Local Government Association Tasmania

Our Ref: JS | LR

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SSUP Consultation Team
Department of State Growth
Sent via email: singlestartuppermit@stategrowth.tas.gov.au

Dear Consultant Team

Single Start-Up Permit Discussion Paper

Thank you for the opportunity to provide a submission on the Single Start-Up Permit (SSUP) proposal. This submission has been prepared by the Local Government Association of Tasmania (LGAT) on behalf of Tasmanian local government.

Local government acknowledges the intent of the SSUP initiative to reduce red tape and support small business creation. We acknowledge and appreciate the work of State Growth in engaging without sector on this initiative. And while councils strongly support facilitating Tasmanian start-ups and growing small businesses, we have significant concerns about the proposed approach and its implications for business certainty, regulatory efficiency and integrity, community safety, and resource allocation.

Put simply, this is the right problem to be addressing, but the wrong solution.

Increased risk for small business

The SSUP proposal introduces more risk, not less. Start-ups require significant up-front investment and certainty to achieve sustainability. A 12-month permit with no guarantee of continuation creates risks and uncertainty for finance, insurance, and longer-term viability. This undermines the objective of enabling successful enterprises.

There are substantial risks associated with many types of businesses commencing operations without appropriate assessment and approvals in place. The community should not be exposed to operations that may not be fully compliant with important health and safety requirements. But also, a start-up business finding substantial remediation works are required to operate beyond 12 months would be devastated. Worse still, the business may be forced to close if there is an unresolvable issue.

Liability issues arising from the SSUP proposal are substantial and there is no new resourcing or responsibility outlined in the proposal to undertake compliance activities in the initial "start-up" period. The idea raised in the Discussion Paper of limiting reform to "low risk" businesses is likely to be applicable only to proposals that would currently not require a permit. The costs of such reform outweigh the benefits if start-up businesses are required to submit an application, only to find they cannot meet a "low risk" threshold or wouldn't have required a permit for their proposal under the current system.

The concept of "low risk" in the SSUP Discussion Paper creates a potential conflict with the National Construction Code, which places commercial premises in Classes 5–9, reflecting an inherently higher risk due to public and commercial use. Engaging with local government on ways to improve the implementation of these regulatory frameworks is preferable to creating a new and additional regulatory regime.

Better direct resources ahead of risky reform

The proposal fails to address the underlying issue of under-resourcing for councils and State agencies working to support small business development. Designing, implementing, and managing a new permit system and layer of bureaucracy would add to the regulators' burden, not diminish it, when resources should be directed towards streamlining the existing processes for both business and regulators. Practical, up-front support such as business concierge services and investment in councils that lack the resources to support local economic development would ensure all businesses, start-up and existing, can benefit from local guidance and assistance rather than an additional layer of bureaucracy.

While duplication and inefficiencies in current processes should be addressed, this proposal does not achieve that. Instead, it risks adding complexity, duplicating assessments, and diverting resources from sustainable reforms. Forcing start-up businesses to be assessed for a SSUP where they currently do not require a permit would be a backwards reform.

The SSUP Discussion Paper seems to exaggerate current permit requirements, suggesting a business proponent would currently require up to six separate permits with examples that are already combined for approval under existing legislation. To accurately consider and evaluate efficiency reforms, a clear description of current versus proposed requirements should be provided.

Questions remain about whether new legislation enabling a new permit could effectively override existing statutory requirements. The effort required to design, implement and manage such a complex new system would burden under-resourced councils and state agencies for minimal benefit to businesses.

Better alternatives to support small business

The Tasmania Planning Scheme already recognises low risk uses and offers pathways for uses that do not require a permit. Local government has long argued for planning reform to reduce unnecessary complexity, support appropriate use and development, and reduce costs. Planning reform driven by local government expertise and experience should be the priority, not the additional regulatory complexity of a new permit system such as a SSUP.

Local government is supporting the current Audit of Statutory Licences and Red Tape project and believes this collaborative work offers a more effective pathway to identify duplication and streamline processes. Councils continue to propose and develop innovative solutions such as single digital application portals; proposals that should be considered and further developed for statewide application.

A holistic approach should also recognise that supporting existing small businesses to grow or expand, is as important as enabling new start-ups. Councils have concerns that current

local operators could be disadvantaged if a new system gave new start-ups an advantage over existing businesses.

Conclusion

The SSUP proposal increases “red tape” by creating an additional process and adding another permitting requirement for start-up businesses. The proposal increases risk to small businesses, duplicates effort, delays higher-priority reforms, and neglects established small businesses, as well as creating risks to infrastructure, public health, and safety.

Local government stands ready to collaborate with the Government on sustainable reforms and improved services that deliver real benefits for all Tasmanian small businesses.

Please contact me if you have any questions or would like further information, at dion.lester@lgat.tas.gov.au or (03) 6147 3740.

Yours sincerely



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CHIEF EXECUTIVE OFFICER