

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 156

Topic: Productivity Commission Report – Role of Local Government as Regulators

Hansard Page: Thursday 31 May 2012, page 109

Senator JOYCE asked:

Senator JOYCE: I thought I was asking a pertinent question about Scottish union officials and productivity. I think someone should do an inquiry into that. I want to ask some questions about the Productivity Commission's draft report on the role of local government as regulator. In that report you state, and I quote:

In addition to state regulations, LGs—
local governments—

in most states have developed local laws to tailor environmental requirements to local circumstances, many of which do not impact on business. ... New South Wales LGs are not able to create local laws, but they nevertheless have binding local requirements, such as 'tree preservation orders' and restrictions on vegetation clearing in local environment plans.

I want to clarify whether you are suggesting here that tree preservation orders issued by local governments in New South Wales are not having an impact on business. We are getting a lot of complaints from landowners that they are.

Mr Banks: I would have to see the fuller context of that. There is variation across jurisdictions in the powers and responsibilities of local governments. Obviously decisions of a kind that impact on the environment can have an effect on business. I do not know whether my colleague is closer. I am sorry, but we may have to get back to you on that one.

Answer:

The Draft Report used the tree preservation orders issued by local governments in NSW as an example of 'binding local requirements'.

The Draft Report did not say or imply that these orders were having no impact on business. Rather the example was used to illustrate that lower level regulation and quasi regulation can have as much impact on business as 'local laws'.

In regard to vegetation regulation the Draft Report highlighted the impacts on business of:

- delays in processing applications for vegetation clearing or weed inspection and the multiple level of approvals required
- having to negotiate and fund environmental offsets associated with land clearing
- inconsistency in enforcement of land clearing regulations and unusual local government requirements related to land clearing (for example, having to relocate roses to have a development application approved)

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- the variability in the fees charged by local government to inspect trees prior to removal and lopping.