



## Final Progress Report on the implementation of Recommendations from the NSW Productivity Commission's Review of the Independent Planning Commission

Final update: 17 January 2022

The recommendations of the NSW Productivity Commission's 2019 Review of the Commission have been implemented in full.

Recommendation	Implementation
1. Confirmation that the Commission plays an important role in maintaining the integrity of the planning system and should be retained as an independent decision-making body for contentious State significant developments	
2. Reinforce the independence of the Commission by formally establishing it as a stand-alone agency	<ul style="list-style-type: none"><li>• The Office of the Independent Planning Commission commenced as a separate agency under the Government Sector Employment Act on 1 July 2020.</li></ul>
3. Bring clarity to the role and purpose of the Commission: <ul style="list-style-type: none"><li>- the Commission should operate in line with formal Ministerial directions and to an agreed set of performance measures</li></ul>	<ul style="list-style-type: none"><li>• The Minister has issued a Statement of Expectations annually, including key objectives and clear timeframes for the decisions and advice of the Commission.</li></ul>
4. Formalise the IPC's governance arrangements: <ul style="list-style-type: none"><li>- establish the chair as the head of the agency, with accountability to the Minister for performance of Commissioners and the IPC Secretariat</li><li>- develop improved governance in line with the NSW Government's 'Governance Lighthouse' model</li></ul>	<ul style="list-style-type: none"><li>• The Chair of the Commission became the agency head of the Office of the Independent Planning Commission on 1 July 2020 and is accountable to the Minister for the performance of the agency, as set out in the Minister's Statement of Expectations.</li><li>• A Strategic Plan has been developed and is publicly available at <a href="http://www.ipcn.nsw.gov.au/about-us">www.ipcn.nsw.gov.au/about-us</a></li><li>• Two Commissioners have been designated as Deputy Chairs to support the Chair and improve risk management and governance as an independent agency.</li><li>• The Commission has established a Risk and Compliance Committee tasked with reviewing the Commission's performance against key measures and its management of associated risks. It is part of a continuing program to ensure the Commission's governance practices and policies are in line with the 'Governance Lighthouse' guidelines. The Risk and Compliance Committee comprises the Deputy Chairs and an independent member (currently a former senior official in the Australian Tax Office).</li></ul>

Recommendation	Implementation
<p>5. Continue to enhance the efficiency and effectiveness of the IPC Commissioner pool:</p> <ul style="list-style-type: none"> <li>- transition to a smaller pool of Commissioners</li> <li>- review the Commissioners remuneration model</li> <li>- improve conflict of interest management for Commissioners</li> </ul>	<ul style="list-style-type: none"> <li>• Commissioners can be appointed for up to six years, typically in two three-year terms. A reduction in the total number of Commissioners was staged as Commissioners reach the end of their terms.</li> <li>• The number of Commissioners was reduced from 26 in 2019/20 to 21 in 2020/21 to 18 in 2021/22.</li> <li>• The remuneration model was reviewed in consultation with the Public Service Commissioner and no changes were made to the rate or remuneration. Guidance is now given to Panels on expected Commissioner hours for cases.</li> <li>• A review of the Commission's Conflict of Interest policies and procedures has been completed and these will continue to be reviewed regularly and updated as appropriate.</li> <li>• A revised, comprehensive Induction Package for Commissioners and Mining and Petroleum Gateway Panel members has been developed.</li> </ul>
<p>6. Strengthen the IPC Secretariat:</p> <ul style="list-style-type: none"> <li>- strengthen the IPC Secretariat's independence from DPIE</li> <li>- improve internal systems and procedures</li> <li>- build a culture of excellence and rename the Secretariat to better reflect its function</li> </ul>	<ul style="list-style-type: none"> <li>• Commission staff were transferred to the new Office of the Independent Planning Commission on 1 July 2020 and are no longer employees of the Department of Planning, Industry and Environment (DPIE).</li> <li>• The Commission has undergone a broad-ranging program of improving its internal systems, procedures and work culture, and the Secretariat has been renamed the Office of the Independent Planning Commission.</li> </ul>
<p>7. Ensure the IPC's financial arrangements support its independent role and functions:</p> <ul style="list-style-type: none"> <li>- establish IPC as a separate agency under the Government Sector Finance Act</li> <li>- review and revise the IPC's budget to ensure it is adequately resourced</li> </ul>	<ul style="list-style-type: none"> <li>• The Commission budget has been reviewed and revised to provide appropriate resourcing.</li> </ul>

