

Performance of the Regional Investment Activation Fund and the Regional Job Creation Fund

Answers to Supplementary Questions

Ironbox Pty Ltd

- 1. Your submission stated that your project was stymied by red tape (page 2). What red tape did you encounter throughout the grant process, and do you have any suggestions to amend the process?**

The red tape we experienced was at the local government level.

Sorry for the long explanation but I think its worth relating the experience. Admittedly, I did not have experience with building projects in NSW, only in rural shires in Victoria, where I had developed a relationship with the local council. Our plan was to build a purpose built facility suited to our unique business needs (i.e. Start with the End in mind). Thus, before submitting anything to the Albury council, I had an in-person meeting with their chief planner, and asked his frank advice and if I needed a new Development Approval (DA) or could just request an amendment to the existing one which came with the property. Some early informal e-mail communication gave some practical advice about some minor changes (angle of driveways etc) but then then could not get a response from the council. I tried to keep the Department of Regional NSW informed about the lack of response, but they could not help. It took from 28/07/2022 to 29/11/2022 to have like for like DA approved. I promptly (20/12/2022) applied for Construction Certificate which after some cursory communications ended in a meeting on 17/03/2023 where I was advised to use the private Building Surveyor who advised me on design features. I engaged the private surveyor who needed information from the council 1) Written confirmation of a wall adjacent to a public drainage reserve did not have to be "non-combustible" (which a verbal agreement was given and implied on the approved DA), and 2) minimum for requirement of an Urban Water Sensitive Design - which is not clear. Neither of these questions were answered. Thus by 03/07/2023 it was decided our approach of a purpose built facility was not going to meet project timelines, we then engaged some shed builders to just build a bog-standard shed (which we could later modify, to better suite business needs). This too ended up with the Shed Builders having to go back to council for yet another DA for basically the same facility. At this point we realised we could not meet the timelines from the grant and advised accordingly.

Given this experience, we are left with the impression that the councils are being overloaded from higher levels of government with regulatory requirements - which is trying to replace normal social collaboration. This does not work and creates negative value. Our opinion is that if land has been sub-divided / rezoned for industrial development - then let industry develop it within whatever guidelines are around this zoning. The issue with the current building system is it is based on once-off approvals - and over time maintenance / small modifications / usage changes etc will make the historical approval meaningless. I would also suggest this is a significant contributing factor to the housing shortage.

My suggestion would be to allow any development within the guidelines for the zoning of a property - and the function of BCA (for safety) is checked by council as they have resources to do so (let's say as part of the valuation checks) and offer practical suggestions (or orders in extreme cases) for remediation, with withdrawal of occupancy certification (which have significantly lower rates) if not rectified in timely manner. Insurance companies could have similar requirements - impacting premiums. It is interesting to note that the property we

purchased in Victoria had a couple of building permits approved, where they were partially complete, and had created another set of problems for the building. (E.G. Downpipes were disconnected as they would run past new windows, but this caused gutters to overflow and start undermining the building foundations. Also the fire main had been modified with too small pipe fittings. Exit signs were above exits that were shuttered closed.)

2. In your submission (page 2), you concluded that the building approval system has no experts and relies on consultants. What changes to the current system would you recommend?

The start of this answer is in the question above, but will elaborate on this.

If the end game of building approvals is self-regulation, and councils are only resourced for this, then make the system self-regulation ... but do it properly (council just needs to answer questions and offer advice/guidance). Ensure there is oversight to help with alignment between councils and a mechanism for appeals (on both sides).

However if the goal is to have council do approvals - ensure they are resourced to do so in a timely manner, and have support / appeals to help keep on track.

The in-between state seems to leave councils under-resourced and if they are not the certifier then no accountability to answer basic questions.

3. Your submission suggested that the Department of Regional NSW should have a holistic customer focus with all levels of government working together (page 3). What would this approach look like from a grant applicant perspective?

I was going to write about this in my submission, but thought to preachy - and summarised. I came from a multi-national with three tiers of governance, Central, Zone Level (e.g. Africa, Oceania & Asia), and Market level (e.g. Oceania, Indonesia or Japan). Much of my role at Zone level was to ensure alignment between what the Central Management were pushing and what the Markets wanted to do. Often this would require "respectfully challenging" (by asking probing questions) the Central and Market level teams, to see where and why there is miss-alignment and how this could be solved - then requesting this to be done to the appropriate management. Thus I was the advocate for Central Management to the Markets and advocate for the Market to Central Management. This is the model I had in mind.

If Regional Development officer could be an advocate for the company they were helping, so in my case by calling the senior management in the council and asking if there was an issue with planning and what can be done about it, because it was putting at risk a project they were supporting. If done with mutual respect and co-operation, perhaps more issues would come from the discussion, which may be messages for our company, or how help could come from other parts of government, or just the focus would expedite. Its not to bypass proper process, but to ensure proper process does not hold up works. This requires skill to "influence" without the use of "power" - using a win-win game ... not easy but very helpful to all parties.