

Surveyors (Fees) Amendment Regulation (No. 1) 2016

Explanatory notes for SL 2016 No. 48

made under the

Surveyors Act 2003

General Outline

Short title

Surveyors (Fees) Amendment Regulation (No. 1) 2016.

Authorising law

Section 192 of the *Surveyors Act 2003*

Policy objectives and the reasons for them

The objective of the *Surveyors (Fees) Amendment Regulation (No. 1) 2016* is to amend the schedule of registrant fees prescribed by the *Surveyors Regulation 2014* under the *Surveyors Act 2003*.

The Surveyors Board of Queensland is established under the *Surveyors Act 2003* and is responsible for all aspects of the registration of professional surveyors in Queensland. The costs of meeting the Surveyors Board of Queensland's legislative responsibilities are not being met by the current level of registration fees, and the Surveyors Board of Queensland is incurring annual deficits.

Achievement of policy objectives

The *Surveyors (Fees) Amendment Regulation (No. 1) 2016* will amend the registrations fees specified within Schedule 1 of the *Surveyors Regulation 2014*, so as to set registration fees which will achieve the level of funding for the Surveyors Board of Queensland sufficient to meet its legislative requirements, without other changes to the well-accepted existing regulatory framework.

The *Surveyors (Fees) Amendment Regulation (No. 1) 2016* represents a renewal of the current regulatory framework which has been functioning successfully, with the exception that insufficient revenue is being raised to meet operational costs, due to registrant fee increases not having kept pace with inflationary costs.

Consistency with policy objectives of authorising law

The main purpose of the *Surveyors Act 2003* is to protect the public by ensuring that surveys are carried out by registrants in a professional and competent way, to uphold the standards of practice within the profession, and to maintain public confidence in the profession. This is implemented through a system for registration for surveyors, which is administered by the Surveyors Board of Queensland. In addition to registration of surveyors, the Surveyors Board of Queensland imposes obligations on surveyors in relation to the practice of their profession, conducts investigations and disciplinary proceedings, and ensures compliance with the *Surveyors Act 2003* through monitoring and enforcement activities.

The *Surveyors Regulation 2014* provides for a limited number of administrative matters that empower the Surveyors Board of Queensland to function under the *Surveyors Act 2003*. The most significant is the setting of fees for registration and registration endorsements. This enables the Surveyors Board of Queensland to receive funding for their operations.

The *Surveyors (Fees) Amendment Regulation (No. 1) 2016* assists in meeting the objectives of the *Surveyors Act 2003* by ensuring that operational funding for the system of registration continues. The *Surveyors (Fees) Amendment Regulation (No. 1) 2016* will amend registration fees to sufficiently fund the activities of the Surveyors Board of Queensland, so that the Surveyors Board of Queensland can continue to provide the current level of service and oversight of the standards of registrants.

Inconsistency with policy objectives of other legislation

The *Surveyors (Fees) Amendment Regulation (No. 1) 2016* is consistent with the policy objectives of other legislation.

Alternative ways of achieving policy objectives

Four options for achieving the policy objective were considered:

Option 1: Do nothing

The functional capacity of the Surveyors Board of Queensland would effectively decrease. The Surveyors Board of Queensland would be placed in the position where it cannot meet its costs, and prevented from enforcing compliance due to a lack of funds for investigations and prosecutions. This would be a negative outcome for the general community, as professional oversight is reduced, and consequently

standards might be lowered. Impact assessment during the making of the *Surveyors Act 2003* concluded that the public benefit in regulating the profession through a board outweighed any public costs or anticompetitive barriers.

Consequently this alternative option was rejected.

Option 2: The Government provides greater financial contribution to cover the budget deficit of the Surveyors Board of Queensland.

The only advantage to this alternative option would be the current level of service and oversight of the industry would be maintained.

However, the above advantage would come at a price for government. This option would present a cost burden to government, and thereby, to the community, as the funding would have to be redirected from elsewhere. It could appear, in both perception and practice, to bring the responsibility for the professional conduct of the industry closer to government, and go some way to removing the independence of the Surveyors Board of Queensland. This is contrary to the intent of the regulatory framework that has been established and successful for some time. It would also mean that the community is subsidising the industry.

