



Our Reference: 66204 VG / AP

31 March 2011

Productivity Commission
PO Box 1428
CANBERRA ACT 2601

Dear Sir/ Madam

Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments

Thank you for the opportunity to provide further comments on the draft Research Paper released by the productivity Commission on 25 February 2011, in relation to the above.

I refer to the LGA's response to the Commission's initial draft Report forwarded in September 2010 and reiterate the key message that Local Government must remain central to the planning process as it is in a unique position to shape the built environment and reflect the needs and aspirations of its communities.

As a corollary to this, community engagement is a critical element in the delivery of sound and sustainable planning outcomes. It is important that Local Government's capacity to address community expectations is maximised both through improved regulation and through adequate resourcing. The Commission's recognition in the current draft Report of the importance of community engagement in the planning process is therefore welcomed.

Further to this, sound planning for major infrastructure such as rail, roads, and water and energy delivery systems is fundamental to the improved functioning of cities and urban centres. It is critical that there is commitment to the effective ongoing provision of infrastructure and services in an equitable manner. Current funding arrangements between governments has seen a substantial cost-shift of more and more unfunded tasks to Councils, impeding the ability of Local Government to deliver their services and maintain their infrastructure.

In terms of the development assessment process, I acknowledge that the success in delivering timely and consistent decisions is both resource dependent and reliant on the efficiency of internal business systems. However, as raised in the LGA's initial submission, it is the experience of Councils in South Australia that delays are also due to external factors such as applicants submitting incomplete or poor development applications. A certain percentage of developers continue to submit applications to Councils that do not contain the required information for proper assessment to occur, which in turn adds to the length of time taken to process the application.

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Local Government in South Australia has been undergoing significant reforms in relation to both development assessment processes and strategic policy for a number of years in order to ensure efficient and effective assessment processes. It is therefore suggested that a transparent evaluation of the existing systems need to be undertaken before any further reform processes are required to be implemented.

In regard to the issue of housing affordability, the LGA is concerned that the draft Report appears to have failed to acknowledge the need for housing to be delivered with adequate supporting infrastructure, particularly public transport and community services. Local Government has consistently argued that housing affordability is much more than a question of supply and current approaches for developer or community funded services impacts significantly on housing affordability.

It is considered that significant work needs to be undertaken with the development industry to develop a more robust and economically sustainable approach to ensure adequate service provision.

In relation to policy concerning zoning of land, the LGA generally supports the conclusions in the draft report that leading practice should include 'broader and simplified zones'. However the LGA is still of the view, as raised in our submission, that the fundamental issue for Local Government is the need to balance overall consistency with the need to retain the ability for local communities to influence the way their areas are developed. The key is to ensure that the policy intent is explicit and to 'get this balance right'.

It is understood that Councils were separately surveyed in each of the jurisdictions as part of the findings incorporated in the draft report. I am concerned that the level of response across all Councils does not appear to be very high and therefore there is concern that the data does not accurately reflect the current reality. At the very least, the use of the survey results should be qualified.

The LGA also supports the Australian Local Government Association (ALGA) view that measuring the performance of Councils alone is only measuring part of the total system. Aggregating council data nationally does not provide a national assessment of system design and performance across state jurisdictions. The performance of state planning departments and referral agencies needs to also be included in any national level planning system benchmarking exercise.

The LGA looks forward to its continuing involvement in this review.

Yours sincerely

Wendy Campana
Chief Executive Officer