

# South Australian Productivity Commission— Tourism Regulation Review

Response from the Government of South Australia

January 2022



Government  
of South Australia





Wilpena Pound, Flinders Ranges & Outback; @saltythebus

The South Australian Government acknowledges and respects Aboriginal and Torres Strait Islander people as the state's first people and nations of the lands and waters we live and work upon. We pay our respect to their Elders past, present and emerging. We acknowledge and respect the deep spiritual connection and relationship Aboriginal and Torres Strait Islander people have to Country.

# Foreword

*Tourism is vitally important to our state's economy. It is one of the nine priority sectors that have been identified for their potential to support economic rebuilding and recovery. There is no time like now to focus on providing an enabling business environment to support business.*

Pre-COVID, South Australian tourism was at its highest value on record—reaching \$8.1 billion and we are doing everything we can to get back on track to recover that, as we move toward our 2030 goal of \$12.8 billion.

The State Government is committed to supporting ambitious, innovative and exceptional ideas that help to further develop the unique appeal of South Australia.

South Australians have always been forward-thinking. We dream big about who we can be and what we can accomplish. We boast an impressive history of generating ideas that start small and grow into something great.

We will continue to provide opportunities for industry growth by driving tourism demand, coinvesting to build new experiences, and creating an environment where businesses can continue to thrive.

Given the extreme impact that the COVID-19 pandemic has had on tourism businesses, it is timely to assess regulations applicable to the industry. Addressing regulatory impediments will help support tourism businesses as they reopen in a COVID-safe way to the state, other Australian jurisdictions and the world. In addition, streamlining regulation has been identified as a critical enabler in the South Australian Visitor Economy Sector Plan 2030.

To ensure we remain well positioned for a strong recovery of the tourism sector, I tasked the South Australian Productivity Commission to undertake a review into tourism regulation as it related to the nature-based and agritourism sectors. I requested that the Commission review the effect of application of regulations on the tourism industry and to recommend short to medium term actions that can be considered by the South Australian Government.

The recommendations from the Final Report outline a clear understanding of the challenges faced by these particular sectors and provide the basis for improved outcomes between industry and the government moving forward.

I am confident that the work that is already underway to address the recommendations made by the Commission will result in positive outcomes for industry and provide confidence that the South Australian Government is open for business, innovative and willing to support.

I would like to thank the Commission, led by Dr Matthew Butlin, for the thorough and considered report they have provided. It reflects the extensive work and discussion the Commission undertook with the nature-based tourism and agritourism sector plus other key stakeholders.

I look forward to continuing to work together with industry, to drive economic prosperity and support business growth in our state.



**Hon Steven Marshall MP**  
Premier of South Australia



# Introduction

*On 29 March 2021, the Premier of South Australia wrote to the South Australian Productivity Commission (the Commission) requesting that a review to be undertaken into tourism regulation as it related to the nature-based and agritourism sectors.*

The Commission was asked to undertake a review of the effect of application of regulations on the tourism industry and to recommend short to medium term actions that can be considered by the South Australian Government to:

- Improve the efficiency of the operations and the performance of the relevant state agencies:
  - » in ways that cut the costs of regulation on the regulated parties and make it easier to do business in the state; and
  - » having regard to the regulating agencies' mandates and the associated public interests.
- Improve the adaptability and resilience of the regulatory process and encourage timely and effective outcomes including in relation to unusual or innovative development proposals of economic value to the state.

To contain the scope of the review, the focus was on nature-based tourism and agriculture-based tourism (food, wine and other products and services).

In response to this request, the Commission delivered the Tourism Regulation Review Final Report (the Final Report), which sets out the Commission's understanding of the issues affecting state and local government regulation, policies and practice for the nature-based and agritourism sectors and makes nine recommendations to improve the effectiveness and efficiency of those arrangements.

Overall, the Commission found that the main regulatory issues faced by tourism businesses primarily relate to:

- Land-use and planning approvals;
- Operations or expansion; and
- Access to public infrastructure.

The Commission noted that they were impressed by the overall commitment of government agencies to improve the effectiveness of their regulations when they felt compelled to address issues, however there is a need to improve on the following:

- Processing applications in a timely manner;
- Developing an enabling culture in regulators;
- Better coordination between regulators;
- Be more willing to support new or innovative proposals;
- Improve approval guidelines and supporting material;
- Use online applications; and
- Improve Local Government regulator capability.

The Commission believes that most issues raised during this review could be resolved through improving the culture of the agencies regulating tourism businesses.

# SA Government response

*In South Australia we know that consumers are seeking quality and experiential accommodation, food and wine offerings and deep engaging experiences in remarkable natural environments.*

*To ensure we are delivering on this, the South Australian Government (the government) has prepared the following response into how we will action the Commission's findings and ensure that South Australia reflects the opportunity, demand and need to allow greater regulatory flexibility to support and grow South Australia's tourism industry.*

The Commission's recommendations to government below are re-printed verbatim from the Commission's Final Report. It is noted that completion dates are in calendar year format.



