

# **Inquiry into Queensland's Agriculture and Resource Industries**

**Report No. 13**

**Agriculture, Resources and Environment Committee**

**November 2012**

## **Agriculture, Resources and Environment Committee**

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## Abbreviations

AMEC	Association of Mining and Exploration Companies
AREC	Agriculture, Resources and Environment Committee
AusIMM	Australasian Institute of Mining and Metallurgy
BC	British Columbia, Canada
CCAA	Cement Concrete and Aggregates Australia
COAG	Council of Australian Governments
CSG	coal seam gas
Cth	Commonwealth
DA	Development authority
DAFF	Department of Agriculture, Fisheries and Forestry (Qld)
DEHP	Department of Environment and Heritage Protection (Qld)
DNPRSR	Department of National Parks, Recreation, Sport and Racing (Qld)
DNRM	Department of Natural Resources and Mines (Qld)
DSDIP	Department of State Development, Infrastructure and Planning (Qld)
EDONQ	Environmental Defenders Office of North Qld
EIS	environmental impact statement
EMP	environmental management plan
LGAQ	Local Government Association of Queensland
LNG	liquefied natural gas
LTGA	Lock the Gate Alliance
MP	Member of Parliament
NFAS	National Feedlot Accreditation Scheme
NQCC	North Queensland Conservation Council
OBPR	Office of Best Practice Regulation
OECD	Organisation for Economic Co-operation and Development
QAIF	Queensland Aquaculture Industries Federation Inc.
QCA	Queensland Competition Authority
QFF	Queensland Farmers Federation
QLD	Queensland
QMDC	Queensland Murray-Darling Committee Inc.
QRC	Queensland Resources Council
RE	regional ecosystem
RIA	regulatory impact assessment
RIS	regulatory impact statement
RRB	Regulatory Reform BC, Ministry of Jobs, Tourism and Skills Training, Province of British Columbia, Canada
SA	South Australia
SCoPI	Standing Council on Primary Industries
SSSI	Surveying and Spatial Sciences Institute
UK	United Kingdom
ULDA	Urban Land Development Authority
VCEC	Victorian Competition and Efficiency Commission
WA	Western Australia

## Chair's foreword

This report presents a summary of the committee's inquiry.

The committee's task was to investigate and report on methods to reduce regulatory requirements impacting on the State's agriculture and resource industries, and to promote economic development while balancing environmental concerns.

Many groups raised concerns with us in our work about the need to lift the weight of onerous and inefficient environmental regulations that are stifling economic development.

Others argued that economic development and environmental protection are simply incompatible. However, policies that depress economic activity aren't good for the environment either. As an old farmer once said to me, "you can't be green if you're in the red".

The best scenario is to grow the economy and target environmental improvements, and we welcome the continuing work by the Queensland Competition Authority to help develop a regulatory framework across the Government that helps to do this.

The committee noted the support from submitters in relation to the methods listed in our issues paper for reducing regulatory burdens. The overriding theme to emerge from their submission is that 'meaningful' discussion must occur with business, farmers and community groups if these methods are to succeed. We look forward to seeing productive consultation with stakeholders becoming a feature of policy development by departments in future.

On behalf of the committee I thank the submitters and others who assisted our inquiry.

I commend the report to the House.



Ian Rickuss MP  
**Chair**

November 2012



## Conclusions

### The costs and benefits of regulation

Good regulation is essential for good government, addressing market failures, and achieving and balancing a range of economic incentives and social objectives. These objectives include consumer protection, public health and safety, law and order, cultural objectives and the preservation and protection of environmental resources.

The regulatory framework can impose substantial regulatory burdens on businesses and industries due to excessive coverage, regulations that are redundant, excessive reporting or recording requirements, variations in definitions and reporting requirements and inconsistencies and overlapping regulatory requirements.

### Approaches to regulatory reform

Providing greater clarity about the objectives of regulations, greater use of risk-based and outcome-based approaches to regulation and efforts to streamline assessment and approval processes, citizen-centred regulatory reforms and removing duplication and overlap in reporting are essential elements of best practice regulatory reforms.

Where possible, the Government should legislate for 'best practice' with enforcement to make it happen.

### Methods for reforming regulations affecting Queensland's resources and agriculture industries

The committee notes the range of methods available to government to lighten the regulatory burdens imposed on businesses, including those within the State's agriculture and resource industries.

The committee welcomes the establishment of the Office of Best Practice Regulation within the Queensland Competition Authority (QCA) to drive the regulatory review process across the Government.

The committee notes comments by submitters about the importance they place on the Government engaging effectively with stakeholders during policy development processes as a method to reduce unnecessary regulatory burdens. The committee views stakeholder feedback and interaction as one of the most important parts of the regulatory process.

The committee endorses the proposal by the QCA to formalise this stakeholder consultation as a permanent feature of the regulatory processes in Queensland by allowing organisations and individuals to give feedback on regulations directly affecting them and their businesses.

The committee supports the Office of Best Practice Regulation's proposal to measure regulatory requirements based on the method used in British Columbia, Canada.

The committee notes the importance of regulatory impact statements to good regulation. For these statements to work effectively and produce clearer, more coherent and efficient regulation, the committee believes the following must occur:

- a greater commitment by government to regulatory impact analysis
- better scrutiny and depth of analysis of the impacts of regulatory proposals in regulatory impact statements
- more significant interaction with stakeholders regarding regulations that affected them, and
- greater transparency, by making regulatory impact statements assessable in a timely manner, and making final regulatory impact statements publicly available.

The committee endorses the QCA's recommendations in relation to incentives for regulatory reform, and agrees with the QCA that the 'culture of regulation' must change to a more balanced approach particularly in the agriculture, resources and environment portfolios.

The committee notes the QCA finding that harmonisation should be pursued only where there is a net benefit to Queensland.

### **Balancing environmental protection and economic development**

There are polarised views among submitters on the efficacy of processes for identifying and reconciling competing economic and environmental considerations in regulatory proposals.

Given the complexity of many environmental considerations, the committee concludes that there may be a role for a further independent forum or panel of experts, in addition to the Queensland Competition Authority, to consider contentious regulatory proposals with competing environmental and economic interests that arise.

The committee agrees with the QCA that any assessment of the costs and benefits of environmental regulations must reflect long-term impacts.

### **Other regulatory priorities**

Local governments play a crucial role in the implementation of regulations impacting on the State's agricultural and resource industries, and may need to play a stronger role in several key areas.

The committee considers that better consultation between the State Government and local governments is imperative, to reduce regulatory inefficiencies and remove unnecessary regulatory burdens on businesses.

The committee recognises the huge potential for growth in Queensland's aquaculture industry, and acknowledges the problems experienced by the industry, as submitted by the Queensland Aquaculture Industry Federation. The committee notes the federation's advice that the Minister for Environment and Heritage Protection has agreed to review the 'green tape' issues experienced by the aquaculture industry.

The Government should also consider the legislative reforms implemented by the South Australian Government to assist that state's aquaculture industry.



## Recommendations

### **Recommendation 1** **29**

Prior to a regulatory proposal being developed and considered, government agencies must properly consult with those individuals and groups who would be directly affected. The primary purpose of this consultation is to share information on the problem at hand and to identify viable non-regulatory solutions.

### **Recommendation 2** **34**

That the Queensland Competition Authority examine and report on the need for an independent forum or expert panel to consider contentious regulatory proposals with competing environmental and economic issues that arise.

### **Recommendation 3** **39**

The committee notes that the Local Government Association of Queensland has liaised with the Department of Environment and Heritage Protection in an effort to improve the efficiency of implementing regulations.

The committee recommends that senior officers of the Department of Natural Resources and Mines and the Department of Agriculture, Fisheries and Forestry also liaise regularly with the LGAQ and the Office of Best Practice Regulation in order to address the issues faced by local governments when implementing regulations, with a particular focus on removing the duplication of regulation by state and local governments.

### **Recommendation 4** **39**

The committee recommends that the Government review the regulations governing Queensland's aquaculture industry and explore the use of a single, dedicated piece of legislation, as used in South Australia to reduce the regulatory burdens on that state's industry, to further promote economic development while balancing environmental protections.



## 1. Introduction

### Role of the committee

The Agriculture, Resources and Environment Committee (the committee) is a portfolio committee established by a resolution of the Legislative Assembly on 18 May 2012. The committee's primary areas of responsibility are agriculture, fisheries and forestry, environment and heritage protection, and natural resources and mines.<sup>1</sup>

### The referral

On 7 June 2012, the Legislative Assembly referred this inquiry to the committee. The terms of reference required the committee to report to the Legislative Assembly by 30 November 2012.

### Terms of reference

That the committee investigate and report on methods to:

- i) Reduce regulatory requirements impacting on agriculture and resource industries in Queensland, and
- ii) Further promote economic development while balancing environmental protections.

Further, that the committee take public submissions and consult with key industry groups, industry participants, and relevant experts.

### The committee's processes

For this inquiry the committee resolved to publish an issues paper,<sup>2</sup> call for submissions,<sup>3</sup> and conduct a public hearing.<sup>4</sup> The committee also received private briefings to assist its work from Agforce; the Australian Petroleum Production and Exploration Association Limited; the Chamber of Commerce & Industry Queensland; the Environmental Defenders Office; the Great Barrier Reef Marine Park Authority; the Office of Best Practice Regulation, Queensland Competition Authority; the Queensland Aquaculture Industries Federation Inc; the Queensland Farmers' Federation; the Queensland Resources Council; and Queensland Treasury and Trade.

At the public hearing the committee heard from a range of submitters, and the following agencies:

- Department of Environment and Heritage Protection
- Department of Natural Resources and Mines
- Department of Agriculture, Fisheries and Forestry, and
- Queensland Competition Authority, Office of Best Practice Regulation.

### Focus and definitions for the inquiry

For its inquiry, the committee resolved to focus on 'methods' to reduce regulatory requirements or 'regulatory burdens' having regard to the need to promote economic development while balancing environmental protections.

The committee adopted the following definitions to define the inquiry scope:

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<sup>1</sup> Schedule 6 of the [Standing Rules and Orders of the Legislative Assembly of Queensland](#) as at 14 September 2012.

<sup>2</sup> The issues paper was published on 13 July 2012 (available from the committee's website at [www.parliament.qld.gov.au/arec](http://www.parliament.qld.gov.au/arec)).

<sup>3</sup> The closing date for submissions was 17 August 2012; the committee resolved to accept submissions after this date. See [Appendix A](#) for the list of written submissions.

<sup>4</sup> The public hearing was held in Brisbane on 16 November 2012. See [Appendix B](#) for the list of hearing witnesses.

**'Agriculture'**

For the inquiry, the committee defined agriculture as the farming or cultivation of land, including crop-raising, forestry and stock-raising, and the farming of marine animals and plants.

**'Resource industries'**

The committee defined resource industries as industries connected with the exploration, extraction and processing of coal, petroleum, gas, minerals, gemstones and quarry materials, but excluding energy.

## 2. The costs and benefits of regulation

The Productivity Commission noted that regulation can be necessary to achieve a range of social, environmental and economic objectives. The commission also noted that to achieve agreed goals and yield the greatest net benefit to the community, regulation must be well designed, and effectively and efficiently implemented and enforced.<sup>5</sup>

Queensland's agriculture and resource industries, as in other states and territories, are subject to a plethora of formal and quasi-regulatory requirements. Formal regulations include Acts of Parliament, ministerial orders and declarations, regulations, by-laws, permit requirements, administrative decisions or discretions by government agencies, and international treaties and agreements that are in force. Quasi-regulations include government-endorsed industry codes, guidance notes and standards, government procurement practices, and government–industry agreements, and accreditation and licensing schemes. Businesses that fail to comply with regulatory requirements face additional penalties and sanctions.

In our federal system of government, all three levels of government may impose separate and sometimes overlapping regulatory requirements.

### What is good regulation?

Regulations are necessary to address market failures, and to achieve and balance a range of economic incentives and social objectives. These include consumer protection, public health and safety, law and order, cultural objectives and the preservation and protection of environmental resources.

In 2007, the Council of Australian Governments (COAG) agreed that all governments will ensure that regulatory processes in their jurisdiction are consistent with the following principles:

#### ***COAG principles of best-practice regulation<sup>6</sup>***

1. establishing a case for action before addressing a problem
2. a range of feasible policy options must be considered, including self-regulatory, co-regulatory and non-regulatory approaches, and their benefits and costs assessed
3. adopting the option that generates the greatest net benefit for the community
4. in accordance with the Competition Principles Agreement, legislation should not restrict competition unless it can be demonstrated that:-
  - a. the benefits of the restrictions to the community as a whole outweigh the costs, and
  - b. the objectives of the regulation can only be achieved by restricting competition
5. providing effective guidance to relevant regulators and regulated parties in order to ensure that the policy intent and expected compliance requirements of the regulation are clear
6. ensuring that regulation remains relevant and effective over time
7. consulting effectively with affected key stake-holders at all stages of the regulatory cycle, and
8. government action should be effective and proportional to the issue being addressed.

<sup>5</sup> Productivity Commission 2012, [Regulatory Impact Analysis – Benchmarking, Issues Paper](#), Productivity Commission: Canberra, p.9.

<sup>6</sup> Council of Australian Government 2007, [Best Practice Regulation – A Guide for Ministerial Councils and National Standard Setting Bodies](#), Department of Finance: Canberra.