Consequently this alternative option was rejected.

Option 3: The Department provides greater financial contribution to cover the budget deficit of the Surveyors Board of Queensland, and this is recouped through increasing the funds generated through a Survey Infrastructure Fee.

The Surveyors Board of Queensland is also partially funded through the collection of a Survey Infrastructure Fee (a flat fee per survey plan lodged with the department). The government has the option of increasing the total raised through this Survey Infrastructure Fee to cover annual budget deficits. This would be done by increasing plan lodgement fees. Hence, this option would increase the cost of property dealings and is thus contrary to the government's election commitment to not increase fees and charges. Also under this option, part of the community—those engaging in property dealings—would be subsidising the industry.

Consequently this alternative option was rejected.

Option 4 (preferred option): Increase registration fees to the level that provides sufficient funding for the functions of the Surveyors Board of Queensland.

This option represents a renewal of the current model which has been functioning successfully, with the exception of raising insufficient revenue to meet expenses, through fee increases not having kept pace with inflationary costs. It is favoured by industry as it provides for continuity and is cost effective. Under this option, the Surveyors Board of Queensland thus remains autonomous and largely self-funded, and continues effective administration of the *Surveyors Act 2003* and regulation of industry participants. It will ensure that confidence in the profession by the public and broader industry is maintained and the system does not become an increasing financial impost on government. The Surveyors Board of Queensland retains its independence from government, and the industry funds its own regulation on a cost-recovery basis.

This was the preferred option.

Benefits and costs of implementation

The *Surveyors (Fees) Amendment Regulation (No. 1) 2016* has the support of industry as it provides for continuity and is cost effective. The Surveyors Board of Queensland will remain autonomous and largely self-funded, and continue effective administration of the *Surveyors Act 2003* and regulation of industry participants.

The *Surveyors (Fees) Amendment Regulation (No. 1) 2016* will ensure that confidence in the profession by the public and broader industry is maintained and the system does not become an increasing financial impost on government. The Surveyors Board of Queensland will retain its independence from government, and the industry will largely fund its own regulation on a cost-recovery basis.

Even though the *Surveyors (Fees) Amendment Regulation (No. 1) 2016* involves a moderate increase in registration fees under the *Surveyors Regulation 2014*, there is a reduction in registration fees for some registration categories applicable to new or start up corporations under the preferred option. Other than a slight cost increase in other registration fees, the proposal does not add any other regulatory burden. With the system of registration being largely self-funded, industry is more inclined to self-monitor with more buy-in on maintaining industry standards. This will contribute to minimising expenditure on investigations and compliance.

The simplification of the system of late fees, from one where late fees vary according to the level of initial fee to a single fee for individuals, and another for corporations, will make administration easier.

Consistency with fundamental legislative principles

The *Surveyors (Fees) Amendment Regulation (No. 1) 2016* is consistent with fundamental legislative principles.

Consultation

Formal consultation took place with the Surveyors Board of Queensland and key industry stakeholders (Surveying and Spatial Sciences Institute; the Spatial Industries Business Association; the Australian Institute of Mines Surveyors) representing the surveying industry within Queensland. The Surveyors Board of Queensland prepared a 'Proposal for a Review of Board Fees' document which detailed the rationale and provided the proposed amendment to the registrant fee structure. This proposal was distributed to stakeholders; and all stakeholders were encouraged to provide their views or comments in writing.

All industry stakeholders responded in support of the proposed amendments to registrant fees. One stakeholder expressed 'we acknowledge the activities the Surveyors Board of Queensland has undertaken in recent years to maintain the high standard of cadastral surveys'. While another stakeholder commented 'the proposed increased fees would not have an unacceptable effect on surveying businesses in Queensland'.

The Office of Best Practice Regulation within the Queensland Productivity Commission was consulted regarding whether this regulatory proposal required further preparation of a Regulatory Impact Statement system. The Office of Best Practice Regulation advised that the regulatory proposal would not benefit from further assessment under the Treasurer's Regulatory Impact Statement system guidelines given: the detail provided to key industry stakeholders – who appear to represent a significant proportion of the profession – as well as industry stakeholder support for the proposed increases.