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<p>8. Optimise IPC workload and focus it more clearly on contentious State significant developments:</p> <ul style="list-style-type: none"> <li>- amend SEPP clauses to allow councils to rescind objections</li> <li>- raise the threshold for unique objections from 25 to 50</li> <li>- delegate modification applications to DPIE</li> <li>- discontinue referrals to IPC for advice (excluding those related to the Mining and Petroleum Gateway panel)</li> </ul>	<ul style="list-style-type: none"> <li>• SEPP amendments were gazetted on 16 March 2020 that increased the threshold to 50 unique submissions and allowed councils to rescind objections. The Commission has also delegated modification applications to DPIE, except in cases where the applicant has made a political donation.</li> </ul>
<p>9. Improve systems and processes continue development of internal policies and procedures, prioritised by business risk:</p> <ul style="list-style-type: none"> <li>- develop robust ITC systems (including leveraging the DPIE Planning Services Information Management System)</li> <li>- develop a consistent approach with DPIE for the collection, monitoring and reporting of performance data</li> </ul>	<ul style="list-style-type: none"> <li>• An ICT Strategy and Plan was developed and the Commission's INsite system, which leverages the DPIE Planning Services Information Management System to support a consistent approach to performance data, was launched in December 2020.</li> </ul>

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<p>10. Minimise IPC re-assessment and potential delays:</p> <ul style="list-style-type: none"> <li>- DPIE to adopt a 'service delivery' approach when undertaking assessments for IPC ('assessment as a service')</li> <li>- revise the IPC/DPIE MOU to specify respective functions and set out key performance indicators for the timing of DPIE responses to IPC requests for further information</li> <li>- agree on independent experts to be drawn on by DPIE in undertaking assessments</li> </ul>	<ul style="list-style-type: none"> <li>• The Commission and DPIE updated their MOU in May 2020 to support more efficient and effective interaction in line with the recommendations of the Review.</li> <li>• A joint six-month review of the implementation of the updated MOU was undertaken and found that overall both parties are working well to achieve the objects of the <i>Environment Planning and Assessment Act 1979</i>.</li> </ul>
<p>11. Improve public hearings</p> <ul style="list-style-type: none"> <li>- by reverting to single stage hearings only and facilitating a more interrogative hearing process</li> </ul>	<ul style="list-style-type: none"> <li>• Revised single stage public hearing guidelines were released in March 2020 that support a more interrogative hearing process. <i>NB: public hearing procedures have also changed to respond to COVID-19 and to enable electronic hearings under the Environmental Planning and Assessment Regulation 2000.</i></li> <li>• The Commission undertook qualitative analysis of its Public Meeting and Hearing processes in 2020 and 2021 by conducting surveys to seek feedback from participants about what works well and where it could improve.</li> </ul>

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<p>12. Enhance the rigour and timeliness of decision-making:</p> <ul style="list-style-type: none"> <li>- establish a protocol so that areas of policy uncertainty can be resolved, while ensuring separation of roles of DPIE, IPC and Minister</li> <li>- where appropriate, IPC and DPIE to obtain legal advice jointly to ensure consistency of interpretation</li> <li>- IPC should consider simplifying and shortening the Statement of Reasons</li> <li>- implement feedback loops and continuous improvement mechanisms, including Chair oversight of panel decisions (while retaining panel independence) and post determination debriefs with DPIE.</li> </ul>	<ul style="list-style-type: none"> <li>• The Minister’s Statement of Expectations for the Commission provides for policy resolution with the Planning Secretary.</li> <li>• Arrangements have been made to obtain legal advice jointly with DPIE where this is appropriate.</li> <li>• The Commission has revised its internal Statement of Reasons drafting guidelines and will regularly review them so that the Statement of Reasons remain accessible and robust.</li> <li>• The Minister’s Statement of Expectations description of the role of the Chair includes the Chair having oversight of Panels and a Chair oversight protocol has been developed in consultation with Commissioners.</li> <li>• Post-determination debriefs have been implemented as part of the Commission’s processes.</li> </ul>