

## Media Release - 2 July 2021

### **Commission seeks faster, better development referrals**

The South Australian Productivity Commission proposes a stronger focus on employment, investment and economic growth in the advice given by the Environment Protection Authority, the Native Vegetation Council and the Commissioner of Highways for project approvals in a draft report released today.

Development referrals are the advice asked from several authorities to ensure the state's environmental, social and economic objectives are met by development proposals assessed in the South Australian planning system.

On 9 March 2021, the government asked the Commission for advice on improving the operations and practice of referral bodies to lift the competitiveness of South Australia as an investment destination without compromising the work of those regulators.

The review has so far looked at referral processes for environmental significance, native vegetation, and transport routes and corridors, which are a large proportion of referrals.

The work covers regulators' practices, structure and systems, business processes, technology and capability as well as culture and relationships between proponents and regulators. Stakeholders including industry organisations, businesses and the three referral bodies gave essential evidence. The Commission also looked at leading practice, practice and performance in referrals in Australian jurisdictions.

"South Australia has a solid platform of regulatory expertise to build on and there is more work to be done" said Dr Matthew Butlin, the Commission's Chair and Chief Executive. "The referral bodies in scope have sound practices and a history of improving them. At this point we think more can be done, especially to sharpen the focus on state's economic objectives in the regulatory practice of the referral bodies mandates. We will develop this theme further in this review and in the Commission's Modern Regulation Project."

The Commission made a draft recommendation to improve pre-lodgement processes. It has flagged adopting systemic reforms, including accountability and timeframes, and better capacity to evaluate and improve the major project assessment process.

"This is a draft report for consultation. The final stage of the review will refine and distil our final recommendations" said Dr Butlin. "Please give us your views and experience."

Contact: Dr Matthew Butlin – Chair and Chief Executive, South Australian Productivity Commission  
Telephone Number: 0466 456 892

Email: [sapc@sa.gov.au](mailto:sapc@sa.gov.au)

## Background

- On 9 March 2021, the Commission was asked to undertake a review into the referrals process that form an integral part of the state's development assessment system. The terms of reference for the regulatory review are available on the SAPC website at [www.sapc.sa.gov.au](http://www.sapc.sa.gov.au)
- Key messages are attached.

## Draft Report

- The Commission has released its draft report to this regulatory review. The draft report is available on the SAPC website at [www.sapc.sa.gov.au](http://www.sapc.sa.gov.au)
- The draft report sets out the SAPC's analysis, current conclusions and draft recommendations for comment and consultation with interested parties.
- The SAPC encourages input from participants, with a deadline for written submissions of 6 August 2021.

## Next steps

- The Commission will consult further with stakeholders on the draft report's findings, draft recommendation and information requests to clarify issues and develop final recommendations.
- The Commission will publish its final report in December 2021.

Media inquiries should be directed to Giselle Oruga at [Giselle.Oruga@sa.gov.au](mailto:Giselle.Oruga@sa.gov.au).

## Key Messages

The South Australian Productivity Commission was tasked to advise on how referrals processes in South Australia's development assessment system can be improved to raise the competitiveness of the state as an investment destination. The task focuses on referral processes relevant to development activity of environmental significance, and affecting native vegetation and transport routes that together account for a significant volume and complexity of referral activity. Both Code assessed and impact assessed development (major project) pathways are considered.

While the emphasis is on short to medium term benefits through changes primarily in regulator practices, the Commission may make recommendations on amendments to regulation. The Planning, Development and Infrastructure Act 2016, the Planning and Design Code and complementary reforms are outside the terms of reference.

The development assessment system is designed to synthesise the public interests relevant to land use, including the interests protected by the referral agencies, in reaching decisions on development applications. The Commission has focused on identifying improvements that would improve this synthesis by lifting the efficiency, effectiveness and timeliness of decision making without compromising public interests.

Its work has been guided by diagnostic principles developed from OECD best practice to examine end-to-end regulatory process.

In this draft report, based on the evidence to date, the Commission:

- mainly in relation to Code assessment, found structured and largely efficient processes that varied among the regulators reflecting their role, cultures and regulated industries;
- proposes a recommendation that regulators further develop and monitor the impacts of early engagement with proponents;
- heard of disproportionate requirements placed on proponents; and
- found evidence that all referral bodies showed improvement in regulatory practice through internal and external reviews.

The work on major project approvals is less advanced than for Code assessed approvals and will have an increased focus in the final report.

The Commission considers that employment, investment and productivity are central to the state's future. There are 'economic' dimensions of public interest that are intrinsic elements of the referral process in project approvals. The Commission considers this objective in the work of regulators needs to be strengthened in general. It intends to develop this as a key theme in further consultations on this draft report and across the Modern Regulation Projects.