

8 June 2007

Mr Mike Woods
Commissioner
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

via: regulatoryburdens@pc.gov.au

Dear Mr Woods,

Thank you for the opportunity to provide a submission on the Productivity Commission's issues paper *Annual Review of Regulatory Burdens on Business – Primary Sector* dated April 2007. The development of the issues paper combined with your meeting whilst in Brisbane is an excellent model of consultation.

The Queensland Resources Council is a non-government organisation representing companies that have an interest in exploration, mining, minerals processing, gas and energy production. It is the resource industry's key policy-making body in Queensland, working with all levels of Government, interest groups and the community.

The Queensland Resource Council acknowledges the Commission's efforts in identifying specific areas of regulation that are unnecessarily burdensome, complex or redundant, including the duplication of regulations, or the role of regulatory bodies, throughout Australia.

QRC supports the Taskforce on Reducing the Regulatory Burden on Business principles for good regulatory process principles, specifically:

- Governments should not act to address 'problems' through regulation unless a case for action has been clearly established. This should include evaluating and explaining why existing measures are not sufficient to deal with the issue.
- A range of feasible policy options — including self-regulatory and co-regulatory approaches — need to be assessed within a cost-benefit framework (including analysis of compliance costs and, where relevant, risk).
- Only the option that generates the greatest net benefit for the community, taking into account all the impacts, should be adopted.
- Effective guidance should be provided to regulators and regulated parties to ensure that the policy intent of the regulation is clear, as well as what is needed to be compliant.
- Mechanisms such as sunset clauses or periodic reviews need to be built in to legislation to ensure that regulation remains relevant and effective over time.
- There needs to be effective consultation with regulated parties at the key stages of regulation-making and administration.

It is the Queensland Resource Council's view that the combination of unnecessary and poorly administered regulation imposes substantial costs on the Queensland resources sector.

Of particular concern is the need for improvements to the administration of regulatory regimes to provide frameworks which secure an environment conducive to the long term sustainability of the minerals and energy sector in Queensland. As we discussed, the Minerals Council of Australia's (MCA) development approvals scorecard has highlighted that the total impact of a regulation depends on the combination of the clarity of the drafting of the regulatory instrument as well as the manner in which it is administered.

QRC remains concerned that the MCA's scorecard indicated that while many of Queensland's regulations are technically good, their implementation and administration is weaker. QRC believes that this reflects under-resourcing of the administration of regulation – which causes uncertainty, delay and increases costs. While legislated regulatory regimes may provide an excellent framework, this good work is effectively lost if the implementation and operational aspects are not afforded the appropriate level of resourcing or bureaucratic priority in Queensland.

This is evident by recent QRC submissions (attached) which highlight the associated costs and burdens of inadequate regulatory frameworks, including:

- Unnecessary duplication in reporting requirements, particularly where these duplications are inconsistent – such as the proposed inclusion of greenhouse gas reporting requirements within the National Pollution Inventory framework, while development of a purpose-built greenhouse gas reporting program is concurrently being undertaken by State and Federal Governments. QRC's recent submission on the development of the National Pollutants Inventory is attached.
- Unnecessarily complex regulation and decisions which are effectively made in isolation although provide consequential impacts on the actual commercial operations of integrated supply chains – for example the economic regulation of certain parts of export supply chains (regulated port and regulated below-rail infrastructure) made in isolation. In addition different aspects of the operation of the same export infrastructure are regulated by different jurisdictions – for example ship queuing in the port is regulated by ACCC whereas the price and return of (some) ports in Queensland are regulated by the QCA.
- Cumbersome processes in relation to the economic regulation of key export-related infrastructure can result in excessive time delays in obtaining regulatory decisions, particularly where the regulated entity is either not resourced to manage the regulatory process or is passively resisting the regulatory process, have clearly provided significant delays for commencing critical infrastructure planning and provided for consequential construction delays.

- Excessive reporting requirements – the burdens of reporting and compliance should be consistent to the extent necessary with complementary programmes and reflect workable arrangements for all sectors within the resource industry, particularly at an operational level. Clearly, given the multitude of reporting programmes which cover energy or greenhouse gas, either currently in operation or being considered, there is need for streamlining to provide for consistency and consolidation of reporting requirements. A copy of QRC's submissions on emissions trading to the State Based Emission Trading Task Force and the Prime Ministerial Task Group on Emissions Trading is attached.

To this end, I have attached a series of QRC submissions in relation to these matters to assist in your review.

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Yours sincerely



Michael Roche
Chief Executive

ENCLOSED:

- QRC's pre-budget submission
- Submission on the Northern Economic Triangle
- Emissions Trading Submissions – State and Federal
- MCA scorecard
- NPI submission
- QRC submission on the Queensland Competition Authority's Final Decision
- Energy Efficiency Opportunities Programme – Monitoring