The Australian Government endorses the Organisation for Economic Co-operation and Development's (OECD) *Guiding Principles for Regulatory Quality and Performance*, and implements those principles through the *Best Practice Regulation Handbook*.<sup>7</sup>

The OECD's guiding principles are based on a 'coherent, whole-of-government approach [to] create a regulatory environment favourable to the creation and growth of firms, productivity gains, competition, investment and international trade'.<sup>8</sup>

Following the global financial and economic crisis and the consequential recognition of the increased need for regulatory quality to ensure well-functioning markets and societies, the OECD Council in March 2012 adopted a report, *Recommendation of the Council on Regulatory Policy and Governance*, prepared by its Regulatory Policy Committee.<sup>9</sup> The council's recommendation report endorses:

- commitment to a whole-of-government policy for regulatory quality with clear objectives and frameworks for implementation to ensure that economic, social and environmental benefits justify the costs, and the net benefits are maximised
- adherence to principles of open government which includes transparency and participation in the regulatory process
- establishment of mechanisms and institutions to provide oversight of regulatory policy procedures and goals, support and implement regulatory policy and foster regulatory quality
- integrating regulatory impact assessment in the early stages of the process for the new regulatory proposals, including considering means other than regulation
- conducting systematic reviews of significant regulation against policy goals, including costs and benefits, ensuring that regulations are current, cost effective, consistent and delivering intended objectives
- developing policies to ensure that regulatory decisions are made without conflict of interest, bias or improper influence
- promoting coherent regulation through appropriate mechanisms between national, state and local governments, and
- fostering the development of regulatory management and performance at sub-national levels of government.<sup>10</sup>

The council also recommended that high standards be implemented to improve regulatory processes, and that regulations be used wisely in pursuing economic, social and environmental policies.<sup>11</sup>

## The burdens imposed by regulation

In addition to benefits, regulations invariably impose economic, financial and other costs on governments, industries and individual businesses that affect productivity, performance and competitiveness.<sup>12</sup>

The costs imposed on businesses by the regulatory framework, or 'regulatory burden', include:

- the costs involved in meeting the substantive requirements of the regulatory framework

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<sup>7</sup> Department of Finance 2010, [Best Practice Regulation Handbook](#), Department of Finance: Canberra.

<sup>8</sup> OECD 2005, [Guiding Principles for Regulatory Quality and Performance](#), OECD: Paris, France, p.1.

<sup>9</sup> OECD 2012, [Recommendation of the Council on Regulatory Policy and Governance](#), OECD: Paris, France, pp.1-2.

<sup>10</sup> OECD 2012, pp.4-5. The Recommendation has been paraphrased from the original document. The full Recommendation and principles expressed in the recommendation can be found on the OECD website at: <http://www.oecd.org/dataoecd/45/55/49990817.pdf>.

<sup>11</sup> OECD 2012, p 5.

<sup>12</sup> I Bickerdyke and R. Lattimore 1997, [Reducing the Regulatory Burden: Does firm size Matter?](#), Industry Commission Staff Research Paper, AGPS: Canberra, p.xiii; European Commission, 2007, [Models to reduce the disproportionate regulatory burden on SMEs – Report of the Expert Group](#), European Commission: Brussels, p.10.

- the administration and paperwork costs involved in complying with the regulatory framework
- the costs arising from the disincentives, distortions and duplication attributable to the regulatory framework, and
- other costs (such as psychological stress) and opportunity costs for the business owner associated with compliance.<sup>13</sup>

Queensland's agriculture and resources industries face additional regulations as a result of national programs and agreements. Case examples include vegetation planning and management reforms; the National Water Initiative Agreement, which involves water planning and management, water trading and water pricing reforms; and electricity market reforms affecting aspects of the supply and pricing of electricity.

The combined weight of local, state and federal regulation can impose hefty burdens on businesses and individuals and absorb resources that would otherwise be directed at delivering products and services, and generating income. A disproportionate regulatory burden can be placed on small businesses. The Taskforce on Reducing Regulatory Burdens on Business identified, in 2006,<sup>14</sup> five features of regulations that contribute to burdens on business that are not justified by the intent of the regulation:

- **Excessive coverage, including 'regulatory creep'** – regulations that appear to influence more activity than originally intended or warranted, or where the reach of regulation impacting on business, including smaller businesses, has become more extensive over time,
- **Regulation that is redundant** – some regulations could have become ineffective or unnecessary as circumstances have changed over time. Other poorly designed regulations might give rise to unintended or perverse outcomes,
- **Excessive reporting or recording requirements** – companies face excessive or unnecessary demands for information from different arms of government. These are rarely coordinated and often duplicative,
- **Variation in definitions and reporting requirements** – this can generate confusion and extra work for businesses than would otherwise be the case, and
- **Inconsistent and overlapping regulatory requirements** – regulatory requirements that are inconsistently applied, or overlap with other requirements, either within governments, or across jurisdictions. These sources of burden particularly affect businesses that operate across jurisdictional boundaries.

The Queensland Competition Authority (QCA), in its interim report *Measuring and Reducing the Burden of Regulation*, noted that as at 23 March 2012 there were 72,436 pages of primary and subordinate legislation in force in Queensland.<sup>15</sup>

On regulatory growth in Australia, the Productivity Commission has stated:

*Regulation has grown at an unprecedented pace in Australia over recent decades. As in other advanced countries, this has been a response to the new needs and demands of an increasingly affluent and risk-averse society and an increasingly complex (global) economy. This regulatory accretion has brought economic, social and environmental benefits. But it has also brought substantial costs. Some costs have been the unavoidable by-product of pursuing legitimate policy objectives. But a significant proportion has not. And in some cases the costs have exceeded the benefits. Moreover, regulations have not always been*

<sup>13</sup> I Bickerdyke and R. Lattimore 1997, p.1.

<sup>14</sup> Regulation Taskforce 2006, [Rethinking Regulation – Report on the Taskforce on Reducing Regulatory Burdens on Business](#), Report to the Prime Minister and the Treasurer, Canberra, January. Attorney General's Department, p.iii.

<sup>15</sup> Queensland Competition Authority, Office of Best Practice Regulation 2012, Information Report, [Queensland Legislation in force on 23 March 2012: Page Count and Classification by Broad Function](#), OBPR: Brisbane, p.2.

*effective in addressing the objectives for which they were designed, including regulations designed to reduce risk.<sup>16</sup>*

At the committee's public hearing the QCA's Director, Dr John Fallon from the Office of Best Practice Regulation, summed up the problem in relation to the regulatory burden currently experienced by governments:

*As you know, regulation has developed at an incredible pace. It is very extensive. Regulation affects business and it affects the community. It has reached a stage where a lot of jurisdictions – and for some time – have been saying that it is a problem. Government is responding to the people, one way or another, with the introduction of regulation. But it has got to a stage where costs have become quite high. Although there are benefits from regulation, there are also costs. The costs seem to be too high. The regulation does not seem to be effectively focused on the problem. There is a need to streamline it and improve things.<sup>17</sup>*

On the regulation of agriculture in Queensland, AgForce noted in its submission:

*At 1 January 2012, a desktop assessment showed that at a State level, Queensland agriculture was regulated by over 55 Acts and regulations.*

*...there is a myriad of regulation that can put an unnecessary brake on increased rural productivity in Queensland.<sup>18</sup>*

## Estimates of the costs of regulatory burdens in Queensland

There is a lack of conclusive Australian data on the burden of regulation imposed by Government, and no direct measurement of the cost of regulation in Queensland.

The QCA's interim report submits that priority for reform must be based on net costs:

*The highest priorities for reform should be those regulations generating the largest net costs for the economy and people of Queensland as whole, and for which there is sufficient business and community support for reform. In particular, focus has been given to regulation that adversely affects economic growth, competition or productivity, especially for agriculture, tourism, resources, and construction.<sup>19</sup>*

There are several types of costs associated with regulation, these include:

- Administrative and compliance costs
- Delay costs (such as the time taken by a regulated entity to complete an application)
- Community costs (which effect individuals as opposed to business), and
- Business costs – which may prevent the entry of a business into a market.

The QCA's report discusses the removal of regulatory requirements that are obsolete, redundant or inappropriate in the first instance. Regulations that can provide benefits but where the costs exceed the benefits can also be removed.<sup>20</sup> There may also be existing regulation where the cost exceeds the benefit and an alternative can be found to bring the costs down. Another approach is to rely on market forces instead of resorting to a regulatory approach.

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<sup>16</sup> Productivity Commission 2011, Research Report, *Identifying and Evaluating Regulation Reforms*, p.xi.

<sup>17</sup> Fallon, J. *Proof Hearing Transcript*, 16 November 2012, p.47.

<sup>18</sup> Agforce, *Submission No.21*, pp. 2 and 4.

<sup>19</sup> Queensland Competition Authority, Office of Best Practice Regulation (OBPR) 2012, Interim Report, [Measuring and Reducing the Burden of Regulation](#), p.viii.

<sup>20</sup> OBPR 2012, Interim Report, p.7.



## **Conclusions**

Good regulation is essential for good government, minimising market failures, and achieving and balancing a range of economic incentives and social objectives. These objectives include consumer protection, public health and safety, law and order, cultural objectives and the preservation and protection of environmental resources.

The regulatory framework can impose substantial regulatory burdens on businesses and industries due to excessive coverage, regulations that are redundant, excessive reporting or recording requirements, variations in definitions and reporting requirements and inconsistencies and overlapping regulatory requirements.



### 3. Approaches to regulatory reform

The challenge for government is to deliver effective and efficient regulation – regulation that is effective in addressing an identified problem and efficient in terms of maximising the benefits to the community, taking account of costs.

A number of Australian and other governments have sought to review and refine their regulatory systems to address these problems. The following sections discuss two approaches to regulatory reform in Victoria and in British Columbia, Canada, recognised as best practice. This section also discusses methods to reduce inefficient or ineffective regulatory requirements.

#### The Victorian model for regulatory reform

The Victorian Competition and Efficiency Commission (VCEC) is the Victorian Government's independent advisor on business regulation reform. The VCEC has carried out several inquiries into matters referred to it by the Victorian Government including an inquiry into environmental regulation.

In 2009 the VCEC reviewed Victoria's five major environmental Acts that cover the areas of environmental assessment, environmental protection, native vegetation, earth resources and environmental reporting. Specifically, the review examined:

- The nature and scope of benefits from environmental regulation in the modern Victorian economy
- The nature and magnitude of the administrative and compliance burdens of Victorian environmental regulation on business, and opportunities to ensure that Victoria is a leader in regulatory approaches that benefit business and the environment
- Opportunities for improving environmental regulation
- The capacity and flexibility of Victorian regulation to respond to the economic opportunities arising from the environmental sustainability challenges facing Victoria, including a carbon constrained economy. This may include consideration of principles to guide the development and implementation of future Victorian regulation to respond to emerging environmental sustainability challenges
- The types of environmental regulation with the highest regulatory burden, and
- Where there are the greatest regulatory opportunities and barriers to Victoria maximising the economic benefits in the transition to a low carbon economy that responds to Victoria's emerging environmental sustainability challenges.<sup>21</sup>

The review found that regulations imposing between \$30-\$48 million per annum in unnecessary burdens on businesses in that state could be eliminated while maintaining environmental objectives. In order to reduce these unnecessary costs the VCEC recommended the following approach:

- Providing greater clarity about key strategic and regulatory objectives and any trade-offs between these objectives
- Extending risk-based approaches to regulation in some areas
- Replacing some prescriptive regulations with outcome-based approaches
- Improving assessments and approval processes to reduce timeframes, and
- Removing duplication and overlap in areas such as environmental reporting.<sup>22</sup>

These approaches were used as the basis for the report's recommendations. In the area of native vegetation, the VCEC recommended that the Victorian Government undertake a strategic planning

<sup>21</sup> Victorian Competition and Efficiency Commission (VCEC) 2009, *A Sustainable Future for Victoria: Getting Environmental Regulation Right*, pp.vii-viii.

<sup>22</sup> VCEC 2009, p.xxvii.

process that involves consultation with local councils and the broader community.<sup>23</sup> The VCEC further recommended significant reform to the processes for environmental impact assessments, by amending guidelines to provide certainty for parties, and identified native vegetation as a major area of reform.

## Regulatory reform in British Columbia, Canada

Like Queensland, the natural resource industry is a pillar of British Columbia's economy. In recognition of this, the streamlining of the natural resource sector through the reduction of red tape has been a central focus of British Columbia's provincial government.

Since 2001, British Columbia's 'Regulatory Reform BC' (RRB) has led the way in reducing regulatory requirements from 360,295 pages to 205,932 pages or by 42.84 per cent. The RRB views regulatory reform as not only about capping and monitoring regulatory requirements, but also streamlining and simplifying requirements and reducing the time and cost of compliance.<sup>24</sup>

Central to the British Columbia model to reduce burdens was the establishment of a Regulatory Reform Policy,<sup>25</sup> to guide the development of all new and updated legislation, regulations, policies and forms. The guidelines are designed to ensure that all requirements imposed are necessary, that any potentially adverse effects on citizens or businesses are identified and addressed, and that health, safety and the environment are protected.

A key part of the British Columbia approach is a Regulatory Criteria Checklist (see [Appendix C](#)). The responsible minister must ensure that proposed legislation and regulations are evaluated according to the regulatory criteria set out in the checklist.