# Land Use

## Recommendation 4.1

To develop greater simplicity in the regulatory structures, reduce cost, risk and time in approval processes, the Commission recommends that the South Australian Government establish a cross-government taskforce led by the Department for Environment and Water (DEW), as the custodian for most Crown land used for tourism purposes, be established to:

- resolve the management and maintenance issues of the Crown land experiencing increased tourism visitations (including Crown land under pastoral lease); and
- establish a framework for addressing 'adjacency' problems where a proponent wants to make use of contiguous Crown land that operates under different administrations and rules.

## SA Government Response

### Supported

The government supports the aspirations to achieve greater simplicity in the regulatory structures where appropriate to do so, reduce cost, risk and time in approval processes.

Repeatedly dealing with the regulatory issues and tourism development separately has led to overlapping and gaps in policy framework and the government is committed to taking steps to resolve this.

At the outset, a broad state-wide taskforce may not be the desired mechanism to address this issue and successful outcomes may be better achieved at a small scale project level. However the government supports this recommendation and will work across relevant agencies to progress.

An example of where this small-scale management has been demonstrated is through the Eyes on Eyre Project, where Regional Development Australia

(RDA) Eyre Peninsula (EP) has collaborated with local councils, South Australian Tourism Commission (SATC), EP Landscape Board, Coast Protection Board and DEW to co-invest in improvement to coastal camping on crown lands, while overcoming regulatory issues.

### Action

- 1) The government will lead the process in establishing a framework for addressing 'adjacency' matters on contiguous crown land, including the provision of a time-limited taskforce to address the regulatory matters where there are multiple agencies and legislation involved.

### Due Date

- 1) Q3-2022

# Business operations and expansion

## Recommendation 5.1

The Commission recommends that the SA Health food safety regulation function be expanded to:

- establish a central and independent process for receiving and evaluating feedback on the application of food safety regulations by local government; and
- provide advice and training to local government on improving their regulatory practice, based on the analysis of the feedback.

## SA Government Response

### Supported

The government supports the recommendation to strengthen clear communication mechanisms between tourism businesses, local government, and key regulators regarding food safety.

The Food and Controlled Drugs Branch within the Health Protection and Licensing Services Division in SA Health works closely with local government and other State regulators to ensure enforcement and compliance activities relating to food safety are as co-ordinated and consistent as possible, while maintaining the highest possible protection for the community from risks to public health from unsafe food.

There are a number of mechanisms in place to co-ordinate regulation activities that are shared between local government and SA Health including an ongoing Food Memorandum of Understanding (MOU) working group. This MOU working group has representation from the SA Local Government Association (LGA), local government, SA Health and Environmental Health Australia and works on agreed projects to improve the consistency and efficiency of the administration of the Food Act 2001 provisions in SA.

There is also a requirement for each local government area to report on enforcement and compliance activities under the Food Act 2001 which contributes to the Annual SA Health Report, increasing transparency and public accountability. Training and information sessions for local government regulators and are regularly conducted by SA Health.

The Food Safety Rating Scheme is another program developed by SA Health, which aims to improve compliance in food service businesses by scoring the major risk elements of the legislative requirements during routine inspections by local government. Scores are then translated into a star rating and displayed by the business.

Although not mandatory, this scheme has improved the compliance and assisted in the consistency of local government inspections by the use of a risk rated inspection sheet.

While complaints are currently dealt with on a case by case basis or through forums such as the Food Special Interest Group, the government agrees to review existing feedback systems and consider if another mechanism, such as a formal, central mechanism for complaint referrals, is more appropriate.

### Action

- 1) The government will review the existing systems in place to receive feedback from a tourism business about inconsistency at the local level and consider if there is a more appropriate mechanism to address these concerns. This will include consultation with PIRSA, the LGA and tourism businesses.

### Due Date

- 1) Q4–2022

# Access to public infrastructure for tourism

## Recommendation 6.1

The Commission recommends that the Department for Infrastructure and Transport (DIT):

- establish public targets for the installation of tourism signs once approved;
- report publicly on performance against its targets for timeframes for both assessment of applications and installation of signs; and
- increase the supply of prequalified contractors in all regions to ensure timely installation.

## SA Government Response

### Supported

The government recognises that it is important to ensure a quality visitor experience in South Australia through the provision of wayfinding and inspirational signage.

Signage has long been a challenging area due to the wide range of stakeholders involved, geographically large areas of coverage and the requirement for ongoing maintenance.

