



Our Reference: 86712 / WC : CS

3 July 2012

Mrs Christine Underwood
Business Regulation Benchmarking
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Christine

Performance Benchmarking of Australia Business Regulation: the role of Local Government as a Regulator

I am writing to provide supplementary comments to the LGA submission provided on 31 May 2012 in relation to the Productivity Commission Inquiry into the Role of Local Government as a Regulator.

Our Senior Executive Committee at its meeting on 21 June adopted the LGA's submission as provided to you. The Committee however raised another matter for your consideration as part of our submission.

This matter relates to the fees and charges that apply to the various regulatory activities undertaken by Councils. The issue of cost recovery for these activities are often subject to insufficient assessment when charges are set and certainly it is not common practice to have a process where these charges are incrementally increased to reflect increased costs for administration.

The LGA has formed a Treasury Working Party in South Australia. The LGA President and Treasurer endorsed the Working Party, with representatives from the Department of the Premier and Cabinet, the LGA, the Office for State/Local Government Relations and Treasury.

The Working Party has met on several occasions. A key feature of our work has been to examine the various fees and charges relative to the regulatory activities of Councils and it is clear that a number of them have not been increased for several years. We are pleased to advise that subject to this work being undertaken a number of the fees and charges were increased, however there are several areas still to be reviewed.

The LGA has recently been in discussions with the Government regarding regulations related to building inspections of roof trusses. These regulations were brought into effect without appropriate costings being undertaken and will have substantial cost and resource implications on Councils. This matter has now been referred to the Treasury Working Group for assessment.

I look forward to hearing about the outcomes of the Productivity Commission's work on this matter.

Yours sincerely

Wendy Campana
Chief Executive Officer