AGRICULTURE, RESOURCES AND ENVIRONMENT SUB-COMMITTEE

Members present:

Mr IP Rickuss (Chair)
Mr S Knuth MP
Mr JM Krause MP
Ms MA Maddern MP

Staff present:

Mr R Hansen (Research Director)
Mr M Gorringe (Principal Research Officer)

INQUIRY INTO REDUCING REGULATORY BURDENS ON QUEENSLAND'S AGRICULTURE AND RESOURCES INDUSTRY

TRANSCRIPT OF PROCEEDINGS

FRIDAY, 16 NOVEMBER 2012

Brisbane

FRIDAY, 16 NOVEMBER 2012

Committee met at 8.01 am

CHAIR: Good morning, ladies and gentlemen. Welcome to today's hearing. I declare this meeting of the Agriculture, Resources and Environment Committee open. I acknowledge the traditional owners of the land on which this meeting is taking place. I am Ian Rickuss, the member for Lockyer and chair of the committee. I want to introduce the other members of the committee: Shane Knuth, who is the deputy chair of this subcommittee, the member for Dalrymple; Anne Maddern, the member for Maryborough; and Jon Krause, the member for Beaudesert. The committee is meeting today to receive submissions in relation to the committee's inquiry into reducing regulatory burdens on Queensland's agriculture and resources industry. This afternoon the committee will also receive a briefing from the Department of Environment and Heritage Protection, the department of natural resources and the Department of Agriculture, Fisheries and Forestry. Please note that this meeting is being broadcast live via the parliament of Queensland's website. The meeting is also being transcribed by Hansard.

LAWS, Dr Nicki, Oakey Coal Action Alliance

CHAIR: Dr Laws, would you like to make an opening statement?

Dr Laws: Good morning, Mr Chair and members of the committee. Thank you for the opportunity to speak before the inquiry into reducing regulatory burdens for Queensland's agricultural and resources sector. I speak on behalf of the Oakey Coal Action Alliance, or OCAA. We formed primarily to oppose the stage 3 expansion of the new Acland mine near Oakey but just as importantly to champion our local communities and the productive farm land which is the heart of our district. Some of our members have been through the decade-long process of approval and operation of stage 1 and 2 open-cut mines at Acland and we have now all experienced the stage 3 EIS process which is a project of state significance. We have engaged along the way with ministers from past and present Queensland governments and past and present Coordinators-General. We have participated in federal Senate inquiries, run several food security forums and liaised with local government, Doctors for the Environment, Environmental Defenders Office, welfare agencies and perhaps even Alan Jones. We learnt last week that stage 3 is dead and buried and further expansion plans require the process to begin again as a significantly altered project.

I reiterate that the issues being addressed by us are resource extraction in existing, functioning, healthy and sustainable food-producing environments, and as a nation we must value the natural social and economic capital which cropping and mixed farming represent. Australia is carving up its agricultural land at the rate of one per cent per annum and we hear of this government's commitment of doubling food production by 2040 to meet global food shortages. We feel that the permanent loss of many thousands of hectares of farm land such as we are seeing in our district will not help reach this goal, nor the destruction of aquifers. We also feel that the conflict between mining and food production means that this state is currently at a declining point in its growth in history.

With our experience we feel we are credentialled to comment on the current regulatory framework from a community perspective, at least with regard to mining. We have noticed that the inquiry issues paper actually only talks about the burden to business and the government. We hope that further releases also reflect the huge burden that at least resource industry encroachment represents to communities and families. So this issue then becomes a three way one between government, mining and community. Looking at it in another way, mining projects are damaging and intrusive and the proponents expect regulation. Governments are duty bound to provide a framework to prevent excess environmental harm, so it is actually the host communities that bear the main brunt of unsolicited, unwelcomed, expensive and confounding bureaucratic processes. We feel it is a fairer and more clearly independent regulation that is required, not necessarily fewer pages of regulation.

Beyond review of the COAG principles, our first point is that some proposals should not be allowed in the first place. So if mining exploration permits are not granted in heavily settled areas, on good quality agricultural land or, we think, particularly in areas with a strong pre-existing agricultural base where a significant number of family farms will be displaced, then any regulatory burden would be avoided. These applications are likely to be more sustained and effectively opposed in the future as communities like ours become better educated, better connected and organised. Secondly, our experience has convinced us that no selfish assessment should occur. It should be performed by independent consultants funded by the resource company. We agreed strongly with the Queensland Murray-Darling Committee in saying that the quality of information provided by development proponents during the EIS is often inadequate to address environmental and social harms. We can give numerous examples of this using the stage 3 EIS process, but just a couple were that the base case economic scenario for the Acland district was listed as zero because there was no mining currently happening there. This is ridiculous when the $22 million to $36 million per annum cash income from the 60-odd Acland farms was already present. We also heard many sweeping environmental statements such as diverting and mining a watercourse for eight kilometres would not matter because afterwards it would be put back better than before.