According to the RRB:

*All new or amended legislation or regulation must be accompanied by the checklist confirming the criteria have been met, or providing an explanation of why certain criteria are not met and indicate the number of regulatory requirements that will be added or eliminated. Ministers responsible for the legislation demonstrate their accountability by signing the checklist and making it available to the public on request.*<sup>26</sup>

To complement this process, a Citizen Centred Regulatory Reform Program has been implemented to simplify and streamline government processes. This program involves reviewing government regulatory requirements from the perspective of individuals and business to gain a better understanding of their experiences when complying with government requirements. Further, ministries are asked to undertake a Citizen Centered Regulatory Reform Project annually, which is designed to have a cumulative effect in reducing regulation.

In November 2011 the Government of British Columbia further strengthened its accountability and transparency in regulatory reform by enacting the [Regulatory Reporting Act 2011](#). This Act requires the government to produce a report on its regulatory reform activities each fiscal year. The inaugural 2011-12 annual report lists examples of approaches to cutting regulatory burdens in the resources sector including:

- Mineral exploration permits – reduction in processing time, resulting in applications being cleared at a much faster rate
- Crown land tenure applications – target-setting, resulting in an 18 per cent reduction, and

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<sup>23</sup> VCEC 2009, p.lxxii

<sup>24</sup> Government of British Columbia 2012, *Achieving a Modern Regulatory Environment, BC's Regulatory Reform Initiative First Annual Report – 2011/12*, Victoria, BC, p.8.

<sup>25</sup> Available from [http://www2.gov.bc.ca/assets/gov/topic/3F23FB1A7EC473FF6BF7C015C261D9CA/pdfs/regreform\\_policy\\_feb08.pdf](http://www2.gov.bc.ca/assets/gov/topic/3F23FB1A7EC473FF6BF7C015C261D9CA/pdfs/regreform_policy_feb08.pdf)

<sup>26</sup> Government of British Columbia 2012, p.7.

- Aggregate and quarry materials application – eight different forms to be filled out from eight different agencies. Reform is currently taking place to create a 'one-window' approach to permitting.<sup>27</sup>

## Conclusions

Providing greater clarity about the objectives of regulations, greater use of risk-based and outcome-based approaches to regulation and efforts to streamline assessment and approval processes, citizen-centred regulatory reforms and removing duplication and overlap in reporting are essential elements of best practice regulatory reforms.

Where possible, the Government should legislate for 'best practice' with enforcement to make it happen.

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<sup>27</sup> Government of British Columbia 2012, pp.9-10.



## 4. Methods for reforming regulations affecting Queensland's resources and agriculture industries

The following sections discuss key methods for reforming regulations affecting Queensland's resources and agriculture industries.

When the committee commenced this inquiry in June 2012, the Government had already committed to reducing the burden of regulation in Queensland by 20 per cent over six years. The Government had also initiated a '3 for 1' regulatory offset requirement across portfolios. From 4 May 2012, Ministers bringing forward any Cabinet submission to impose a new regulatory requirement or procedure on small business have been required to identify up to three options for reducing regulatory burdens. This reduced burden can take the form of repeals of any regulations, rules, forms or procedures, provided that Treasury agrees that the following requirements have been satisfied:

- (a) the burden reduction must apply to the same or similar stakeholders and sectors that are being affected by proposed regulation, and
- (b) the burden reduction must be equal to or greater than the burden to be imposed.<sup>28</sup>

### Establishment of a regulation review office – the Office of Best Practice Regulation

This method involves the establishment of a discrete body within the government with a mandate and authority to drive the regulatory review process.

In July 2012 the Treasurer and Minister for Trade, and the Attorney-General and Minister for Justice, who have portfolio responsibility for regulatory reform in Queensland, directed the Queensland Competition Authority (QCA) to investigate and report on:

- a proposed framework for measuring the regulatory burden of legislation, including appropriate regulatory burden benchmarks against which Queensland Government departments may be assessed by the QCA on an annual basis
- a proposed process for reviewing the existing stock of Queensland legislation, and
- priority areas for targeted regulatory review having regard to the regulatory burden imposed by legislation.

The Queensland Competition Authority is an independent statutory authority established under the [Queensland Competition Authority Act 1997](#). Recent amendments to that Act allow the QCA to be directed to: (a) investigate, and report on, any matter relating to competition, industry, productivity or best practice regulation; and (b) to review and report on the adequacy of regulatory impact statements prepared for proposed legislation. These amendments have also led to the establishment of the Office of Best Practice Regulation (OBPR) in the QCA, which has responsibility for the current review. The QCA was also directed to assess the adequacy of regulatory impact statements submitted by departments (in accordance with the regulatory impact statement guidelines) and report annually on regulatory impact statements.

The OBPR was established in July 2012 in order to implement the Government's target of a 20 per cent reduction in the burden of regulation in Queensland over six years.

On 1 November 2012, the QCA released its interim report with 41 specific recommendations. The committee notes that the QCA has liaised with British Columbia's RRB and in their interim report has recommended elements of the British Columbia approach including a method for quantifying regulatory burdens and the requirement to report annually on regulatory activities.

The QCA has proposed that a long-term strategy is needed which should:

<sup>28</sup> OBPR 2012, Interim Report, p.67.

- set responsibility for achieving specific, measurable targets
- commit to transparency
- create an independent review body, and
- establish an onus of proof.

It is anticipated that the Government will provide a response to the QCA's interim report by mid-December 2012 before the QCA delivers its final report on 31 January 2013.

### Initiatives by Queensland Government agencies

#### Department of Environment and Heritage Protection (DEHP)

Once implemented (31 March 2013), it is estimated that the greentape reduction changes stemming from the [\*Environmental Protection \(Greentape Reduction\) and Other Legislation Amendment Act 2012\*](#) will produce savings for business and government of \$12.5 million per year, of which \$11.7 million will be saved by business. The changes should make a substantial contribution to the Queensland Government's 20 per cent reduction target.<sup>29</sup>

### Comments by submitters

Two submitters commented on the need to establish a regulatory review office or committee.<sup>30</sup>

In principle, the Association of Mining and Exploration Companies (AMEC) supports the use of regulatory review office or committee on the basis that it:

*...needs to be well resourced and empowered to truly affect the process and/or stop the implementation of poor legislation and regulatory systems; otherwise it's just another level of bureaucracy. In addition, to what or whom the review office/committee reports to is important to ensure that its activities result in meaningful reductions in regulation.<sup>31</sup>*

Agforce supported this view and argued that a review office or committee must be accompanied with 'SMART' performance criteria and not be 'toothless'.<sup>32</sup>

### Better policy development

Requiring departments to improve their communication and consultation with affected businesses during their policy development processes and the development of regulatory proposals may improve the efficacy of regulations. As part of this communication and consultation, departments may canvas alternatives to enacting primary legislation to achieve the desired policy outcomes.

### Initiatives by Queensland Government agencies

The QCA recommended that a permanent mechanism to allow individuals, firms and bodies should be introduced to allow stakeholders who are affected by regulations to become more involved in the process. At the committee's public hearing the QCA clarified its recommendation:

*Another thing that we have recommended, which we think is quite innovative – it is not clear to us that it exists in any other jurisdiction, except there is something similar to it in the UK – is a permanent formal mechanism for an individual or entity to make a case for regulatory reform. We do mean that it has to be a substantive case. They would have to put the material together, there would be certain criteria and standards that have to be met*

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<sup>29</sup> Briefing material provided by Department of Environment and Heritage Protection, 16 November 2012.

<sup>30</sup> AgForce; and Association of Mining and Exploration Companies (AMEC).

<sup>31</sup> AMEC, *Submission No.26*, p.4.

<sup>32</sup> Agforce, *Submission No.21*, p.21.



*and we would suggest what further was needed. We would look at that, assess it and make a case to government.*<sup>33</sup>

Upon receiving the submission by the affected organisation, the QCA would consult with the various agencies involved to determine whether inefficiencies exist and if there is a better legislative way to deal with the policy objective.

#### Department of Environment and Heritage Protection (DEHP)

DEHP is currently undertaking the following policy initiatives to reduce regulatory burdens:

- Assessment timeframes have been shortened because applicants will no longer have to wait for DEHP to issue a draft environmental authority before commencing public notification. Consequently, the public will have the opportunity to comment on application documents.
- Larger resource projects requiring an EIS will no longer be required to duplicate the information included in their environmental authority application. Similarly, they will not be required to replicate the public notification process for the environmental authority.
- In collaboration with the Australian Petroleum Production and Exploration Association, the department is developing a new 'off-the-shelf' standard approval for petroleum and gas exploration. Applicants who are proposing to undertake low risk, predictable and well known management practice will be able to obtain an automatic approval with standard conditions. This will facilitate a faster approval and avoid the need for costly site assessments.
- The environmental authority will be linked to the resources tenure and will transfer automatically with the transfer of tenure, removing the need for transfer applications under the *Environmental Protection Act 1994* (EPA) – a reduction of over 250 applications per year.
- DEHP is working with the Queensland Resources Council (QRC) to produce model mining conditions. This will increase certainty for mine operators as to the likely conditions on their approvals. This will reduce the time spent by the department in negotiating the wording of conditions with the proponent. These conditions are different to the standard conditions which apply to low risk activities.
- DEHP is also working with experts to define clear treatment standards for coal seam gas (CSG) water that is used beneficially. This will be complemented by a revised CSG Water Management Policy which will emphasise the importance of using CSG water as a resource and not a waste. The revised CSG Water Management Policy will be finalised by the end of the year and provides greater flexibility around the management options for CSG water, including beneficial use.
- Additionally, the government is proposing to develop standard approvals for all except the largest cattle and sheep feedlots. The impacts of these activities are well known and are managed via consistent processes. Therefore, they are well suited for a set of standard conditions, meaning they will not need additional Department of Agriculture, Fisheries and Forestry (DAFF) assessment.
- The new protected plant framework will minimise assessments by providing that an approved action will exempt an assessment under the *Nature Conservation Act 1992* (NCA). It is intended that a concerted effort will be made to build protected plant assessment into the EPA for resource developments. Integration with the *Vegetation Management Act 1999* (VMA) is also being pursued. It will be possible for a Local Government to consider protected plant matters as part of a development approval and thus create an exemption for a landholder or developer for any further need to interact with protected plant matters under the NCA. All exemptions will be reviewed and standardised across the framework.
- The intent of the new framework is to shift the focus of regulation for harvest to the sustainability of the activity, rather than the purpose of the activity. This new approach will target regulatory effort to the activities and species that are high risk.

<sup>33</sup> Fallon, J. 2012. *Proof Hearing Transcript*, 16 November 2012, p.50.

- The new framework also introduces fees for clearing permits for the purpose of improving assessment speeds. It also aims to reduce costs to business and government by reducing regulatory burdens and targeting high risk areas.
- The current approvals process will be replaced with a step-by-step process designed to bring a number of additional benefits to the mining and petroleum industries that include removing the requirements for an environmental management plan (EMP), and replacing it with a clear list of requirements for an environmental authority.<sup>34</sup>
- Environmental assessment and operations support associated with the CSG industry has been reassessed to better address industry's needs and to ensure the organisation's statutory responsibilities are met.<sup>35</sup>

#### Department of Natural Resources and Mines (DNRM)

In relation to land use planning, the Government is dealing with a significant reform agenda around statutory planning. Whilst not directly administered by DNRM, this process is a key consideration for DNRM to foster diverse and strong economic growth, manage urban development, resolve land use conflicts and promote co-existence between agriculture and mining industries. This will create a more streamlined approach to land use planning and provide greater certainty for landholders and developers.

A key focus of the planning reform for DNRM is around statutory regional planning, and the Government is progressing new statutory regional plans for Central Queensland, the Darling Downs and Cape York. The reasons for the priority for these areas is that they have strong traditional economic bases – in the Darling Downs and Central Queensland in agriculture and a growing and prospering resource sector. The priority for Cape York is to balance bringing prosperity to this region through industry growth without causing major detriment to the areas recognised for their environmental values.

DNRM is working closely with the Department of State Development, Infrastructure and Planning (DSDIP) to ensure that the best available information is made available to inform the development of statutory plans and a single state planning policy. The state planning policy is due to commence in March 2013 and will replace all existing planning policies. The objective of the policy is to direct local governments on how to consider state interests when developing planning schemes, assessing development and deciding the location of community infrastructure.

DNRM has commenced building three centres of dedicated resource expertise for coal, minerals and petroleum with an exclusive focus on assessment. The distinct advantage of this process is that the regional mining centres will be able to focus exclusively on land access related matters and field compliance. The release of online lodgement functions for exploration permits for minerals has given the department the opportunity to introduce centres of resource expertise for assessment. In a similar vein, the Government is also progressing legislative reform for the small mining sector. This reform package will focus on reducing administrative and financial burden on the small scale mining sector, which in turn will hopefully stimulate growth in the sector. The small miners' initiative is an example of government taking a risk based approach to regulation rather than a one-size-fits-all approach.<sup>36</sup>

#### Department of Agriculture, Fisheries and Forestry (DAFF)

DAFF has advised that Queensland's first aquaculture management plan, The [Great Sandy Regional Marine Aquaculture Plan](#) (2011), was accredited under the [Queensland Marine Parks Regulation](#) and

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<sup>34</sup> Department of Environment and Heritage Protection 2012, 'About us', <http://www.ehp.qld.gov.au/about/index.html>, accessed 23/11/2012, DEHP: Brisbane.

<sup>35</sup> Briefing material provided by Department of Environment and Heritage Protection, 16 November 2012.

