportunities for improvement are identified, analysed and when appropriate implemented.

To date CJM exercises have been conducted on the following services which have direct links to the Business Community:

- Capital Works – Public Consultation process (includes individuals and Business Entities)
- Development Applications – Lodgement to approval stage
- Development Applications – Approval to Occupancy stage
- On Street Parking Disputes in writing
- Red Tape Reduction – Food Inspections
- Red Tape Reduction – City Work Permits

The Adelaide City Council has a strong commitment towards continuous improvement, having formed a dedicated team to investigate and implement continuous improvement opportunities that improve existing services, processing times and add value and benefit to our customers resulting in both increased customer service and business efficiency.

Additional Customer journey mapping exercises with direct links to the business community and Red Tape Reduction will be conducted during the remainder of 2012. Services considered for review are:

- Business signage applications
- Outdoor dining applications

### ***Streamlining Development Assessment Processes***

A significant amount of work has already been completed on implementing the recommendations from the Customer Journey Mapping exercises completed to date, notably with the Development Application process with improvements such as:

- On-line lodgement of applications will be available from June 2012
- Full on-line assessment of applications will be available from September 2012 onwards
- Informative automated email communications will be issued to notify our customers as each stage of the approval process is completed
- Improved Development Application Website to help customers to find and complete the required forms online
- Revised plain English application forms and guides have been produced and will be available by June 2012
- Reduction in the number of Development Assessment forms that are available
- Improved processing timeframes

### ***Splash Adelaide***

Adelaide City Council (ACC) implemented a 6-month trial program, *Splash Adelaide*, to "cut red tape", minimize regulations and allow businesses the opportunity to test new projects and processes, especially in the public realm near their businesses. *Splash Adelaide* had 3 key components:

- A simple 1-page permit was created for applicants to describe their proposal. This permit enabled the ACC to review the proposal for safety and risk assessment.
- The permit was free and was issued within 2-3 business days, reducing the cost and time for a business to test a new idea.
- ACC was a 'partner' on several projects, providing infrastructure and waiving other city fees to allow a complete test of a new concept.

Splash projects included:

- Expanded outdoor dining at cafes and restaurants
- Laneway closures, allowing multiple restaurants to provide al fresco dining
- Laneway closures on Friday evenings for craft markets
- Laneway closure, allowing the University of South Australia to create a 'green' activity area in their growing downtown campus
- Installation of a 'bicycle park' with toilets, showers, changing rooms and bicycle lockers to provide amenities for bicycle commuters
- Music events in city squares
- Creating 'lounges' by installing tables, chairs and landscaping in several locations in the CBD, providing an opportunity for city workers and visitors to relax or enjoy take-away food from nearby cafes
- Mobile food vendors and food trucks throughout the city

- Evening outdoor movies scheduled in front of state cultural institutions (museum, art gallery and library),
- Working with owners of vacant buildings and artists to create temporary cultural venues, and
- Displaying merchandise, for sale or demonstration, on public footpaths

This Splash Adelaide trial ended on 31 March 2012 and Council is analysing surveys completed by Splash business participants, neighbouring businesses and casual passers-by. The preliminary results are extremely favourable. Several businesses have requested on-going laneway closures and the ability to licence the closed roadway for continued outdoor dining.

### ***Innovation Fund***

An Innovation Fund was established within Council which enables staff to submit ideas for innovation. Some of the initiatives that have been approved deliver benefits to the Business Community via improved services, improved accessibility of our services, reduced processing times and red tape reduction.

Some of the notable initiatives that we are currently working on are:

- Food Inspection reports can be prepared and completed in electronic format and emailed to the business owner whilst still on the business premises.
- The optimisation of our public websites to be portable device friendly will deliver significant benefit to the Business owner that is not always able to access a desktop computer enabling them to be able to conduct business with us whilst on the "go" from a mobile phone or tablet device

### **Adelaide City Council's 'Making it Easier to do Business' Initiatives**

A recent survey of 400 City Businesses undertaken by Council asked participants 'which business location do they associate with that has a Council that provides good support for local businesses'. The respondents could not associate that statement with any Council area. In other words, no Council was considered to support local business. This may be due to the fact that Council is generally seen by business as a 'regulator' and not as an 'enabler' for business.

To complement red tape reduction initiatives it is important to recognise the burden on business in finding the regulatory information, including the processes and forms needed by business to make applications, particularly for those new business operators that have limited or no experience with establishing or operating a business and have had limited dealings with Council.

Outcome 4 of Council's Economically Prosperous City Strategy specifically identifies strategies that assist Council to create a supportive business environment. Actions include:

- Make it easy to do business with Council by providing and promoting a single point of contact to facilitate engagement with other relevant units of Council.
- Create a single on-line portal dedicated for business that provides City businesses with ready access to information.

### ***One Stop Shop for Business***

A key element of Council's Economically Prosperous City Strategy is to 'establish a single point of contact for dealing with business enquiries to Council about doing business in Adelaide'. This single point of contact will contact and facilitate engagement with other relevant areas of Council.

Our One Stop Shop, branded Enterprise Adelaide, combines business advisory services with 'case management' to deliver a total business solution for the business customer. Case Management will offer a single point of contact for business that may need to deal with multiple areas of Council to establish, expand or relocate their business. Enterprise Adelaide supports new businesses to start-up in the City by providing information and advice on starting a business as well as and providing support and facilitation to navigate through Adelaide City Council's approval processes. It also assists business to resolve issues/find solutions to problems that restrict or inhibit their business trade and continuity.

Enterprise Adelaide brings together all the elements required to deliver a complete range of services, activities and support to potential new business and existing City Businesses, and minimise business failure.

### ***Dedicated Business Portal/Website***

A key strategy of Council's Economically Prosperous City Strategy is the development of a single Council portal for business.

A dedicated business portal can provide information to existing businesses and potential new businesses to the City about all aspects of operating a business generally but also all aspects of operating a business in the City of Adelaide. Identifying what a business needs to start or relocate to Adelaide and then putting in place solutions that can be accessed online will provide a significant component of the information a business needs.

All the information a business may need can be found in one place – whether it is information on rates, development approval processes, licenses and permits required to start a business, general business information on how to start a business, workshops and forums, networking events etc. – a virtual One Stop Shop for doing business in the City of Adelaide.

The Adelaide City Council has welcomed the opportunity to make a submission to Productivity Submission study and strongly supports initiatives that reduce the unnecessary regulatory burden on business.

Yours sincerely

**PETER SMITH**  
**Chief Executive Officer**

23/5 /2012