With regards to road signage, the development of target timeframes for approvals and measures for efficient processes is supported as timeframes already exist within the Road Sign Guidelines.

It is acknowledged that the Commission's Development Referral Review has also identified recommendations to improve guidance materials to assist applicants in understanding potential assessments and timeframes to support development applications which would include tourism developments. For DIT, this may include improved guidance on traffic assessment requirements.

It is recognised, however, that in isolated locations across the State, there could be improved timeframes and installation costs via the use of local contractors. The government would therefore

support the use of local contractors should the applicant wish to engage them noting the risk that this may affect any warranties.

### Action

- 1) The government will specifically make available the timings reflected in the Road Sign Guidelines on the relevant DIT website landing page to increase accessibility.
- 2) The government will report on performance against its targets for timeframes within existing reporting frameworks regarding tourism signage installation.
- 3) The Department for Infrastructure and Transport's Deed of Agreement with an applicant to be updated to include information with regards to the use of local contractors and provide options for the supply and installation of approved signs.

### Due Date

- 1) Q2-2022
- 2) Q4-2022
- 3) Q3-2022



# Conclusion – common issues

## Recommendation 8.1

In order to increase the transparency and accountability of agencies for their performance in processing applications, the Commission recommends that regulators relevant to nature-based tourism and agritourism, in conjunction with their regulated businesses:

- develop appropriate clear timeframes for their approval processes; and
- publicly report on their performance against these targets.

## SA Government Response

### Supported

The government is committed to increasing transparency, improving processes and providing better certainty to businesses. The government supports ensuring that anyone wanting to do business with government has access to, and are fully informed on, the requirements to be adhered to.

There are already number of mechanisms in place across regulatory agencies that have been adopted.

The government encourages early engagement on development proposals, including tourism proposals, prior to development application lodgement as it can assist to identify and address issues and information guidance early in the planning stages, especially for complex projects, which can have significant benefits.

With regards to the referral of tourism development applications to DIT, the *Planning, Development and Infrastructure Act 2016* already provides legislated timeframes for responses/approvals for development applications, and the associated SA Planning Portal publicly reports referral agency performance.

Primary Industries and Regions South Australia (PIRSA) already reports on the administration of a number of services, such as against the *Pastoral Land Management and Conservation Act 1989* (the PLMC Act).

The government is mindful that the Commission's Inquiry into South Australia's Regulatory Framework

has a similar intent to these recommendations and will also provide a framework for setting of intentions, key performance indicators and reporting.

The government is committed to ensuring that public information regarding applications and approval processes are clear and available, and the government will implement public reporting mechanisms as it relates to regulating the nature-based tourism and agritourism sectors.

### Action

- 1) The government will review the provision of information provided to proponents, including both content and where they can be found on public webpages, with the view to improve clarity.
- 2) Where public timeframes are not currently available, the government will develop appropriate timeframes in consultation with relevant stakeholders, publish the committed timeframes and publicly and regularly report their performance against the targets.
- 3) The government will implement the recommendations that align with the Productivity Commission's Development Referral Review.

### Due Date

- 1) Q2–2022
- 2) Q3–2022
- 3) Q1–2023

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## Recommendation 8.2

In order to ensure that regulations are as effective and efficient as possible, the Commission recommends that regulators relevant to nature-based tourism and agritourism undertake regular reviews (annually or bi-annually) of past applications, including unsuccessful applications, to assist continuous improvement by:

- identifying possible changes to regulatory practice;
- improving efficiency in assessing those applications, including early rejection of non-viable applications; and
- ensuring the regulations are achieving their objectives.

## SA Government Response

### Supported

The government agrees that more could be done to improve streamlining of approvals and data access by establishing structures to reflect and improve on the State's regulatory practice.

The government supports the early cessation of non-viable applications to avoid protracted assessments for unlikely proposals. Focus has also been placed on improving the quality and suitability of applications before they are lodged, to minimise the likelihood of applications being deemed non-viable. The government is committed to ensuring that through application processes, there is also the provision of regular communication on the application status.

The regulators relevant to nature-based tourism and agritourism have been focusing on ways to continuously improve processes for the sector.

For example, improvements have been made in the last two years to reduce the timeframes in assessing DEW unsolicited proposals, including more effective engagement of proponent's pre-application, increased scrutiny in the initial stage

to identify if the proposal is likely to be non-viable thus avoiding protracted stage two assessments for non-viable proposals.

PIRSA regularly reviews its application processes to identify opportunities for change and engages with industry during application processes to understand any issues with the process.

### Action

- 1) The government will undertake regular reviews of past applications, including unsuccessful applications, to assist continuous improvement.
- 2) The government will look to leverage the role of peak industry bodies as a consultation mechanism to seek input on regulatory matters and practice.