<sup>36</sup> Briefing material provided by Department of Natural Resources and Mines, 16 November 2012.

is the subject of a conservation agreement between Queensland and the Commonwealth. Applications do not require separate approvals.

Queensland Government agencies and industry have previously reached consensus that a system is required that pre-identifies suitable sites and thereby streamlines application processes, rather than an ad hoc system that reacts to applications.<sup>37</sup>

### Comments by submitters

Eight submitters commented on the need for better policy development.<sup>38</sup> The overriding theme to emerge from these submissions is that 'meaningful' discussion must occur with business, farmers and community groups if methods to reduce regulatory requirements are to succeed.

The Association of Mining and Exploration Companies (AMEC) made the following comment:

*In AMEC's view and experience poorly considered, researched and prepared policy results in unintended consequences. The policy development must include a wide consultation process with affected stakeholders. The unintended consequences often could have been dealt with in the infancy of the policy development. Policy development is therefore crucial to the efficiency and effectiveness of the regulatory system.*

*[It is] also important to ensure policy across government (agencies) is consistent and complementary. For a business dealing with multiple regulatory agencies with differing policies for the same issue the regulatory burden is ... significant. Governments should ensure that their agencies are following their stated policies, not those of previous governments (unless they are in agreement) or an agency agenda.<sup>39</sup>*

The Mackay Conservation Group also viewed policy development, and in particular communication during the process, as being important:

*Requiring departments to improve their communication and consultation with affected businesses during their policy development process and the development of regulatory proposals may improve the efficacy of regulations. As part of this process, departments may be required to canvas alternatives to primary legislation to achieve the desired policy outcome.<sup>40</sup>*

In her submission Dr Plant noted that better policy development begins with informed feedback by the people impacted by the policy.<sup>41</sup>

### Benchmarking of regulatory costs

Governments have used surveys to estimate the regulatory costs for business to inform their regulatory reform programs. Before genuine reform can take place it is important to identify and measure exactly how much regulation currently exists in each portfolio.

The Government of British Columbia has, since 2005, conducted periodic surveys of regulatory compliance costs to gauge the paperwork burden imposed on small- and medium-sized enterprises and to track changes in the burden over time. These surveys were designed to support government efforts to develop quantitative, evidence-based approaches to assessing the efficiency of that country's regulatory system.

<sup>37</sup> Briefing material provided by Department of Agriculture, Resources and Fisheries, 16 November 2012.

<sup>38</sup> AMEC; Cement Concrete & Aggregates Australia (CCAA); Mackay Conservation Group; Oakey Coal Action Alliance; Origin Energy; Qld Resources Council (QRC); Qld Murray Darling Committee (QMDC); and Surveying and Spatial Sciences Institute (SSSI).

<sup>39</sup> AMEC, *Submission No.26*, p.3.

<sup>40</sup> Mackay Conservation Group, *Submission No.16*, p.2.

<sup>41</sup> Dr Tanya Plant, *Submission No.8*, p.4.

## Initiatives by Queensland Government agencies

The QCA's report recommends the following approach to the measurement of regulatory burdens and burden reduction:

- (a) *a British Columbia style of counting obligations to establish a base-line and measure progress towards the 20 per cent reduction target*
- (b) *measurement of the reduction in regulatory burden on a net basis*
- (c) *a requirement for zero net increase in regulatory burden after establishment of the new (reduced by 20 per cent) base-line*
- (d) *the Office of Best Practice Regulation (OBPR) to recommend reduction targets for individual portfolios, and report annually to Cabinet on progress*
- (e) *individual regulatory proposals, including regulatory impact statements, to include a net benefit analysis, and*
- (f) *sunset clauses enforced for all regulations, with a RIS required for continuing the regulation.*

The QCA further commented on measuring regulatory burdens at the committee's public hearing:

*In terms of measurement, we considered page count, a requirements count – in other words, counting the obligations and prohibitions that are associated with regulation – and a dollar valuation of the burden of regulation. With page count, it is simple but it is simplistic. In Queensland there have been efforts for some time to make legislation more accessible, more readable. That means more space and more words. It is not a very meaningful measure. Also, pages are not really related very well to the burden. If you had the time and the resources, a dollar-cost approach – in other words, an economic approach; valuing the burden of regulation – is a good way to go, but you need to look at both benefits and costs. And it is complicated. If we are going to do it right across government, it is difficult. It is also difficult to audit. I am an economist, but I can see that that tool is too difficult to implement. So we are attracted to this regulatory requirements approach, which has been successfully adopted in BC [British Columbia] for about 10 years now. That is what we have proposed as our recommendation for what we are going to apply the 20 per cent requirement to. It will be regulatory requirements. We are going to count the regulatory requirements in the legislation and suggest that that be the target. We have also proposed that it be measured on a net basis. In other words, you take into account new legislation. There is a 20 per cent target over six years and then zero net increase after that, and annual progress reporting on this regulatory count.<sup>42</sup>*

## Comments by submitters

Seven submitters commented on benchmarking of regulatory costs.<sup>43</sup>

The Mackay Conservation Group supported this method:

*Right now there is little to no way of tracing regulatory costs burdens to small businesses. As small businesses provide the greatest numbers of jobs in economies it is important to decrease such costs as much as possible.<sup>44</sup>*

The Lock the Gate Alliance (LTGA) also supports efforts to gauge the costs of regulation:

*LTGA would welcome publication of studies into the costs of licensing, regulation and compliance. Primary producers have to comply with a raft of requirements and have*

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<sup>42</sup> Fallon, J. 2012. *Proof Hearing Transcript*, 16 November 2012, p.48.

<sup>43</sup> AgForce; AMEC; Australasian Institute of Mining and Metallurgy (AusIMM); Environmental Defenders Office of North Qld (EDONQ); Jeremy Tager; Lock the Gate Alliance (LTGA); and Mackay Conservation Group.

<sup>44</sup> Mackay Conservation Group, *Submission No.16*, p.4.

*adapted their businesses to accommodate them. Given the environmental and social costs of resource developments and their impacts on e.g. the economics of rural enterprises, we see no reason why the resources sector should not also adapt – and pay their share.*<sup>45</sup>

## Regulatory impact assessments

Transparent and rigorous regulatory impact assessments (RIA), otherwise known as regulatory impact statements (RIS), are widely used by governments to filter proposals for new legislation and amendments to existing legislation. The Productivity Commission has reported on a benchmarking study of RIA processes in Australian jurisdictions to identify best practice approaches. The Productivity Commission,<sup>46</sup> in its report,<sup>47</sup> noted the failure to publish RISs in Queensland. The report viewed the publication of RISs as essential:

*Publication of RISs, in an accessible and timely manner, is a basic and essential tenet of an effective RIA process. Leading practice would suggest that all RIS documents (consultation and final), for both primary and non-primary legislation, should be published. Transparency and accessibility are greatly enhanced where RISs are made available within each jurisdiction on a central register that is maintained by the oversight body, as occurs in the Commonwealth, COAG and Victorian (subordinate legislation) processes.*

The report also found that the scope and depth of RISs varied considerably across jurisdictions, with Victorian and COAG RISs tending to be more comprehensive than in other jurisdictions. The Productivity Commission's report also found a significant gap in analysis when drafting RISs.

In particular the Productivity Commission found:

*This gap was evident in identifying the nature and magnitude of the problem, discussion of the rationale for government intervention, consideration of a range of options, the extent of impact analysis and consideration of implementation and enforcement of a regulatory proposal.*<sup>48</sup>

## Initiatives by Queensland Government agencies

The Queensland Government has committed to making RISs a legislative requirement for new legislation and regulations.

The QCA, in its report, advocates the need for an effective RIS system to discourage unjustified growth in regulation. According to the QCA, the key elements of an effective RIS system include:

- Independent, authoritative assessment of RISs by the OBPR
- Application of the onus of proof principle (to demonstrate a net public benefit)
- Increased transparency, and
- Early engagement with, and capacity building for, policy- and rule-makers.<sup>49</sup>

At the committee's public hearing in Brisbane, the QCA submitted that a commitment to transparency was required in order to improve the quality and, in turn, the efficiency of regulation:

*...this might be the most important thing....to commit to transparency – when regulatory impact statements are made and the assessments of those statements are made, to make them publicly available. When policymakers know that in the first place, they will put more*

<sup>45</sup> LTGA, *Submission No 10*, p.3.

<sup>46</sup> The Productivity Commission is a Commonwealth agency whose role is to assist in the development of policy and act as advisory body on a range of economic, social and environmental issues affecting the welfare of Australians.

<sup>47</sup> Productivity Commission 2012, Draft Report, *Regulatory Impact Analysis: Benchmarking*, Productivity Commission: Canberra, p.12.

<sup>48</sup> Productivity Commission 2012, Draft Report, p.11.

<sup>49</sup> OBPR 2012, Interim Report, p.xii.

*effort into thinking about other options besides the regulatory option or make sure that the regulatory option is the best way forward. Government is not like business: you cannot get performance indicators in the same way that you can with a business. What you can do, though, with incentives, is introduce some transparency measures. We think that is quite important.*<sup>50</sup>

The QCA's report proposed the following role for the OBPR in regard to RISs:

- the RIS process for new regulation should use quantitative measures of costs and benefits wherever possible
- in assessing RISs, the OBPR should engage early with departments to provide information and advice on how to undertake RISs and provide ongoing training for departments, and
- the RISs, OBPR assessments and relevant supporting documents should always be made public to ensure transparency and scrutiny.

The QCA report also found merit in having an oversight function in a statutory body, such as the QCA's OPBR, to provide the level of independence and transparency necessary to effectively implement RIS requirements. The report commented:

*The success of such a body also requires government commitment to keeping the oversight body 'in the loop' on policy development. Where the oversight body function remains located within a central government department, there would be benefit in strengthening its autonomy as far as possible, such as through the establishment of a statutory office holder or other measures which allow direct ministerial reporting, strengthened governance arrangements and increased transparency.*<sup>51</sup>

The QCA recommended in its interim report that the OBPR should continue to have an overall advisory and monitoring role in relation to reducing the burden of existing and new regulation.<sup>52</sup> Further to this it also recommended that the Treasurer and Minister for Trade should be specifically responsible for regulatory reform including overseeing regulatory activity, confirming regulatory priorities and promoting and improving regulation generally.<sup>53</sup>

## Comments by submitters

Three submitters commented on regulatory impact assessments.<sup>54</sup> In their submission, the AMEC was critical of the regulatory impact assessment process:

*AMEC finds that the regulatory impact assessment (RIA) process consumes a significant amount of resources when the regulatory decision has already been made by decision makers. If Ministers are given a target to reduce regulation, any new legislation that increases regulation must be signed off by the Minister involved. An RIA would appear to be outsourcing the accountability for the new legislation. On the balance they appear to just add another layer of bureaucracy to the regulatory system.*

*In AMEC's view regulatory impact assessments rarely find that a regulation will have significant negative costs. Perhaps cynically RIAs are often just lip service to the regulated group. If they are to value add the process then they need to have tight terms of reference so as not to allow the results to become skewed. Nonetheless, the RIA process can provide an opportunity regulated groups to put their issues on the record.*<sup>55</sup>

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<sup>50</sup> Fallon, J. 2012. *Proof Hearing Transcript*, 16 November 2012, p.47.

<sup>51</sup> Productivity Commission 2012, Draft Report, p.20.

<sup>52</sup> OBPR, Interim Report, p.64.

<sup>53</sup> OBPR, Interim Report, p.63.

<sup>54</sup> Qld Farmers Federation; Qld Resources Council; and Surveying and Spatial Sciences Institute.

<sup>55</sup> AMEC, *Submission No.26*, p.3.

## Legislation reviews

There are a number of approaches that departments may take to review their existing stock of regulations. They include reviews of legislation across departments affecting a specific industry, internal reviews by departments of legislation they administer and routine reviews of all legislation after its commencement.

### Initiatives by Queensland Government agencies

The Queensland Regulatory Simplification Plan 2009-13,<sup>56</sup> an initiative of the previous Queensland Government, required departments to consult with stakeholders and identify out-dated regulations. The plan's target was to reduce the compliance burden for business and the administrative burden for government by \$150 million per annum.

#### Department of Natural Resources and Mines (DNRM)

The main regulatory review initiatives by DNRM include an assessment of the existing legislation and administrative practices in the context of government policy and consultation.

The streamlining resource approvals project (the streamlining project) is the major first step towards much needed modernisation of the state's resource legislative framework and the service delivery that underpins it. The streamlining project links closely with the green-tape project aimed at reducing green tape. The streamlining project's primary focus is to fast-track new tender applications while ensuring that assessment quality is not compromised.

The Government is progressing legislation to promote greater consistency of tenure processes across the resource legislation. DNRM has taken the streamlining regulatory approvals project and expanded it to review how the mines business is delivered.

Further work has occurred since the water planning process was streamlined in 2011. In 2011 the [Water Act 2000](#) was amended to allow the key stages of development of a water resource plan and water resource operations plan to be undertaken together. Combining the development of these plans into a single process reduces the time frame for plan development and provides for more effective and meaningful stakeholder engagement.

Other work in the water areas includes a proposal awaiting government approval processes. The aim of these amendments is to streamline water licence renewals to remove requirements which are burdensome to landholders and which have only limited value or are considered to be low risk, and to rationalise the interactions of the *Water Act [2000]* with other Acts, hence reducing duplication.

