

ABN 14 725 309 228  
Enterprise House  
136 Greenhill Road  
Unley South Australia 5061  
Telephone 08 8300 0000  
Facsimile 08 8300 0001  
Email customerservice@business-sa.com  
www.business-sa.com

21 May 2012

Business Regulation Benchmarking  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

Dear Sir/Madam,



I write to you in relation to the Productivity Commission's Draft Report:  
*Performance Benchmarking of Australian Business Regulation: The Role of  
Local Government as Regulator.*

Business SA is South Australia's leading business membership organisation, representing thousands of businesses through direct membership and affiliated industry associations. We represent businesses across all industry sectors, ranging in size from micro-business to multi-national companies. Business SA advocates on behalf of business to propose legislative, regulatory and policy reforms and programs for sustainable economic growth in South Australia.

Business SA provided a submission on the Issues Paper in October 2011 and welcomes the opportunity to provide a submission on the Draft Report. It was pleasing that the results from the questions on Local Government regulation in the *Business SA Survey of Business Expectations* were described in the Draft Report.

Regarding best or leading practice approaches, Business SA agrees with the Productivity Commission that statutory force to ensure that Governments utilise and comply with principles for best regulatory practice is desirable.

Business SA believes the criteria used for selecting which areas of Local Government regulation to benchmark are appropriate and agrees with the approach to benchmarking the main business concerns, as outlined in Table 6.11 of the Draft Report. Where leading practice has been identified, Councils should be benchmarked against this.

Business SA believes that Local Government amalgamations would enable economies of scale, increase effectiveness and efficiency and reduce the scope for inconsistency in and duplication of regulations. The Productivity Commission is urged to use the benchmarking study to further analyse whether big Councils are more efficient than small ones and impose lower regulatory compliance costs on business, especially metropolitan Councils in urban areas.

The following provides observations on some of the questions raised in the Draft Report.

Another method that could deliver regulatory efficiencies in Local Government and lower costs for business is the use of a primary authorities scheme. This is where businesses that have operations at different sites across a number of Councils can sign an agreement with one Council that carries out regulatory roles associated with that business across all Councils. Such an arrangement is worthy of consideration and stakeholder consultation, especially in metropolitan areas like Adelaide where there are numerous Councils.

The South Australian Government recently established a Small Business Commissioner, which could play an important role in resolving disputes between businesses and Local Government.

Business SA generally believes that a risk-based approach to building inspections would tend to reduce costs for both businesses and Councils. Resources would be allocated to where they were most required and businesses would not pay for inspections that were not necessary, nor have disruptions associated with such inspections.

Yours sincerely

Peter Vaughan

**Chief Executive Officer**