

Regulatory revamp needed: Productivity Commissioner

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IF AUSTRALIA'S petroleum regulators can't find ways to cut approvals processes timelines by 50%, then they "probably aren't really trying", Productivity Commission head Phillip Weickhardt told the 2008 APPEA Environment Conference on Wednesday morning.

"A lot of time at the moment is spent spinning wheels and navigating through what really is a clunky system that puts stresses on both industry and government," the commissioner said.

While the direct costs involved in working through these processes were "not trivial", the greatest burden for industry was delays to projects, he said.

However, there were unnecessary overlaps and duplications between Australia's various approvals systems, and some states' regulations failed to provide consistency and clarity, according to Weickhardt.



Phillip Weickhardt

He said the complexity of approvals processes was inevitable, but it could and should be reduced.

The Productivity Commission is currently reviewing regulations covering the upstream petroleum industry, excluding coal seam gas, and is aiming to identify regulatory impediments to performance and unnecessary burdens, including duplications and inconsistencies between state and federal regimes.

While the review was still underway, Weickhardt said it was already possible to identify recommendations that were likely to emerge. These include:

- Reviewing and updating legislation to make it consistent with best practice and to bring state legislation in line with the definitions and approach of the Commonwealth Offshore Petroleum Act;
- Reducing overlap between state and federal acts;
- Reconsidering approvals processes, and how using lead agencies, such as PIRSA (the Department of Primary Industry and Resources of South Australia) can make these more efficient; and
- Reviewing pipeline licensing and approvals.

South Australia had already done much to streamline processes, but there were significant failings in Western Australia's and Queensland's regulations, according to Weickhardt.

"South Australia's petroleum legislation is about 60 pages long and is objectives based," he said.

"In contrast, Queensland's Petroleum Act has been in place since about 1923 and is 1200 pages long and highly prescriptive. Most people, including the regulators themselves, find it difficult to work with."

In WA, the Native Heritage legislation entailed complicated approvals mechanisms but lacked clarity and transparency, according to Weickhardt.

He said the Productivity Commission had previously called for WA's Native Heritage Act to be updated, but the state had not acted on this recommendation.

Indeed, many of the Productivity Commission's previous recommendations had not been implemented, and Weickhardt said it was time that state governments got serious about tackling problems in their approvals processes.

"As Nike says, 'Just do it'," he said.