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to allocate

General Manager  
Small Business, Competition and Consumer Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

E: [competition@treasury.gov.au](mailto:competition@treasury.gov.au)

To Whom It May Concern

### Competition Policy Review Submission

The LGAQ is grateful for the opportunity to make a submission to assist the Australian Government with its consideration of the Competition Policy Review Final Report released by the Review Panel on 31 March 2015.

The LGAQ acknowledges the Australian Government's role in ensuring that the National Competition Policy (NCP) continues to deliver benefits to the Australian community through lower prices for consumers, greater choice and higher quality services. However, it is vital that the NCP not unduly restrict the ability of state governments and local government to govern in the interests of their communities. The flexibility built into the NCP for the Commonwealth and state and territory governments to decide how best to implement competition principles in their jurisdictions must be maintained.

The LGAQ provided detailed comments on several recommendations in its submission on the Draft Report (copy at **Attachment 1**). The Association stands by these comments and is disappointed that, with the exception of Recommendation 9 - Planning and zoning, the recommendations of concern to the LGAQ are virtually unchanged in the Final Report.

The LGAQ acknowledges the redrafting that has occurred in relation to **Recommendation 9 - Planning and zoning**. Notwithstanding, the LGAQ maintains the recommendation fails to acknowledge the complexity of planning systems that seek to balance community wellbeing, economic growth and environmental protection. Competition considerations, although important, are only part of balancing economic growth and must not be unduly prioritised over other interests. It is vital that democratically elected local governments maintain their ability to implement strategic planning outcomes and frameworks considered most appropriate for their local areas.

The LGAQ remains concerned about the potentially significant implications and extensive reach of **Recommendation 24 – Application of the law to government activities**. It appears that the arguments put by the local government sector, although cited in the Final Report (page 281), were not taken into account by the Panel when formulating its views and recommendations. In particular, the LGAQ remains of the view that rural and remote councils are already disadvantaged by NCP requirements and that applying the NCP to commercial government activities needs to be tempered by the reality that a range of local government activities are delivered on a "provider of last resort basis" in rural and remote areas.

The LGAQ has consistently supported efforts to reduce the imposts on local economies created by unnecessarily restrictive regulation. However, the Association urges caution in the application of **Recommendation 8 – Regulation review** to local government regulations. Given that most local laws are made as a result of responsibilities given to local government by state legislation and that local laws in Queensland are already subject to state interest tests, applying regulatory impact analysis to local



laws, for example, would place an unreasonable impost on local government and be unnecessarily burdensome. The setting of 'local law design principles', as provided for in the *Local Government Act 2009 (Qld)*, for example, would be a smarter and far more effective mechanism to ensure that local laws do not place unnecessary restrictions on competition.

Finally, the LGAQ would note the lack of understanding evident throughout the report of outcomes already achieved in Queensland, for example with regard to competitive neutrality policy and planning and zoning reform. It is essential that work to implement any Final Report recommendations adopted by the Commonwealth Government recognises current provisions in Queensland legislation which already satisfy these recommendations.

Thank you once again for your invitation to provide comments. Should you have any questions, feel free to contact either me directly or Stephan Bohnen, Principal Advisor – Intergovernmental Relations, on (07) 3000 2203 or email [Stephan\\_Bohnen@lgaq.asn.au](mailto:Stephan_Bohnen@lgaq.asn.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Greg Hoffman', written in a cursive style.

Greg Hoffman PSM  
GENERAL MANAGER – ADVOCACY