The Government's commitment to consult with industry is also illustrated by the recently endorsed changes to streamlining the administration of the [Strategic Cropping Land Act 2011](#). DNRM consulted widely with key stakeholders in the way the Act is administered. Only resource applications that propose activities located directly on strategic cropping land and potential strategic cropping land will be subject to assessment under this Act. In addition, the strategic cropping land standard conditions code is being revised to provide a more streamlined and less costly assessment process for a greater range of resource activities that have only a temporary or low impact. The DNRM's current program of initiatives includes proposed changes to the vegetation management framework recently announced by Minister Cripps. These changes include the introduction of self-managed codes and exemptions for environmental works, such as post-disaster clean-ups.<sup>57</sup>

<sup>56</sup> The Queensland Regulatory Simplification Plan 2009-13 is available at: <http://www.treasury.qld.gov.au/office/services/regulatory-reform/regulatory-simplification-plan.shtml>.

<sup>57</sup> Briefing material provided by Department of Natural Resources and Mines, 16 November 2012.

### Department of Environment and Heritage Protection (DEHP)

The department's introduction of the *Environmental Protection (Greentape Reduction) and Other Legislation Amendment Act 2012* to amend the *Environmental Protection Act 1994* (EPA) by introducing a new licensing framework with a streamlined approval process for environmental authorities for all environmentally relevant activities, including mining activities, has provided benefits and saving to all regulated operators from motor vehicle workshops to large mines.

DEHP is conducting a review with a view to simplifying regulations and consolidating them into two documents: the [Nature Conservation Act 1992](#), and the [Nature Conservation \(Wildlife Management\) Regulation](#).<sup>58</sup>

### Department of Agriculture, Fisheries and Forestry (DAFF)

DAFF uses a range of methods to identify and resolve out of date or ineffective legislation, including: periodic review and updated policy and legislation; development of options to achieve desired outcomes that are more flexible and less onerous in terms of compliance; and harmonisation. This is undertaken systematically and in consultation with stakeholders. Legislation administered by DAFF has not been identified among the priority areas for fast track reform. However, DAFF will continue to work with the Office of Best Practice Regulation.

Biosecurity Queensland has been a national leader in formulating legislation to protect agricultural industries. Queensland's existing biosecurity legislation consists of multiple Acts which the government proposes to update and consolidate. Western Australia has recently combined regulation addressing biosecurity in the [Biosecurity and Agriculture Management Act 2007](#), while the Commonwealth and New South Wales are currently reformulating their legislation in line with Queensland's proposed approach. Tasmania is currently in the consultation phase of legislation development. Victoria has no immediate plans to consolidate its biosecurity legislation, but is developing new invasive species legislation.

The current legislation relating to Queensland's biosecurity is inflexible, reactive and out-dated, and some sections are inconsistent or obsolete. It is proposed to repeal and replace this legislation with a single piece of biosecurity legislation, a cohesive legislative scheme that allows flexible responses to all manner of existing and evolving biosecurity threats.

The area of aquaculture is mainly regulated as development assessment under the [Sustainable Planning Act 2009](#), with DAFF involved in the assessment and stipulating conditions, mostly in relation to fish health and biosecurity issues relevant to the [Fisheries Act 1994](#). Local government is the assessment manager for land-based and issues the development approval (DA). For aquaculture activities in State waters, DAFF issues the Resource Allocation Authority which accompanies the DA (a marine parks permit may also be required).<sup>59</sup>

### **Comments by submitters**

Eight submitters commented on reviews of legislation.<sup>60</sup> Along with better policy development, reviewing legislation was viewed by submitters as being of a high priority.

Origin Energy acknowledged the Government's recent legislative reviews to improve environmental regulation:

*Origin acknowledges that efforts are being made, through the Environmental Protection (Greentape Reduction) and Other Legislation Amendment Act 2012, to remove the current*

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<sup>58</sup> Briefing material provided by Department of Environment and Heritage Protection, 16 November 2012.

<sup>59</sup> Briefing material provided by Department of Agriculture, Resources and Fisheries, 16 November 2012.

<sup>60</sup> AgForce; AMEC; North Qld Miner's Association; Origin Energy; Qld Aquaculture Industries Federation (QAIF); Qld Chicken Growers; QMDC; and Sid Plant.



*duplication of process in the [Environmental Protection Act 1994](#) where petroleum and mining activities have already undertaken an EIS.*<sup>61</sup>

The AMEC submitted that regular reviews of legislation should be written into legislation along with sunset clauses.<sup>62</sup>

The Queensland Aquaculture Industries Federation advocated a review of legislation with a view to consolidation to support the state's aquaculture industry:

*South Australia's aquaculture industry is regarded as a role model of economic and environmental sustainability (Alana Mitchell, Seasick 2008). Central to South Australia's management framework is the [Aquaculture Act 2001](#) (the Act), a single, dedicated piece of legislation that governs aquaculture in the state. The Act was the first of its kind in Australia and has as its primary objective the ecologically sustainable development of aquaculture - this means aquaculture must be undertaken in a way that recognises and balances environmental, social and economic benefits.*<sup>63</sup>

## Better regulatory information

Providing better information to regulated businesses about their obligations could help to raise awareness, improve compliance and reduce regulatory costs. This could also provide an avenue for businesses to provide feedback on regulatory issues.

### Initiatives by Queensland Government agencies

#### Department of Environment and Heritage Protection (DEHP)

DEHP is revising its guidance material for operators who may require a financial assurance which is a type of rehabilitation bond. The new guideline will include a simplified and more standardised method for calculating the amount of financial assurance which will ultimately reduce the time taken for the applicant to estimate the bond amount and the time taken for an environmental officer to review/validate that estimate.

Recently, the [Environmental Protection Regulation](#) was amended to formally recognise the National Feedlot Accreditation Scheme (NFAS). NFAS is an industry-operated scheme that integrated environmental management with other business needs including animal welfare, product integrity and food safety. It is the first third party scheme to be recognised under the regulation, and means businesses accredited under the scheme will be eligible for a 20 per cent discount on their annual licence fees. As part of this process of recognition the peak industry body, the Australian Lot Feeders' Association, has committed to rolling out enhanced training in environmental awareness for operators.<sup>64</sup>

#### Department of Agriculture, Fisheries and Forestry (DAFF)

DAFF advises that its regulatory and information development approaches in the livestock industry lead other Australian jurisdictions. For example, beef cattle feedlot development guidelines have been used as the basis for that industry's self-regulation system, and the Queensland guideline for meat chicken farms has been largely adopted by New South Wales Agriculture as the framework for development and environmental regulation.<sup>65</sup>

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<sup>61</sup> Origin Energy, *Submission No.9*, p.3.

<sup>62</sup> AMEC, *Submission No.26*, p.4.

<sup>63</sup> QAIF, *Submission No.1*, p.13.

<sup>64</sup> Briefing material provided by Department of Environment and Heritage Protection, 16 November 2012.

<sup>65</sup> Briefing material provided by Department of Agriculture, Resources and Fisheries, 16 November 2012.

## Comments by submitters

Six submitters commented on better regulatory information.<sup>66</sup>

The Surveying and Spatial Sciences Institute (SSSI) stressed the importance of information to business:

*Access to and use of government information is often the primary source – and in many instances the only consistent and coherent source – of information about agriculture, resource industries and the environment.*<sup>67</sup>

The Environmental Defender's Office noted:

*Clear and comprehensive public access to information, such as copies of environmental licenses and monitoring data and reports referred to in environmental licences, not just publicly available but online in real time.*<sup>68</sup>

The Queensland Murray Darling Committee Inc. (QMDC) also submitted that better regulatory information was necessary and suggested a model that this should take:

*QMDC asserts that regulations must ensure very clear messages are sent to applicants that contravening environmental conditions will not be tolerated.*

QMDC suggested the key is to develop a community-wide participatory model for educating industry or businesses on environmental compliance, so that they do not see it as a burden and can efficiently work towards benefit from the savings and opportunities of sustainable practices 'beyond compliance'. This would likely require the Department of Environment and Heritage Protection and other key stakeholders – such as environmental legal services, business associations, natural resource management, or industry peak bodies – to actively identify ways to assist individuals, businesses and industry to interpret and implement their environmental requirements on a local or regional level.<sup>69</sup>

## Harmonisation

There have been a number of initiatives by governments, through the Council of Australian Government (COAG), to reduce regulatory requirements by harmonising the stock of like regulations operating across jurisdictions. Under the COAG National Partnership Agreement, more than 36 areas of business regulation and competition reform, including occupational health and safety, consumer law and occupational licensing are being targeted.

## Initiatives by Queensland Government agencies

In its interim report, QCA warns of the potential pitfalls of harmonisation for Queensland:

*Harmonisation of regulation across jurisdictions should not be an overarching objective. In some cases, harmonisation may increase the regulatory burden for certain jurisdictions and stakeholders without producing a net benefit. Harmonisation should be pursued only where there is a net benefit to Queensland.*<sup>70</sup>

### Department of Agriculture, Fisheries and Forestry (DAFF)

In October 2012, the Standing Council on Primary Industries (SCoPI) endorsed reforms to Australia's system of regulation for agricultural chemicals and veterinary medicines. The reforms are intended

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<sup>66</sup> AMEC; CCAA; Mackay Conservation Group; Origin Energy; QAIF; and QRC.

<sup>67</sup> SSSI, *Submission No.14*, p.3.

<sup>68</sup> EDONQ, *Submission No.24*, p.11.

<sup>69</sup> QMDC, *Submission No.3*, p.6.

<sup>70</sup> OBPR, Interim Report, p.3.

to reduce regulatory burden by harmonising Commonwealth, state and territory systems and Queensland has contributed to the development of such reforms.

DAFF is seeking to implement these reforms through amendments to legislation such as the [Animal Care and Protection Act 2001](#), which imposes an obligation on persons in charge of animals to provide appropriate care and management. The legislation also allows for specific animal welfare standard-setting through codes of practice, which may be made compulsory by regulation. The national Australian Animal Welfare Strategy aims to achieve greater harmonisation of laws, policies and arrangements across Australia, including consistent national (mandatory) animal welfare standards and guidelines for various industries, to replace existing model codes of practice which are largely voluntary. Industry peak bodies are heavily involved in the development process, which is being managed by Animal Health Australia, and proposed national standards are the subject of national level RISs.<sup>71</sup>

### Comments by submitters

Seven submitters commented on harmonisation.<sup>72</sup> The AMEC submitted that a cautious approach was necessary:

*It is also necessary for jurisdictions to consider the entire benefit of harmonisation across jurisdictions, not focus solely on their own. It is easily imagined that a jurisdiction would find no net benefit to harmonisation for its state, and reject harmonisation, without consider[ing] the national benefits. Furthermore, if harmonisation is achieved it must be carefully monitored to ensure that jurisdictions do not creep beyond the original harmonised laws. If this occurs then the original intent is lost and the regulatory burden returns.*<sup>73</sup>

### Electronic services and one-stop shops

Providing opportunities for business to lodge paperwork and apply for permits and licenses online instead of attending departmental offices in person can reduce the impost on regulated businesses.

Having a single point of access for businesses for all regulatory information may further assist businesses to find information whilst encouraging information sharing between agencies.

### Initiatives by Queensland Government agencies

#### Department of Natural Resources and Mines (DNRM)

In relation to providing e-services, the Department of Natural Resources and Mines has initiated a streamlining resource approvals project, (the streamlining project), which will be the first major step towards much needed modernisation of the state's resource legislative framework and the service delivery that underpins it. The streaming project links closely with the green-tape project aimed at reducing green tape. The streamlining project's primary focus is to fast-track new tender applications while ensuring that assessment quality is not compromised. Legislation to implement part of this project was included in the [Mines Legislation \(Streamlining\) Amendment Act 2012](#). The centrepiece of the project is the development of an online tenure management system – *MyMinesOnline* – to transform Queensland from a manual paper based system.<sup>74</sup>

<sup>71</sup> Briefing material provided by Department of Agriculture, Resources and Fisheries, 16 November 2012.

<sup>72</sup> AMEC; AusIMM; Growcom; North Qld Miner's Association; Origin Energy; QAIF; and Qld Chicken Growers.

<sup>73</sup> AMEC, *Submission No.26*, p.4.

<sup>74</sup> Briefing material provided by Department of Natural Resources and Mines, 16 November 2012.

### Department of Agriculture, Fisheries and Forestry (DAFF)

The Department of Agriculture, Fisheries and Forestry is also using e-services to reduce red tape. Biosecurity Queensland, for example, is replacing hard-copy forms with a single electronic form that can be completed and submitted online from one screen.<sup>75</sup>

### Department of Environment and Heritage Protection (DEHP)

DEHP will be introducing a new corporate licence system to replace numerous approvals with one corporate approval for all sites and all environmental activities. This will enable post-approval streaming for sites which have multiple approvals. For example, sites where both minerals and non-mineral (such as construction sand) are extracted.<sup>76</sup>

## **Comments by submitters**

Five submitters commented on electronic services.<sup>77</sup>

Providing electronic services for business and the agricultural industry was also considered to be a worthwhile method to streamline the regulation process. However, some submitters cautioned on the implementation of this approach.