Our third main point is, we believe, a far-sighted one. A clause in the Queensland Mineral Resources Act—section 269(4)(k)—applies a public interest test at the Land Court level, so we have suggested that before any mining project begins an approval process—so even before terms of reference and the EIS process starts—on a case-by-case basis the proposal should undergo this public interest test. This could be a six- or 12-month consultative process funded by the proponent but performed by independent experts so that a detailed social and true economic impact study should be the fundamental basis of advancement or rejection of any projects. Again, it is not in the interests of any of the stakeholders to have lengthy, expensive and potentially unsuccessful application processes which could be pre-empted by a more equitable approach.

The most vexed issue for regulators, resource companies and impacted communities seems to be that of dust and noise emissions. Unfortunately, Queensland monitoring and reporting lag behind other states in a serious way, as we have witnessed firsthand at Jondaryan with the coal dump. We feel that these discrepancies between states and companies should be corrected and applied to all current mine operations, so we agree with the statement that there should be better policy development. There are best practice manuals written for Queensland and interstate regarding coal-handling procedures, rail-loading procedures and dust and noise minimisation. We suggest that an environmental protection policy on dust could be legislated under the EPA 1994, so these improved standards could be adopted as government environmental management standards for all mine approvals, including retrospective approvals. This would greatly reduce the huge burden of complaints and complaint handling and streamline the approval processes.

We hear much about the potential of the regional planning process and welcome input into this process. So our final and, I guess, our most important point is that we hope that the government is courageous and visionary enough to use this process widely and legislate to exclude food bowl areas like ours as clear no-go zones and not just bowing to an influential mining sector. We feel that the long-term economic development of this state, which is part of the remit of this committee, actually depends on this approach. So thank you for your attention and I am happy to answer questions.

CHAIR: Thank you, Nicki. Did you say stage 3 is now being reviewed again?

Dr Laws: I am having a little bit of trouble hearing you. I hope you can hear me clearly.

CHAIR: Yes, we can hear you very clearly.

Dr Laws: I think you asked about stage 3. We contacted the Coordinator-General's office last week and it has been followed up by media releases from the company and the government this week that it is back to the drawing board for a new project which will be revised in scale and output. There are a couple of concessions such as leaving Acland alone and reduced impact on agricultural land, but we do feel that the battle goes on.

Mr KRAUSE: I think, Dr Laws, there are more than a couple of concessions. I saw some of those media reports and the overall size of the mine was 63 per cent smaller.

Dr Laws: Sorry, but I just heard the last bit about the size of the mine being smaller.

Mr KRAUSE: Yes. So it is a different project altogether being spoken about now.

Dr Laws: Yes.

CHAIR: Acland of course has been a coalmine since before the war.

Dr Laws: A long time, since 1913. It was an underground mine that operated until 1984, but we are talking about two different things. We are not—

CHAIR: Yes, I certainly understand that.

Dr Laws: It was a very low production mine. It was 1,000 tonnes per annum. It was ridiculously low. It was dug out by hand. Actually, an underground mine in those days was very sustainable because the mine went under the township and so people lived and farmed above the mine. We always hear the story that there is a long history of mining there, but it was a completely different process and impact.

CHAIR: I do know the Acland area fairly well. Is there only one resident left in the town?

Dr Laws: And a tenant, yes. Most of the houses have been resumed.

CHAIR: Is there dust coming from the mining operation, or are you more concerned with the dust that is coming from the storage?

Dr Laws: Yes, both actually. There are 90 families at Jondaryan, and I guess it is a numbers game there. They are most impacted because of their proximity to that dump which we are trying to get closed, but there are also farming families around Acland, Muldu, Balgowan and that area. Our concern is that a footprint of a mine is not just what they are mining; it actually squeezes out other families and other farms, and we have seen this happening already where people cannot tolerate living close to the mine and so they end up having these prolonged negotiations with the company to sell out because their lifestyles are terrible. So maybe it was only 50 farms they needed to mine, but they have to buy farms basically to make a buffer zone because of the living conditions.

We are trying to stress—and I think this is probably an important message—that we must not negate the economic impact of family farms. If you close down 60 small to medium size businesses such as happened at Acland that has a dire economic consequence on your community which in our case has

been Oakey. We have seen another 30 businesses shut. You cannot say that Oakey is a boom mining town, it is far from it. We are just saying that the impacts of closing large numbers of farms is far different from, say, a Central Queensland mine which buys up and mines one or two extensive grazing properties.

CHAIR: Certainly. I do know a dairy farmer at Acland who closed his dairy farm down not because of the mine but because there was no-one to carry on the dairy farm. Just tell me this: has the company been good to deal with in buying up those buffer zone type farms?

Dr Laws: Yes and no. I think some farmers are happy to go—that has been the feedback—it might be pressure from their wives or whatever. At the end of it they just want to leave. I think some of the negotiations have been very hard fought. A few people who have talked to us have been left in not good financial straits and without homes. For one in particular—it is a complicated story—it was the daughter's property and she had a new brick home on it. We always have to be aware that it does get down to the nitty gritty for different families. A lot of people have told us that they do not feel they have been fairly treated.