### Due Date

- 1) Q3–2022
- 2) Ongoing



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## Recommendation 8.3

To facilitate better stakeholder engagement on regulatory matters and practice, the Commission recommends that regulators relevant to nature-based tourism and agritourism either

- evaluate the effectiveness of existing public mechanisms; or
- develop new mechanisms (e.g. external reference groups and regular public forums); and
- that the feedback provided by stakeholders through those mechanisms be reported publicly.

## SA Government Response

### Supported

The government supports the recommendation to facilitate better stakeholder engagement on regulator matters and practice.

Fundamental to an efficient, open and collaborative government is best practice stakeholder engagement.

The government has several mechanisms in place to conduct stakeholder consultation, tailored to the specific program. These include discussion papers, industry and community workshops, workshops with individual regulated entities and online stakeholder engagement sessions. The government uses the YourSAy as a platform to consult more broadly with South Australian communities.

The government adheres to our stakeholder's privacy expectations and any release of collected feedback is considerate of any confidentiality and/or commercial in confidence matters. Specific feedback is often provided in summary non-identifiable format in an engagement summary report.

### Action

- 1) The government will undertake a self-assessment of the effectiveness of existing mechanisms on a regular basis and identify new mechanisms where appropriate.
- 2) The government will look to leverage the role of peak industry bodies as being the consultation mechanism to seek input and views on improving communication with the nature-based tourism and agritourism sectors.

### Due Date

- 1) Q3–2022
- 2) Ongoing

## Recommendation 8.4

To accelerate development of the nature-based tourism and agritourism sectors, the Commission recommends that:

- the Department for Environment and Water (DEW) coordinate the provision of consolidated guidance to prospective nature-based tourism businesses covering relevant regulatory requirements, including those from regulators outside the portfolio; and
- Primary Industries and Regions South Australia (PIRSA) coordinate similar support to new agritourism businesses.

### Supported

The government is supportive of the principle of a central coordination point for businesses to engage with and to navigate and coordinate between regulators as it relates to nature-based and agritourism.

This is a high priority for the tourism industry, and it is envisaged that the government will assess this recommendation and determine a sustainable model going forward, that takes into consideration what is already happening across the government.

### Action

- 1) In line with its actions under recommendation 6.4 of the Commission's Inquiry into Reform of South Australia's Regulatory Framework, the government will take a coordinated approach to develop a sustainable case management framework that includes a digital platform that will assist the tourism sector to navigate regulatory requirements.

### Due Date

- 1) Q4–2022

## Recommendation 8.5

To help develop nature-based tourism, the Commission recommends that:

- regulators relevant to nature-based tourism, in partnership with their regulated businesses, review and improve the clarity and accessibility of their approval guidelines for nature-based tourism within 12 months; and
- these reviews draw insights from the nature-based tourism co-investment fund application process.

### Supported

The government supports the recommendation to review and improve the clarity and accessibility of their approval guidelines for nature-based tourism and actively reflect on the nature-based tourism co-investment fund application process.

### Action

- 1) The government will hold dedicated sessions with proponents involved in the co-investment fund process to seek feedback that will improve future rounds of co-investment and other processes.
- 2) At the conclusion of the co-investment fund, the government will review and improve the clarity and accessibility of their approval guidelines for nature-based tourism within 12 months as it relates to nature-based tourism.

### Due Date

- 1) Q3–2022
- 2) Q4–2022



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## Recommendation 8.6

To help support tourism development in the regions, the Commission recommends that the government's digital strategy prioritise the roll-out of digital services in those agencies that are most involved with nature-based tourism and agritourism.

### Supported

Digital technologies are critical to modernising and transforming our public services. The government recognises that reliable connectivity delivers improved socio-economic outcomes through enabling greater connectedness in regions.

Connectivity can achieve economic outcomes such as increased business productivity and enhanced tourism activity that support regional areas, and social outcomes through access to services such as health and education, as well as enhanced individual wellbeing through contact with family and friends.

An example of where digital improvements are occurring is through DEW's enhancements to its parks online booking system, to make it easier for tourism operators to book and pay for experiences in parks. DEW is also scoping a project to put all tourism licensing and permitting online, as it did for its wildlife permitting in 2020.

Further, regional connectivity is one of the strategic priorities of the Regional Development Strategy developed by PIRSA. This Strategy seeks to identify and enhance digital connectivity through telecommunications and data infrastructure to attract investment and support communities and industries including tourism.

Through the government's Digital Transformation Strategy, nature-based tourism and agritourism will be prioritised in the roll-out of digital services and will be addressed as part the government's response to the Regulatory Inquiry.

### Action

- 1) This recommendation will be addressed as part of the government's response to recommendation 5.1 and 5.2 of Inquiry into Reform of South Australia's Regulatory Framework.

### Due Date

- 1) Q4-2022



Government  
of South Australia