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## **REVIEW OF THE LOCAL GOVERNMENT ACT 1989 DISCUSSION PAPER**

Thank you for the opportunity to comment on the Review of the Local Government Act 1989.

### *Overview*

HIA is Australia's peak residential building industry association. HIA members comprise a diversity of residential builders, including all Top 100 builders, all major building industry manufacturers and suppliers as well as developers, small to medium builder members, contractors and consultants to the industry. In total HIA members construct over 85% of the nation's new housing stock.

HIA exists to service the businesses it represents, lobby for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building and development industry.

### *HIA submission*

A review of the Local Government Act 1989 (LG Act) to provide a modern piece of legislation that delivers balanced opportunities and outcomes for all those involved in this important tier of government is supported.

HIA has reviewed the discussion paper and provides feedback in relation to the following matters:

- Integration with other legislation
- Consultation
- Local Laws, and
- Council rates and charges

### Interaction and integration with other legislation

As noted in the discussion paper the LG Act interacts with other pieces of legislation some which are administered by the Minister for Local Government and others not administered by Minister for Local Government. Such legislative interaction often requires one piece of legislation to be leading over the other.

To enable the review to be comprehensive and to result in a truly contemporary and accessible new LG Act HIA consider it would be prudent that the review not be limited to only the LG Act and those other interactive Acts administered by the Minister of Local Government and for the review to consider and respond to all interactive Acts that integrate or are interdependent with the LG Act despite if they are administered by a Minister other than the Minister for Local Government.

## Consultation

HIA submit as part of the LG Act review robust discussion and consideration should be given to including definitions (and direction through other parts of the new LG Act) for the following terms in the new LG Act:

- Community
- Community Consultation / Engagement, and
- Stakeholder Engagement.

Discussion ought to be around matters such as the direction these definitions should provide; the appropriate breadth and depth of Community Consultation / Engagement and Stakeholder Engagement and the timing and the degree of Community Consultation and Stakeholder Engagement in particular instances.

These terms and their associated actions, particularly Community Consultation / Engagement or the like, are commonly used by local government as a means of justifying the transition of plans and policy from proposed to being adopted, though often the definition and the associated actions of these terms varies without reasonable justification from each plan and policy proposal and from council to council.

Typically Community Consultation / Engagement is too narrow and slanted toward obtaining only the feedback, comments and views that will support proposed plan and policy changes, sometimes seeking only the views of individuals or community groups with a singular focus / agenda similar to that of the proposed plan or policy.

Good local governance should be informed by transparently seeking and considering the views of not just the community but all stakeholders even if those views may be challenging in terms of assessing whether on balance a particular proposed plan or policy should be adopted or abandoned.

## Local Laws

As a general comment feedback that HIA receives from our members from time-to-time is that in instances where the member has been required to obtain a Planning Permit, the Planning Permit through conditions deals with matters for which approval pursuant to a Local Law is also required. This creates a duplication of local government regulation leading to increase time and costs for the applicant. This is most common in relation to matters such as tree protection, tree removal and asset protection.

HIA submit as part of the LG Act review options should be explored to expand upon sub-sections of the current Section 111 Power to make local laws, that if a Planning Permit condition makes provision to regulate the same as a local law or has the same intent as a local law the local law cannot be acted upon / enforced in addition to the Planning Permit condition.

## Council rates and charges

HIA does not wish to express a preference for one rating system over another, however HIA does submit the link between council rates and the collection of infrastructure contributions under the new regime of standard and supplementary levies must be rigorously explored as part of the LG Act review.

*It would be extremely unfortunate if the opportunity to rigorously explore this link was not undertaken as part of the LG Act review.*

Notwithstanding the Local Government Rates Capping & Variation Framework Review undertaken by the Essential Services Commission and the State Governments *Fair Go Rate System* HIA consider that exploring this link and legislating to enable rates to form a greater component of council's revenue to be put towards community social and regional infrastructure would create a far more equitable system. As it stands at the moment HIA submit there is very little equity in terms of who pays for community social and regional infrastructure - developers initially and then passed on through the purchase price to the (first home) buyer and who uses and benefits from the community social and regional infrastructure provided.

The above submission is consistent with HIA Policy – Government Charges & Levies on Development (attached), HIA is represented on the Department of Land, Water, Environment and Planning (DELWP) Reforming Infrastructure Contributions – Implementation Reference Group (IRG) and has consistently presented this policy position at the IRG.

If desired by the Review of the Local Government Act 1989 working group HIA is willing discuss in detail the above and other matters in our submission at a one-on-one meeting.

In the meantime HIA will watch with interest the progress of this review and provide further comment and feedback as the review develops.

Once again we thank you for the opportunity to contribute at this stage. Please do not hesitate to contact us should you require anything further.

Yours sincerely

**HOUSING INDUSTRY ASSOCIATION LIMITED**

A handwritten signature in blue ink, appearing to read "M Hermon", with a long, sweeping tail.

**Mike Hermon**  
**Assistant Director – Planning and Environment, Vic**