For example, AMEC submitted:

*Furthermore there are two potential downfalls that must be considered before governments spend large amounts of tax-payer funds, that is, any system:*

- is simply not replicating a paper-based bottle-neck with an electronic form but that it is truly removing the need for time spent assessing application and similar processes, and*
- must be future-proofed, in that it is expandable, scalable or able to be integrated into further technological developments. Stand-alone, custom designed solutions are not always the best long-term solutions.*<sup>78</sup>

Further to this view, Dr Tanya Plant submitted that the introduction of an electronic system should consider the reliability of internet services in rural communities,<sup>79</sup> a view supported by Agforce.<sup>80</sup>

Four submitters commented on 'one-stop shops'.<sup>81</sup>

The Queensland Murray-Darling Committee supports the introduction of a one-stop shop for all regulatory information and suggested a format it should take including:

- public notification of and access to approved Environmental Authorities or Licenses and consultation with regards to any proposed changes to Environmental Authorities.*
- timely and public disclosure of monitoring requirements, and subsequent results for the condition and trend of natural resource assets including site, total and cumulative impacts as they relate to the mining and energy industry.*
- public notification of breach of conditions and public access to complaints registers is maintained.*
- the appointment of suitably qualified persons including auditors to perform regulatory functions. These appointments are dependent on adequate government resourcing to increase the availability of people who not only have the relevant skills, knowledge and*

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<sup>75</sup> Briefing material provided by Department of Agriculture, Resources and Fisheries, 16 November 2012.

<sup>76</sup> Briefing material provided by Department of Environment and Heritage Protection, 16 November 2012.

<sup>77</sup> AMEC; Dr Tanya Plant; Evol Fayers; QAIF; and QMDC.

<sup>78</sup> AMEC, *Submission No.26*, p.5.

<sup>79</sup> Dr Tanya Plant, *Submission No.8*, p.5.

<sup>80</sup> Agforce, *Submission No.21*, p.22.

<sup>81</sup> AMEC; Dr Tanya Plant; Mackay Conservation Group; and Qld Greens.

*experience but also have the ability to adapt and apply new products, technologies and information to their local and regional needs.*<sup>82</sup>

Dr Tanya Plant gave qualified support in her submission and also emphasised better communication:

*Could be helpful, but only if they know what they are talking about. Also better communication between government departments so we don't have to tell multiple people much the same thing before any notice is taken of our issue could be helpful too. It often takes multiple attempts to 'find' the right person in government to talk to about an issue.*<sup>83</sup>

## Incentives for regulatory reform

The QCA considers addressing the issue of incentives as the most important feature of a whole-of-government approach to managing the regulatory system. They submit that the fundamental issue to be addressed is a culture within government that, in the first instance, turns to regulation as a solution to the issues that challenge governments. It is essential that there are appropriate incentives that ensure that each piece of regulation introduced is in the public interest.<sup>84</sup>

The QCA addressed the issue of incentives at the committee's public hearing:

**Dr Fallon:** *As a result of various forces, there is such inertia in the system to regulate. It is the thing that a lot of policymakers turn to immediately or governments turn to immediately. You have to address that incentive issue. We see incentives as very important here. If we do not come up with some mechanisms to effectively address the incentive issue, I do not think we will make very good progress.*

**CHAIR:** *Who is getting the incentive, though?*

**CHAIR:** *Yes. The incentive for business so they do not have to be regulated as much or incentive to bureaucrats to be more proactive or the incentive to ministers –*

**Dr Fallon:** *Well, the incentive is for policymakers – those who propose policies – and also for government to not just think of regulation as the first thing and the main thing to do when you have a problem and to try to put genuine effort into reducing the regulatory burden. The first thing is that you need some targets – page count, requirements count, dollar values. You need something. It is difficult to get it to be exactly right, but you need something to motivate departments, to motivate policymakers. You have to get something that is reasonably meaningful but you have to set some sort of quantified target. That is the first thing.*<sup>85</sup>

In their interim report, the QCA has recommended the following incentive mechanisms to stop the growth of regulation:

- in justifying the continuation of regulation or new regulation the onus of proof should be on the entity proposing the new regulation or the retention of existing an regulation
- appropriate targets should be set in net terms for Departments to reduce the burden of regulation
- all submissions, supporting analyses, and reports on priorities for regulatory reform, should be made publicly available at an appropriate time, and adequate opportunity should be provided for effective consultation, and

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<sup>82</sup> QMDC, *Submission No.3*, p.7.

<sup>83</sup> Dr Tanya Plant, *Submission No.8*, p.5.

<sup>84</sup> OBPR 2012, *Interim Report*, p.44.

<sup>85</sup> Fallon, J. Rickuss, I. 2012. *Proof Hearing Transcript*, 16 November 2012, p.47.

- all regulatory impact statements for both consultation and decision purposes, and the Office of Best Practice Regulation advice on those statements, should be made publicly available.<sup>86</sup>

## Consolidation of legislation

Consolidation consists of the integration of multiple legislative requirements, or successive amendments and corrections into a single Act. The purpose is to collect all existing provisions relevant to a subject area in an easily accessible legislative form. The benefits of consolidating into the one instrument include greater transparency, easier access to the law and streamlining of existing laws.

## Initiatives by Queensland Government agencies

Consolidated copies of Queensland legislation with successive amendments are available online from the Office of the Queensland Parliamentary Counsel website.

### Department of Environment and Heritage Protection (DEHP)

DEHP advised that it is conducting a review with a view to simplifying regulations and consolidating them into two documents: the *Nature Conservation Act 1992*, and the [Nature Conservation \(Wildlife Management\) Regulation](#).<sup>87</sup>

## Comments by submitters

Four submitters commented on consolidating the original act and subsequent amendments into one act.<sup>88</sup>

The Queensland Aquaculture Industries Federation advocated a review of legislation would be beneficial:

*South Australia's aquaculture industry is regarded as a role model of economic and environmental sustainability (Alana Mitchell, Seasick 2008). Central to South Australia's management framework is the Aquaculture Act 2001 (the Act), a single, dedicated piece of legislation that governs aquaculture in the state. The Act was the first of its kind in Australia and has as its primary objective the ecologically sustainable development of aquaculture - this means aquaculture must be undertaken in a way that recognises and balances environmental, social and economic benefits.*<sup>89</sup>

## Conclusions

The committee notes the range of methods available to government to lighten the regulatory burdens imposed on businesses, including those within the State's agriculture and resource industries.

The committee welcomes the establishment of the Office of Best Practice Regulation within the Queensland Competition Authority (QCA) to drive the regulatory review process across the Government.

The committee notes comments by submitters about the importance they place on the Government engaging effectively with stakeholders during policy development processes as a method to reduce unnecessary regulatory burdens. The committee views stakeholder feedback and interaction as one of the most important parts of the regulatory process.

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<sup>86</sup> OBPR 2012, Interim Report, p.64.

<sup>87</sup> Briefing material provided by Department of Environment and Heritage Protection, 16 November 2012.

<sup>88</sup> AgForce; Association of Mining and Exploration Companies; Dr Tanya Plant; and Qld Aquaculture Industries Federation.

<sup>89</sup> Queensland Aquaculture Industries Federation, *Submission No.1*, p.13.

The committee endorses the proposal by the QCA to formalise this stakeholder consultation as a permanent feature of the regulatory processes in Queensland by allowing organisations and individuals to give feedback on regulations directly affecting them and their businesses.

The committee supports the Office of Best Practice Regulation's proposal to measure regulatory requirements based on the method used in British Columbia, Canada.

The committee notes the importance of regulatory impact statements to good regulation. In order for these statements to work effectively and produce clearer, more coherent and efficient regulation, the committee believes the following must occur:

- a greater commitment by government to regulatory impact analysis
- better scrutiny and depth of analysis of the impacts of regulatory proposals in regulatory impact statements
- more significant interaction with stakeholders in relation to the regulations that affected them, and
- greater transparency, by making regulatory impact statements assessable in a timely manner and making final regulatory impact statements publicly available.

The committee endorses the QCA's recommendations in relation to incentives for regulatory reform, and agrees with the QCA that the 'culture of regulation' must change to a more balanced approach particularly in the agriculture, resources and environment portfolios.

The committee notes the QCA finding that harmonisation should be pursued only where there is a net benefit to Queensland.

#### **Recommendation 1**

Prior to a regulatory proposal being developed and considered, government agencies must properly consult with those individuals and groups who would be directly affected. The primary purpose of this consultation is to share information on the problem at hand and to identify viable non-regulatory solutions.





## 5. Balancing environmental protection and economic development

A number of submitters commented on the conflicts between the environment and other interests.

The Queensland Murray-Darling Committee Inc. (QMDC) acknowledges that there is community expectation that legislation and policy regulating the agriculture and resource industries should support an environmental bottom line that provides a high level of legislative protection, represented by a set of minimum industrial standards for environmental management.<sup>90</sup> QMDC asserts that regulatory reform must take into consideration not only the individual impacts of each development or business licence application, but also the cumulative impacts of both a whole industry and the total number of businesses or industries impacting on the ecologically sustainable development of a region.<sup>91</sup>

QMDC's major concern is that industry is the driver for licencing regulatory reform and the argument for amending current environmental law is couched in terms such as 'reducing compliance and administrative costs to industry and government'. The need to uphold environmental standards is an important factor for QMDC and the communities it serves. QMDC believes that regulatory reforms must not compromise those standards.<sup>92</sup>

In contrast, Jeremy Tager asserts that no case has been made to suggest that regulation is a 'burden' or is ineffective.<sup>93</sup> Tager proposes that research into the following areas is necessary before considering regulation reduction:

- examination of the actual costs to business that are the result of duplication and government imposed delays on business,
- examine the extent to which environmental regulations are preventing environmental harms and reversing current environmental trends and indicators,
- examine the effectiveness of non-regulatory mechanisms in achieving environmental objectives, and
- public cost.<sup>94</sup>

Similarly, the North Queensland Conservation Council (NQCC) provided that there is no data or hard evidence to demonstrate a positive net cost associated with regulatory burdens, especially with environmental regulations, and asserts that concern for the economy regularly outweighs concern for the health of society (beyond jobs) and the environment.<sup>95</sup>

NQCC further argues that the 'reckless' expansion of the coal industry (especially in Queensland) is looking to increase fourfold, and that the burning of this coal will increase global carbon emissions by 16 to 17 per cent. NQCC states:

*If the quality of life in Australia is not to plummet, it is essential that the health of the environment takes equal if not greater precedence in economic and social decisions, and not treated as a tertiary issue.*<sup>96</sup>

In contrast, Mr Sid Plant submitted:

*I've been a farmer for all of my life and over the last several decades I have witnessed the continual erosion of freehold land rights and farmers' rights on leasehold land and the increase in red tape and administrative costs.*

<sup>90</sup> QMDC, *Submission No. 3*, p.1.

<sup>91</sup> QMDC, *Submission No. 3*, p.1.

<sup>92</sup> QMDC, *Submission No. 3*, pp.1-2.

<sup>93</sup> Jeremy Tager, *Submission No. 5*, p.1.

<sup>94</sup> Jeremy Tager, *Submission No. 5*, pp.1-2.

<sup>95</sup> NQCC, *Submission No. 6*, p.1.

<sup>96</sup> NQCC, *Submission No. 6*, p.2.

*Rights have been eroded to the extent that farmers now have no real basis to negotiate with resource companies. The so called negotiations are really not this, as the mining companies hold all the power and they know that ultimately they don't need the landholder's agreement under the current legislation. This is no basis for a 'negotiation'. The situation needs to be changed so that farmers have the right to say no if they cannot secure what they believe to be adequate compensation. This would make 'negotiations' more realistic and genuine.<sup>97</sup>*

Likewise, Dr Tanya Plant submitted:

*The red tape has become crippling, not only in terms of restriction and direct costs but the administrative burden on small enterprises. Worse, in some instances it seems contrary to common sense and good win-win outcomes.*

*The trouble with much regulation is that it is often designed to stop worst practice, with little regard for the better practices it may also prejudice against, or the costs imposed on the 'innocent'. ... the dramatic increase in regulations and restriction over recent years has not only failed to regulate for common sense but it has also inadvertently regulated to often make it illegal or against government policies for common sense to prevail. This is highly frustrating, inefficient and costly.*

*... the situation is very different between agricultural and resource industries.*

*... agriculture has an inbuilt incentive to look after the environment. The ongoing health and productivity of the environment is essential for future productivity and also to maintain asset values. The resources industries have no such motivation. They simply take the resources as cheaply as possible and move on to the next site.*

*The impact of the resources sector on the agricultural industry in our area has caused a loss of confidence and a lot of concern. People are less willing to invest in their farms and improve their assets for fear of losing it all anyway – against their will and despite their business endeavours if it is taken for mining. There is also a serious problem for succession planning, in an industry where encouraging younger generations is recognised as a critical issue.*

*... it is not fair to assume that regulation that is appropriate for the resources industry is necessarily appropriate for the agricultural industry.<sup>98</sup>*

Origin is a project partner of the Australia Pacific LNG Project (the project), being a coal seam gas (CSG) to liquefied natural gas (LNG) joint venture partnership between Origin, ConocoPhillips and Sinopec.<sup>99</sup> Origin submits that the project is expected to have a 30 year life and consists of:

- the development of Australia Pacific LNG'S Walloons gas fields in the Surat Basin, in south central Queensland, with up to 10,000 CSG wells,
- construction and operation of a gas transmission pipeline to connect the Walloons gas fields with the LNG facility, and
- construction and operation of an LNG facility on Curtis Island near Gladstone.<sup>100</sup>

In April 2009, the project was declared to be a significant project for which an environmental impact statement (EIS) is required pursuant to the [State Development and Public Works Organisation Act 1971](#).

