



**AUDITOR GENERAL
FOR WESTERN AUSTRALIA**

Serving the Public Interest

SUMMARY OF THE PERFORMANCE EXAMINATION

IMPROVING RESOURCE PROJECT APPROVALS

Report 5 – October 2008

Background

Western Australia has experienced a significant expansion of the resources sector. Last year, the Government spent around \$83 million to assess and regulate development projects. In particular, the development approvals process is important because it indicates whether or not Government will allow a resource development to proceed. Proponents have asked for greater certainty about the process.

In 2003, Government agreed to improve the approvals process. Between 2003 and 2005 it allocated to agencies \$37.4 million over six years to deliver on its commitments. We examined whether improvements have been made and whether there are opportunities for further improvements. Agencies reviewed were:

- 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).

What the examination found...

- *Agencies have implemented the key initiatives, but so far they have not resulted in the intended improvements.*
- *Resource projects cannot be tracked across government. Because of this, it is not possible to determine if overall timelines have improved. Agencies do not routinely measure overall timelines and do not analyse the time data to identify opportunities for improvements.*
- *The Integrated Project Approvals System (IPAS) has not delivered the intended outcome of streamlining the approvals process and improving certainty. The model relies on proponents improving their proposals rather than agencies improving their processes.*

- *Neither ODAC nor DoIR have clear criteria for the special assistance they provide some proponents and this creates a risk of real and perceived inequity.*
- *Agencies have not altered the way they conduct their approval processes in response to the workload and resourcing challenges created by the high level of activity in the resources sector.*
- *There has been limited forward planning that identifies and clarifies the State's strategic resource development priorities and provides guidance to the resource approvals process.*
- *There are no criteria or processes for assessing the social and economic impacts of resource projects, adding to uncertainty for proponents about government priorities.*

What the examination recommended...

Agencies should:

- **determine a way to identify each proposal so that it can be tracked across government**
- **measure and report on the timelines for all parts of the process and implement exception reporting and analysis**
- **reconsider the objectives of IPAS, its effectiveness to date and its capacity to deliver on intended outcomes**
- **consider new ways of working, including using management systems more effectively, introducing outcomes-based conditions, using fees to recover costs and encourage more efficient practices, and developing proponent-focused guidance materials**
- **reconsider employing accredited consultants, using proponent-funded certified assessors, and establishing expert panels**
- **revise recruitment and retention strategies to curtail the loss of experienced staff**
- **continue to develop regional plans and consider more systematic strategic approaches for doing this.**

DPC and DoIR should develop and publish criteria for the assistance they provide proponents.

DoIR should make transparent the Government policy and factors it uses when facilitating approvals.

A copy of the report can be accessed at www.audit.wa.gov.au/
For further information contact by email: info@audit.wa.gov.au