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MEDIA STATEMENT

7 OCTOBER 2008

NO IMPROVEMENT DESPITE THE GOVERNMENT'S INVESTMENT OF \$37 MILLION INTO RESOURCE APPROVAL PROCESSES

Since 2003 the Government committed \$37.4 million to improving the approvals process by making it simpler and faster and provide greater certainty for proponents so that they would be aware of the necessary processes, requirements and timelines. While making it clear that there would be no weakening in standards, it committed significant funds to streamlining the process.

Despite this considerable investment, the Auditor General, Mr Colin Murphy has found that even though agencies have implemented key initiatives so far these have not delivered the intended improvements. In a report tabled in Parliament today, Mr Murphy said that many challenges with the process still remain and if agencies want to deliver the results intended from this investment they will need to reconsider their current approach.

If the process for gaining approvals involves too many uncertainties or takes too long companies might seek to undertake development projects elsewhere. Conversely if the process is not rigorous enough there are risks to our environment and way of life. It is a balancing act and in the long term what matters most about an approvals process is the outcome.

Resource projects provide more than \$2 billion in royalties, accounting for 30% of Gross State Product and providing around 17% of the State's employment.

Of particular concern to Mr Murphy was the need for greater transparency of the criteria used by agencies to determine which projects get special assistance with the approvals process and how much assistance is provided. He found that neither the Office of Development Approvals Coordination, nor the Department of Industry and Resources (DoIR) have clear criteria and this creates a risk of real and perceived inequity.

Given that there appears to be real benefits to the proponents who obtain assistance from these agencies, Mr Murphy called on them to develop and publish the criteria they apply when selecting which projects are assisted and how much assistance is provided.

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Mr Murphy has also noted that there has been limited forward planning to anticipate resource development and clarify regional and State development priorities. More forward planning would provide guidance to miners and agencies when considering potential environmental, economic and social impact on a specific region.

Mr Murphy's examination assessed the roles of five key agencies:

- Department of Industry and Resources (DoIR)
- Department of Environment and Conservation (DEC)
- Department of Indigenous Affairs (DIA)
- Department for Planning and Infrastructure (DPI)
- The Office of Development Approvals Coordination (ODAC) within the Department of the Premier and Cabinet (DPC).

His examination was made more difficult because resource projects cannot be tracked across government and agencies do not report on the time taken for the whole approvals process. Because of this, it was not possible to determine if overall timelines have improved as a result of the additional investment. In fact, he found that agencies are only required to report on set times for distinct parts of the process and do not routinely measure overall timelines.

Mr Murphy recommended that agencies should determine a way to uniquely identify each proposal so that it can be tracked across government. Further he has called on them to measure and report on the timelines for all parts of the process. He has asked agencies to implement exception reporting and analysis to determine causes for delays and potential improvements to processes.

Finally he recommended that agencies should consider new ways of working, including:

- Using data and management systems more effectively
- Introducing outcomes-based conditions to better manage workloads
- Using fees and charges to recover costs and to encourage more efficient practices
- Developing proponent-focused guidance and training materials to improve the quality of proposals and proponents' understanding of the approvals process.

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