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<sup>97</sup> Mr Sid Plant, *Submission No. 7*, p.1.

<sup>98</sup> Dr Tanya Plant, *Submission No. 8*, pp.1-4.

<sup>99</sup> Origin Energy, *Submission No. 9*, p.1.

<sup>100</sup> Origin Energy, *Submission No. 9*, p.1.

The (former) Department of Infrastructure and Planning coordinated the impact assessment process for the project on behalf of the Coordinator-General, in accordance with that Act. The Coordinator-General's evaluation report on the EIS was issued in November 2010. The report recommended that the project proceed, subject to stringent conditions that should apply to the whole project as well as to the project's individual components (gas fields, gas transmission pipelines and LNG facility).

Separate referrals for each component of the Project (gas fields, pipeline and LNG facility) were also made under the [Environmental Protection and Biodiversity Conservation Act 1999](#) (Cth) to the Federal Minister for the Environment, Heritage and the Arts, who subsequently determined that each referral was a controlled action. The Minister approved the project, subject to conditions, on 21 February 2011.

Origin, as the upstream operator of the project, is currently in the process of applying for numerous 'secondary' approvals for the gas fields and pipeline components of the project, based on Queensland legislation. It therefore has contemporary and relevant experience that may demonstrate regulatory impacts relevant to this inquiry.<sup>101</sup>

Origin is of the view that, in relation to the impact of environmental regulation on its CSG operations:

- (a) there is an opportunity to reduce the regulatory burden of unnecessary and overlapping secondary approval requirements where an EIS process has been undertaken, and
- (b) the approvals process under the *Environmental Protection Act 1994* might be simplified for such projects.

Origin submitted that:

*Origin experienced inconsistent and overlapping regulatory requirements when obtaining secondary approvals: including environmental authorities under the Environmental Protection Act 1994, development approval under the Sustainable Planning Act 2009 and permits under the Nature Conservation Act 1992.*

*The objective of the EIS is to ensure that all potential environmental, social and economic impacts would be avoided or mitigated. This should negate, as far as practicable, the need for further environmental assessment as part of the secondary approvals processes. However, this is not Origin's experience.*

*Origin acknowledges that efforts are being made, through the Environmental Protection (Greentape Reduction) and Other Legislation Amendment Act 2012, to remove the current duplication of process in the Environmental Protection Act 1994 where petroleum and mining activities have already undertaken an EIS.*

*However, there are other secondary approval processes that are sources of regulatory burden that are equally in need of streamlining to remove duplicious and unnecessary approval processes.*

In its report, the QCA notes that while it is accepted that environmental impacts may in some cases be difficult to quantify, this should not be an excuse for ignoring the question of whether the benefits from regulation exceed the costs. Rigorous cost-benefit analysis should be applied to any new regulation. The QCA suggests that existing regulation that cannot be demonstrated by its proponents to provide a net overall public or community benefit should be revised or removed.

QCA also agrees that environmental protections should not be eliminated for short term economic gain. A comprehensive assessment of costs and benefits of regulation must consider long term impacts to the environment.<sup>102</sup>

<sup>101</sup> Origin Energy, *Submission No. 9*, pp.1-2.

<sup>102</sup> OBPR 2012, *Interim Report*, pp.26-7.

QCA identified that environmental regulations can be important in protecting against the activities of business and individuals. However, compiling with these regulations can lead to greater costs and significant impact for business, government and the community.<sup>103</sup> The government has sought to address this issue through its recently introduced greentape reduction legislation, which has been discussed earlier in this report.

The QCA submitted that environmental regulation should not be eliminated for economic reasons, and that any assessment undertaken of the costs and benefits of environmental regulation must keep in mind long-term environmental impacts.<sup>104</sup>

## Conclusions

There are polarised views among submitters on the efficacy of processes for identifying and reconciling competing economic and environmental considerations in regulatory proposals.

Given the complexity of many environmental considerations, the committee concludes that there may be a role for a further independent forum or panel of experts, in addition to the Queensland Competition Authority, to consider contentious regulatory proposals with competing environmental and economic interests that arise.

The committee agrees with the QCA that any assessment of the costs and benefits of environmental regulations must reflect long-term impacts.

### Recommendation 2

That the Queensland Competition Authority examine and report on the need for an independent forum or expert panel to consider contentious regulatory proposals with competing environmental and economic issues that arise.

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<sup>103</sup> OBPR 2012, Interim Report, p.22.

<sup>104</sup> OBPR 2012, Interim Report, p.27.

## 6. Other regulatory priorities

The following sections highlight three areas where regulatory reforms are likely to be particularly beneficial for the State's agriculture and resource industries – local government, vegetation management regulations and aquaculture industries.

### Local government regulation

The QCA says in relation to local government regulation:

*Local government has an important role in designing and implementing regulation in Queensland and local government regulation is a frequent source of complaint.*<sup>105</sup>

The QCA's interim report details the important role played by local government in implementing regulations and calls for major reform in the way in which local government deals with regulation.

A Productivity Commission survey of businesses regulatory dealings with local governments found that Queensland local governments were the poorest performers in areas such as providing unclear information, charging unreasonable fees, providing unreliable advice and duplicating state government regulations.<sup>106</sup> They also performed poorly in areas such as the transparency of the approval process, uncertain approval times, and the time and effort to comply with regulation being too long. The commission identified the most important gaps in the support of local government by the state as being:

- insufficient consideration of local governments' capacity to administer and enforce regulation before a new regulatory role is delegated to them,
- limited guidance and training on how to administer and enforce regulations, and
- no clear indication and ranking of state regulatory priorities.<sup>107</sup>

The commission also found that many local governments do not have the capacity or resources to carry out their regulatory functions and, importantly, before delegating a new regulation, state governments should make sure that local governments have the resources to carry out the regulatory function.<sup>108</sup>

The Local Government Association of Queensland (LGAQ) has recognised the problems Queensland local governments face in implementing regulations and has formed a Red Tape Reduction Taskforce to identify regulations that are unnecessarily complex and should be reduced or removed.

In its submission to the QCA review, the LGAQ advised that it had engaged several state government departments, including the Department of Local Government, the Department of State Development, Infrastructure and Planning and the Department of Environment and Heritage Protection in relation to the *Environmental Protection Act 1994* and green tape reduction generally.<sup>109</sup>

In order to address the issues identified by the Productivity Commission, the QCA recommended the following:

<sup>105</sup> OBPR 2012, Issues Paper – Measuring and Reducing the Burden of Regulation, p.49.

<sup>106</sup> Productivity Commission 2012, Research Report Volume 1, *Performance Benchmarking of Australian Business Regulation: The Role of Local Government as Regulator*, Productivity Commission: Canberra, p.240.

<sup>107</sup> Productivity Commission 2012, Research Report Volume 1, p.2.

<sup>108</sup> Productivity Commission 2012, Research Report Volume 1, p.131.

<sup>109</sup> Local Government Association of Queensland (LGAQ), Submission to the Queensland Competition Authority, Office of Best Practice Regulation, Interim Report, *Measuring and Reducing the Burden of Regulation*, 31 August 2012, p.4.

- local government regulation, including codes and guidelines, should be subject to regulatory review and reform. Further investigation is needed to establish a manageable process and timetable for review. This issue has been identified as a medium-term priority
- full regulation impact analysis will often not be justified but some level of consultation, with an opportunity for interested parties to consider and comment on proposals, is considered to be feasible and appropriate for most local governments
- each local government should be required to report annually to OBPR and in its annual budget on the progress of its program for reducing the burden of regulation. The OBPR reports would be submitted to Ministers and made publicly available, and
- the scope and extent of local government requirements should reflect the resources of individual councils and the extent of their individual regulatory reform tasks.<sup>110</sup>

## Vegetation management regulations

The QCA advises that several submissions to its review nominated reform in the area of vegetation management as needing to be addressed immediately.

They identified nine separate pieces of legislation and policy dealing with vegetation management, namely, the:

- [\*Vegetation Management Act 1999\*](#)
- [\*Vegetation Management Regulation 2000\*](#)
- [\*Sustainable Planning Act 2009\*](#)
- [\*Water Act 2000\*](#)
- State Policy for Vegetation Management
- Four Regional Vegetation Management Codes
- Offset policy relevant to each Vegetation Management Code
- Regrowth Management Code, and
- The Native Forest Practice Code.

Further to this legislation and policies, the *Vegetation Management Act 1999* allows local governments to impose restrictions on clearing. The QCA advises that:

*Native vegetation restrictions have significant 'reach' in their impact on business and the community, in both rural and urban areas. The restrictions affect agriculture and housing construction, which are two of the Government's four economic pillars.<sup>111</sup>*

The QCA submits that the agriculture sector is impacted heavily by vegetation regulations and that an inquiry is needed to establish whether reform can reduce regulation while also maintaining environmental concerns.<sup>112</sup>

The QCA provides the example of the Urban Land Development Authority (ULDA) as to how native vegetation laws can be burdensome and lead to even more regulation. A separate vegetation by-law for the ULDA has been introduced, exempting them from normally applicable vegetation restrictions. The QCA poses the question:

*If the normal process can be streamlined for the ULDA, why should it not be streamlined for affected parties?<sup>113</sup>*

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<sup>110</sup> OBPR 2012, Interim Report, p.xiv.

<sup>111</sup> OBPR 2012, Interim Report, p.51.

<sup>112</sup> OBPR 2012, Interim Report, p.36.

<sup>113</sup> OBPR 2012, Issues Paper, p.51.

The Queensland Farmers Federation (QFF) submitted that vegetation management reforms have been in place for some time and should now be subject to a review to reconcile the benefits and costs of their implementation. Matters flagged specifically by QFF for investigation include:

- simplification of the guides and procedures for landholders
- more flexibility for landholders to manage on-farm native vegetation
- provision of non-government technical assistance for landholders on implementation of native vegetation regulations
- consolidation of regulations into one area on the website or in one document
- reversal of the onus of proof of incorrect vegetation mapping from landholder to the department
- treatment of all native vegetation clearing applicant/industries in the same way and under the same legislation
- re-examination of the vegetation offset/exchange rate
- making all vegetation laws regionally- or industry-based, rather than a state-based, one-size fits-all, blanket approach, and
- examination of all exemptions to native vegetation laws to make them more realistic to regional/industry condition and concerns.

AgForce noted in its submission:

*The vegetation management framework in Queensland regulated the clearing of native vegetation mapped as either remnant vegetation on a Regional Ecosystem (RE) map or regulated regrowth on a regrowth map. It is regulated through the Vegetation Management Act 1999 (VMA) and the Sustainable Planning Act 2009 (SPA).*

*In addition to the VMA and the SPA the framework is made up of other pieces of legislation, State policies, regional vegetation management codes, an offsets policy, and a regrowth vegetation code.*

*Landholders wanting to manage and develop their properties must ensure they comply and follow the complex framework. This is particularly the case for landholders wanting to manage and develop land within remnant regional ecosystems, regardless of the conservation status and classification.*<sup>114</sup>

AgForce also surmise that regulatory deficiencies limit the purpose of the VMA and, if not addressed, have the potential to magnify environmental, social and economic problems across the state. According to AgForce, the effects have been felt by producers in both land development proposals and ongoing land management, and the constraints in the process show a distinct lack of trust from the Government in allowing producers to make land management decisions.<sup>115</sup>

AgForce suggests that the complexity and limitations of the development application process, its administration, and post-application lodgement processes also frustrate the VMA's purpose.<sup>116</sup>

In a supplementary submission, AgForce noted:

*AgForce does not believe that the relevant purposes listed under section 22A of the Vegetation Management Act 1999, should be known as 'development', rather they are activities that are a necessary and integral part of modern farming. These include activities (relevant to production):*

- *necessary to control non-native plants or declared pests,*
- *to ensure public safety,*

<sup>114</sup> Agforce, Submission No. 21, pp.2-5.

<sup>115</sup> Agforce, Submission No. 21, p.5.

<sup>116</sup> Agforce, Submission No. 21, p.6.

- *for establishing a necessary fence, firebreak, road or vehicular track, or for constructing necessary built infrastructure (each relevant infrastructure), and the clearing for the relevant infrastructure cannot be avoided or minimised,*
- *for fodder harvesting,*
- *for thinning, and*
- *for clearing of encroachment.*

*These activities are essential for the management for rural land; landholders should not require a permit or approval to be able to carry out these activities under normal circumstances. A hierarchy needs to be developed that allows landholders the ability to go through a simple notification process when utilising these management tools for production, and a development approval should only be triggered and required where the activity is considered intense development or within a high classification Regional Ecosystem.*

*AgForce reiterate that we recommend, first and foremost, self-assessment of activities to the greatest extent.*<sup>117</sup>

## **Queensland's aquaculture industry**

The Queensland Aquaculture Industries Federation (QAIF) provided the committee with a strong submission as to the effect that regulatory burdens have had on the aquaculture industry in Queensland.

The QAIF stated in its submission that, in 2004, the Productivity Commission noted that Queensland's aquaculture industry was less developed than industries in South Australia and Tasmania. The QAIF submits that this is still the case and that regulatory burdens are inhibiting the growth of the aquaculture industry in circumstances where it has the potential for huge growth. They contend that the current regulations are a major deterrent to new investment in the industry, and are costly and difficult to understand. It is further submitted that regulatory requirements are 'burdensome, costly and do not add to environmental outcomes'.

