

Treasury

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Dr W Mundy Performance Benchmarking Australian Business Regulation Productivity Commission PO Box 1428 CANBERRA CITY ACT 2601

By email: localgov@pc.gov.au

Dear Dr Mundy

Submission on Draft Report - Role of Local Government as a Regulator

Thank you for the opportunity to provide a submission on the Commission's draft report. The Queensland Government notes the significant amount of work that has been put into the report not only by the Commission, but also contributing governments and stakeholders.

All relevant Queensland Government agencies have been given the opportunity to provide input to this submission. The Government's comments on the Draft Report are attached.

Yours sincerely

Helen Glűer <u>Under Treasurer</u>

Encl.

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Attachment - Queensland Comments on the Draft Report

Leading Practices

The draft report identifies maintaining an up-to-date register of all requirements on local government to implement or enforce state policies or make referrals to any state agency as a leading practice. Whilst the establishment of a register could have merits, the establishment and ongoing maintenance costs could be significant for both levels of government, and an assessment of these costs should be undertaken.

A requirement for local governments to conduct a regulatory impact assessment on all proposed local laws could be beneficial but would require considerable additional resources for local governments. Most local governments would not currently have the ability or capacity to conduct such assessments. The development of tools to enable local government to conduct simple assessments would be essential.

Chapter 2 - Local Government in Australia and Overseas

The draft report considers local government regulation in New Zealand and the UK. The study could benefit from also considering the role of local government in Canada. The rationale for such a recommendation is two-fold. First, Canada is a federation of provinces and typically has 3 tiers of Government, similar to Australia but unlike New Zealand and the UK. Second, the geographical size of Canada is comparable to Australia and may provide valuable insights into the diversity of functions and the impacts of local governments.

Chapter 7 - Building and Construction

In the draft report, the focus on local government fees for building certification services (p137) is somewhat narrow. Charging regimes for building applications that are based on time may result in longer approval times as the local government is not encouraged to quickly assess applications. A discussion of fair competition policies that may be adopted in the leading practices section may be of benefit to States with market based systems (i.e. private building certification).

Chapter 11 – Planning, Zoning and Development Assessment

Statements on page 440 regarding the use of a track-based assessment system in Queensland are inaccurate. Queensland's *Sustainable Planning Act 2009* (SPA) establishes the Integrated Development Assessment System (IDAS) which provides a coordinated and integrated whole-of-government approach to managing development assessment. IDAS is a track-based assessment system which sets out the different categories of development including: exempt, self-assessable, compliance, assessable and prohibited development. Therefore, *all* local governments in Queensland use a track-based assessment system.

Statements on page 450 indicating that local governments in Queensland have substantially higher fees associated with development assessment than other jurisdictions may be misleading. Making comparisons between the development assessment systems and development assessment fees of different jurisdictions is complicated because the differences are extensive and individual indicators are often heavily qualified. For example, Queensland has a comprehensive private certification system for building as well as a number of self-assessable uses, and compliance assessment provisions which remove low-risk development applications from development assessment processes.

In Queensland, development application fees differ from other jurisdictions as they reflect the complexity and risks associated with different developments to each individual local government. Therefore, benchmarking development assessment fees for different development applications may not provide a good baseline for assessing performance.

Table 11.3, which compares the costs of different development assessment tracks across different local government authorities may be misleading and could be amended or removed. The table is based on the comparison of dissimilar information and data provided by different local governments in different jurisdictions, and therefore the usefulness of this method for benchmarking the cost of development assessment fees is questionable. For example, the table compares examples of local government development assessment fees for impact assessable developments in Queensland, to local government development assessment fees for code assessable developments in other jurisdictions.

Queensland local governments are also over-represented in the table; six examples from Queensland are included, where there are only three examples from each of the other jurisdictions, with the exception of Tasmania with only one.

Queensland should be referred to alongside South Australia and Western Australia with regard to requirements for regular planning scheme updates on page 459. Under the Sustainable Planning Act 2009 (SPA) local government planning schemes in Queensland are also required to be updated on a regular basis. Currently, all local government planning schemes are being updated to reflect the Queensland Planning Provisions (QPP) and will be subject to an ongoing review and amendment process for continued consistency.

Queensland should be referred to alongside New South Wales with regard to best practice in the application of standard instrument zones on page 470. The Queensland Planning Provisions provide a consistent format and structure for local government planning schemes, which result in the adoption of broad land use zones that encourage tourism land uses through providing for development types that include tourism activities. Under the QPP, local governments can exercise discretion in which zones tourism is included in and when these are to be applied.

Notwithstanding, Queensland's Integrated Development Assessment System (IDAS) is a performance-based system which means it effectively enables the ability for a proponent to bring forward any proposal and have it tested against the policy benchmarks set under the planning instruments. This development assessment framework allows the flexibility for new tourism uses to be proposed and tested against the strategic intent for the local area in which it is proposed to be located, irrespective of the land use zoning set out in the local government planning scheme.

Queensland's Roads Alliance

At page 190, the Commission "invites participants to provide information on regional, state-wide or national groups of councils that undertake activities relating to LG regulatory functions". Queensland's Roads Alliance could be further acknowledged in the final report. The objectives of the Roads Alliance are to:

- increase collaboration between Queensland's Department of Transport and Main Road (TMR) and local government;
- increase the overall investment in Queensland's transport infrastructure;
- improve transport stewardship and delivery capability of TMR and local government;
 and
- improve the safety of Queensland's transport network.

The Roads Alliance Board includes representatives from TMR and the Local Government Association of Queensland. Across Queensland, 19 Regional Roads Groups (RRGs) include local government and TMR. RRGs determine Local Roads of Regional Significance investment priorities. Technical Committees include local government and TMR and provide technical support to RRGs.

The Roads Alliance Project team include TMR and Local Government Association Queensland and support RRGs and implement Roads Alliance strategies. TMR provides annual funding allocations to RRGs through the Transport Infrastructure Development Scheme (TIDS). TIDS funding is generally provided via a matching subsidy arrangement between state and local governments. TIDS provides in excess of \$63 million in funding each year to local governments each year.

TIDS funding includes \$1million per annum from the State-wide Capability Development Fund to develop and promote initiatives targeted at increasing the capability and capacity of RRG engineers and technical staff. Initiatives should be aligned to Roads Alliance core functions and have state-wide application or deliver benefit to more than one RRG. Funding is based on merit and priority.

In addition, a Cost Sharing Agreement has been formed to enable TMR and local governments to determine how costs can be shared for transport infrastructure. This agreement is currently being re-made under the umbrella of the Roads Alliance. In particular, the Roads Alliance could be acknowledged in the following sections of the report:

Page Number	Reference	Comment
26	Dot point 3: "the Queensland Department of Transport and Main Roads provides financial assistance to LGs undertaking local road assessment by LGs in some circumstances"	These references should 5 recognize that the funding to local governments is undertaken through the Roads Alliance.
297 & 327	The Queensland Department of Transport and Main Roads has provided financial assistance to local governments	
187	"Other than ROCs, there are numerous examples of regional groups of LGs"	These sections could acknowledge the Roads Alliance and/or the 19 established Regional Road Groups in Queensland.
190	Joint Local Government Entities	
331-332	Good governance and leading practices in relation to heavy vehicle access to local roads (first and second points)	Queensland agrees with these sections.
392 & 430	Discussion of regional alliances to address skills shortages among LGs and allow sharing of staff resources.	These sections could acknowledge the Roads alliance and the existence of Queensland's State-Wide Capability Development Fund.