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Productivity Commission report identifies logical regulatory improvements for major projects

The Productivity Commission's latest report, *Major Project Development Assessment Processes*, underlines the inefficiencies in the regulatory processes that currently apply to major projects in Australia. More importantly, it advances a range of sensible options to streamline the current arrangements and capture the benefits of major projects and investment.

APPEA Chief Executive, David Byers, said: "The report represents one of the most comprehensive reviews of the regulatory and oversight processes that apply to resource projects in Australia. It highlights the duplicative and multiple layers of red and green tape that projects must navigate to unlock the economic benefits of our nation's resources.

"Many of the themes contained in the report, including reducing regulatory overlap and providing certainty and transparency for investors and the community, go to the very core of the damaging impacts of inefficient regulation.

"APPEA has previously highlighted the real costs associated with inefficient and unnecessary regulation. These costs are directly borne by investors through project delays and increased costs, and by the community through delays and reductions in employment opportunities and taxation contributions.

"APPEA supports the thrust of the Commission's recommendations, particularly the centerpiece focus on establishing a 'one project, one assessment, one decision' framework for approvals through bilateral assessment and approval agreements (Recommendation 7.1) and the wider use of strategic assessments (Recommendation 11.1).

"Specific recommendations for statutory timelines for assessment and approval decisions would be a big step forward if adopted and we urge the federal government to take action accordingly.

"Recommendation 6.3 in the report proposes the repeal of the 'water trigger' amendment under the EPBC Act in the event that a regulatory impact assessment of the measure suggests that the provision does not provide any meaningful benefits to the community. This is a particularly welcome recommendation for development of natural gas from coal seams.

"The water trigger was introduced into the EPBC Act in June 2013 – as the result of politics not science – and was never even subjected to the most rudimentary regulatory impact assessment process.



“With regard to other specific recommendations, APPEA believes that caution must be exercised on the proposal to allow third parties to initiate legal action to enforce the conditions that have been placed on primary approvals (Recommendation 10.4).

“The report itself identifies potential challenges with introducing such a provision, including the possibility of vexatious claims that are simply designed to delay projects.

“Further, the proposal to allow limited merits review of decisions not made by a Minister (Recommendation 9.1) could expose a project proposal to challenge by people seeking to frustrate the relevant project.

“Recent experience shows that this could add a further two years to the process of assessing and determining approval applications, which would increase cost and timing risks.

“The Federal Government’s well documented commitment to abolish unnecessary red and green tape is given further support by many of the recommendations and conclusions contained in the Commission’s Report.

“APPEA calls on all parties to recognise the benefits associated with an efficient regulatory regime, and accept the principle that streamlined approvals processes do not mean less rigorous or transparent protection of the environment.

“The industry will carefully examine all of the recommendations contained in the report, and will seek to engage with the new Government on the implementation process.”

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