The QAIF provided two examples of small and large investors where regulations inhibited the starting of an aquaculture business in Queensland.

The first example was of an individual trying to set up a sea cucumber hatchery business. In seeking permission to start and operate the business, the individual had to deal with seven state government departments and one local government council, over a period of three years.

The second example provided by the QAIF was in relation to a proposed prawn and fish farm for Guthalungra near Bowen. The application process took 13 years and application costs amounted to \$3 million. Approval for the project was finally given in 2011 from then Federal Environment Minister; however, there was a requirement that the farm operate a zero-net-discharge regime.

The QAIF acknowledges that, in response to the concerns it has raised, the Minister for Environment and Heritage Protection has agreed to review the issues raised, particularly in relation to green tape.

However, the QAIF submits that in order to address the regulatory burdens experienced by the aquaculture industry in Queensland, the South Australian model should be examined. The South Australian model was the first of its kind in Australia and has a single, dedicated piece of legislation that governs aquaculture. Its primary objective is to undertake aquaculture in a way that balances environmental, social and economic benefits.

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<sup>117</sup> Agforce, *Submission No. 21 – supplementary*, p.1.



The QAIF also acknowledges that any change in legislation will need to meet Commonwealth requirements and that negotiation with the Federal Government will be required if change is to occur.

## Conclusions

Local governments play a crucial role in the implementation of regulations impacting on the State's agricultural and resource industries, and may need to play a stronger role in several key areas.

The committee considers that better consultation between the State Government and local governments is imperative, to reduce regulatory inefficiencies and remove unnecessary regulatory burdens on businesses.

### Recommendation 3

The committee notes that the Local Government Association of Queensland has liaised with the Department of Environment and Heritage Protection in an effort to improve the efficiency of implementing regulations.

The committee recommends that senior officers of the Department of Natural Resources and Mines and the Department of Agriculture, Fisheries and Forestry also liaise regularly with the LGAQ and the Office of Best Practice Regulation in order to address the issues faced by local governments when implementing regulations, with a particular focus on removing the duplication of regulation by state and local governments.

The committee recognises the huge potential for growth in Queensland's aquaculture industry, and acknowledges the problems experienced by the industry, as submitted by the Queensland Aquaculture Industry Federation. The committee notes the federation's advice that the Minister for Environment and Heritage Protection has agreed to review the 'green tape' issues experienced by the aquaculture industry.

The Government should also consider the legislative reforms implemented by the South Australian Government to assist that state's aquaculture industry.

### Recommendation 4

The committee recommends that the Government review the regulations governing Queensland's aquaculture industry and explore the use of a single, dedicated piece of legislation, as used in South Australia to reduce the regulatory burdens on that state's industry, to further promote economic development while balancing environmental protections.



## **Appendix A – Written submissions**

- 1 Queensland Aquaculture Industries Federation Inc.
- 2 North Queensland Miners Association Inc.
- 3 Queensland Murray-Darling Committee Inc.
- 4 The Australian Institute of Mining and Metallurgy
- 5 Jeremy Tager
- 6 North Queensland Conservation Council
- 7 Sid Plant
- 8 Dr Tanya Plant
- 9 Origin Energy Resources limited
- 10 Lock the Gate Alliance Ltd
- 11 Cement and Concrete Aggregates Australia
- 12 WWF-Australia
- 13 Growcom
- 14 Surveying and Spatial Sciences Institute
- 15 Oakey Coal Action Alliance
- 16 Mackay Conservation Group
- 17 Canegrowers
- 18 The Greens Queensland Inc.
- 19 Evol Fayers
- 20 The Wilderness Society
- 21 Agforce Qld
- 22 The Queensland Chicken Growers Association
- 23 Queensland Resources Council
- 24 Environmental Defenders Office (Qld) Inc.
- 25 Queensland Farmers' Federation
- 26 Association of Mining and Exploration Companies
- 27 Friedrich Nath
- 28 Great Barrier Reef Marine Park Authority
- 29 Regional Organisation of Councils of Cape York & Torres Shire

## **Appendix B – Hearing witnesses**

Dr Nicola Laws, Oakey Coal Action Alliance

Ms Katie-Ann Mulder, Queensland Resources Council

Ms Frances Hayter, Queensland Resources Council

Mr Wayne Robins, The Australian Institute of Mining and Metallurgy

Mr Warren Males, Canegrowers

Ms Lauren Hewitt, Agforce

Mr Ian Johnson, Queensland Farmers' Federation

Mr Dave Putland, Growcom

Mr Troy Reeves, Growcom

Dr Tim Seelig, The Wilderness Society

Ms Jo-Anne Bragg, Environmental Defenders Office (Qld) Inc.

Ms Patricia Julien, Mackay Conservation Groups

Dr John Fallon, Queensland Competition Authority

Mr Alex Dobes, Queensland Competition Authority

Ms Ana Zolotic, Queensland Competition Authority

Mr William Copeman, Queensland Competition Authority

Mr Elton Miller, General Manager, Strategic Policy, Department of Agriculture, Fisheries and Forestry

Ms Sally Egan, Manager, Threatened Species Strategy, Department of Environment and Heritage Protection

Mr Peter Hutchison, Executive Director, Environment and Water Quality, Department of Environment and Heritage Protection

Ms Elisa Nichols, Executive Director, Reform and Innovation, Department of Environment and Heritage Protection

Ms Rachael Cronin, Executive Director, Business and Stakeholder Solutions, Department of Natural Resources and Mines

Ms Bernadette Ditchfield, Acting Executive Director, Land and Mines Policy, Department of Natural Resources and Mines

Mr John Skinner, Deputy Director-General, Policy and Program Support, Department of Natural Resources and Mines

## Appendix C – Regulatory Reform BC: Regulatory criteria checklist

### Regulatory Criteria Checklist INCLUDING SMALL BUSINESS LENS

*The purpose of the checklist is to demonstrate that legislative and regulatory changes have been developed according to the regulatory reform policy, while still protecting public health, safety and the environment.*

*Name of authorizing legislation:* \_\_\_\_\_

*Name of regulation, if applicable:* \_\_\_\_\_

*Purpose:* \_\_\_\_\_

**If the answer is “NO” to any of the below criteria, please attach an explanation.**

Regulatory Criteria	Criteria Met
<b>1. Reverse Onus: Need is Justified</b> <ul style="list-style-type: none"> <li>- Has the public policy been defined?</li> <li>- Has the scope of the public policy problem been assessed?</li> <li>- Is government intervention necessary to address the problem?</li> <li>- Can a flexible policy be designed to fit different circumstances?</li> <li>- Is there a way compliance can be voluntary?</li> </ul>	<input type="checkbox"/> YES <input type="checkbox"/> NO
<b>2. Cost-Benefit Analysis</b> <ul style="list-style-type: none"> <li>- Is the benefit to government or external partners worth the increased cost to business and those who must comply?</li> <li>- If a formal cost-benefit analysis is not required, have the impacts of the requirements been analyzed?</li> </ul>	<input type="checkbox"/> YES <input type="checkbox"/> NO
<b>3. Competitive Analysis</b> <ul style="list-style-type: none"> <li>- Has the impact of the requirements on British Columbia's economic competitiveness been assessed?</li> <li>- Have the requirements been compared with other relevant jurisdictions?</li> <li>- Have the regulatory requirements been analyzed for compliance with British Columbia's obligations under the Trade, Investment, and Labour Mobility Agreement?</li> </ul>	<input type="checkbox"/> YES <input type="checkbox"/> NO
<b>4. Streamlined Design</b> <ul style="list-style-type: none"> <li>- Do the requirements avoid or eliminate duplication or overlap with federal or local government requirements, or those of other ministries?</li> <li>- Can they be streamlined, harmonized with or incorporated into existing legislation/regulation/policy?</li> <li>- Has business process mapping been undertaken to streamline the requirements and lessen the time needed to comply?</li> </ul>	<input type="checkbox"/> YES <input type="checkbox"/> NO
<b>5. Replacement Principle</b> <ul style="list-style-type: none"> <li>- Will one regulatory requirement be eliminated for each new regulatory requirement introduced by the legislation or regulation?</li> </ul>	<input type="checkbox"/> YES <input type="checkbox"/> NO
<b>6. Results-Based Design</b> <ul style="list-style-type: none"> <li>- Does the design reflect government's commitment to regulatory requirements that are results-based and use scientific evidence?</li> <li>- Have market incentives been considered to achieve compliance and regulatory objectives?</li> </ul>	<input type="checkbox"/> YES <input type="checkbox"/> NO

**7. Transparent Development**

☐ YES ☐ NO

- Are the requirements transparent for ease of access, understanding and compliance?
- Have interested parties had an opportunity to present their views during the development of the requirements?
- Have interested parties had the opportunity to see and comment on the proposed requirements?

**8. Time and Cost of Compliance**

☐ YES ☐ NO

- Has the amount of time needed to comply been reduced?
- Can compliance occur with existing resources (e.g. no additional staff, accountant, lawyer, is required)?
- No additional paperwork is required (costing time and money). If additional paperwork results, can this be incorporated into or streamlined with existing paperwork?
- Can compliance occur without specialized training? If training is needed, is it equally accessible to the rural areas of the province and for persons who do not have access to high speed (broad band) Internet?
- Have government service standards been set (e.g. response or turnaround time)?
- Have steps been considered to ensure that those who administer the requirements will respond in a timely way to those who are affected by the requirements?

**9. Plain Language**

☐ YES ☐ NO

- Have the requirements been drafted in a way that is easy to understand and facilitates compliance?

**10. Simple Communications**

☐ YES ☐ NO

- Will this change be communicated?
- Can it be described in less than one page?
- Can it be added to existing small business information sources such as the Small Business BC website?

**11. Sunset Review/Expiry Principle**

☐ YES ☐ NO

- Has a date been set to review the requirements to ensure continued relevancy, or does the legislation or regulation contain a sunset provision for requirements to expire?

<p><b>Number of Regulatory Requirements to be added:</b></p> <p><b>Number of Regulatory Requirements to be eliminated:</b></p> <p><b>NET CHANGE:</b></p>
--

\_\_\_\_\_  
**Responsible Minister or Head of Regulatory Authority**

\_\_\_\_\_  
**Date**

**Ministry/Agency and Contact:** \_\_\_\_\_

## Statement of reservations



29 November 2012

### Inquiry into Queensland's Agriculture and Resources Industries

#### Statement of Reservation

I write in regards to the Agriculture, Resources and Environment Committee's (AREC) Inquiry into Queensland's Agriculture and Resource Industries (the inquiry).

Overall, the Labor Opposition believes there is a strong case to be made for streamlining government regulations and developing a more efficient regulatory framework in Queensland.

Indeed, it was the previous Labor Government and particularly the now axed Office of Climate Change that did all the work including initiating, consulting at length and developing collaboratively on the *Environmental Protection (Greentape Reduction) and Other Legislation Amendment Bill 2012*. This Bill was originally introduced during the 53rd Parliament in 2011, but lapsed due to the 2012 State Election. When the Newman Government reintroduced the bill in 2012 it remained largely unchanged.

I am concerned that the public hearing into the inquiry was held at a time when the Government was aware that Opposition members were required for other committee business and would be unable to attend. This meant the Opposition was unable to question stakeholders on the impact of regulations. I believe this makes for limited scrutiny and a less robust and comprehensive analysis and report.

The inquiry relies heavily on the Office of Best Practice Regulation's (OBPR) *Interim Report into Measuring and Reducing the Burden of Regulation* released in October 2012. The OBPR interim report states vegetation management regulations as one of the 'fast track areas for immediate review'. Consultation on the OBPR interim report was not extensive and did not seek views from a wide-range of organisations.

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The OBPR's flawed recommendation on vegetation management is echoed in this inquiry. The vegetation management section of the inquiry is not balanced and again does not consider a wide-range of views. The inquiry only includes quotes from the Queensland Competition Authority, Queensland Farmers Federation and AgForce and does not recognise the views of environmentalists or scientists.

The views outlined in this inquiry in relation to vegetation management also mirrors the actions and rhetoric pursued by the Minister for Natural Resources and Mines (the Minister) in relation to this area of public policy.

On 19 April 2012, the Minister announced a Crown Law review into the penalty provisions of the Vegetation Management Act 1999 (VMA). As part of the Minister's announcement and following a private meeting between the Minister and his Director-General, all investigations into alleged breaches of the VMA were suspended.

In a media release outlining the review and suspension, the Minister asserted that Queensland had an 'overly aggressive policy of compliance and prosecution in relation to the VMA.' This is an assertion that is not based on fact, research or evidence but can be interpreted in the body of the AREC report.

At the AREC estimates hearing on 12 October 2012, the Minister confirmed he had received the Crown Law advice and committed to publically release the findings, but has so far has refused to do so.

Despite the Minister's failure to release the review, he has referred to its recommendations in announcing changes to the VMA, including allowing 'certain categories of vegetation management activities' to be carried out over 10 years without the need for a further approval.

The Minister has also announced that he is considering removing the penalty provisions of the VMA entirely.

The Labor Opposition believes the heightened focus on vegetation management, including in this inquiry, is for the express purpose of watering down regulations that protect the clearing of remnant native vegetation.

As a result, the Opposition holds serious reservations about the inquiry.

Sincerely



Jackie Trad MP  
**Member for South Brisbane**  
**Deputy Chair, Agriculture, Resources and Environment Committee**