Maybe there should be a more open way for these resource companies to deal with people without confidentiality clauses and without restrictions on who they can speak to and what they are allowed to say. People feel that they really are the disadvantaged party. They have to leave and they have to accept what is offered.

Mrs MADDERN: Just to get back to the regulatory burden. If I am reading what you are saying correctly, you feel that in areas like Acland where it is very intensively farmed to reduce the regulatory burden you think that it should not be allowed to be mined at all? So you do not even get past first base, is that what you are saying?

Dr Laws: Yes, I am. I feel that in the regulation there should be clear no-go zones. I suppose they started that process with strategic cropping land and the boundary around communities of over 1,000 people. I think the last government put that in place. So that is the start. But the brush strokes need to be broader. We have seen the economic impacts of the closure of a large number of family farms. It is not just us, it is Millmerran and Wondoan. Millmerran lost 25 big farms and Wondoan 40 mixed grazing properties and us over 60. You are killing off business and a pre-existing agricultural based economy. That seems to us to be economic madness.

It is okay to support another industry that can talk about jobs and what it brings to the state, but we have actually done a fairly indepth economic analysis and at least for the first few stages of this mine there were probably as many jobs in agriculture. You have quite intense local economic cycles with farming. They are not necessarily hugely profitable, but they involve a lot of people and lot of upstream and downstream businesses—the local schools and school bus driver. If you take the people out of the equation and those farming economic cycles out of the equation and it really hurts a local community. So, yes, we do feel that there should be greater restrictions on where mines can go.

CHAIR: Thank you very much for that very comprehensive—

Dr Laws: Thank you again for the opportunity and to hook up by phone as well.

Mr KNUTH: I have quite a number of coalmines in my electorate. As an example, Moranbah is a massive coalmining town. When there was a push for development within the vicinity of the mining town what I saw was all the mining families bail up because they had great concerns about the hazards such as silicon dust. When you saw the inquiry into reducing the regulatory burden did you look at areas like Oakey as an example where the lives of families are being ruined and there has been economic impacts on farming operations and did that gave you the passion to bring another side of the story here today?

Dr Laws: Yes, I think it did. We certainly look at other mining areas, but we are probably most qualified to talk about what is happening to us. We have a 10-year case study and we feel it is quite important to look retrospectively at what mining does in a food bowl area. It is a fairly specific case. I know there are a lot of issues at Moranbah. But if you look at our example we have had 10 years of a gradually increasing mine in a very densely settled agriculture area. There are not too many areas in Queensland where you can say that that has happened. It is definitely population density and farm density that is critical.

Mr KNUTH: That is good, Nicki. When you have a massive mining community where their livelihood is coal and they are concerned about the coalmine at their doorstep, I can see where you are coming from and understand the farming community's concern in relation to coalmining.

Dr Laws: That is exactly right. The other thing we question strongly is defining the host community. They defined the host community in our EIS as the Darling Downs statistical division. That is a massive area. It is stretches from Goondiwindi to Taroom. At the last census there were only three or four miners who actually lived in Oakey. We are the host economy and the host community.

These EIS statements should actually talk about the true host community. We are not a mining community like Moranbah, Mount Isa and other places. You can see the big shift now 10 years down the track between the range of jobs. We are losing all those agricultural based jobs and a lot of the light manufacturing jobs, such as those at silos and so on, because they were linked to farming. We have lost that and we are shifting in what we believe is a quite slow and painful process without the benefit.

CHAIR: Thank you, Nicki. I recommend that you listen to the rest of the hearings online.

Dr Laws: Thank you very much, I will.

HAYTER, Ms Frances, Director, Environment Policy, Queensland Resources Council

MULDER, Ms Katie-Ann Louise, Resources Adviser, Queensland Resources Council

CHAIR: I welcome the representatives from the Queensland Resources Council. Would you like to make an opening statement?

Ms Mulder: Thank you for letting us present to you today. It is very much an inquiry that the Queensland Resources Council is interested in. We did provide a submission to the committee. Our objective today is not to walk you through the whole submission point by point. Hopefully, you have read it or some time in the future you will get to read it. I just wanted to point out some key points and bring to your attention some additional things that were not outlined in the Queensland Resources Council's submission.

CHAIR: Please go ahead.

Ms Mulder: Firstly, I would like to apologise for the author's absence today. He is actually in a regional planning meeting up north. So he sends his apologies for not being here.

There are a few things that we wanted to run through with the committee which were mentioned in our submission. One of the things we outlined was the Minerals Council of Australia's scorecard study that occurred back in 2006. Currently the QRC is involved in updating that work. We believe that it will be quite useful to look at other jurisdictions' regulation. That is quite important work. We were hoping to table that with you today, but, unfortunately, it is not available. If you are interested, I would like to provide that to the committee in the future.

From what I have seen in other people's submissions but not explicitly pointed out in the QRC submission is the review being conducted by the Office of Best Practice Regulations at the moment. I understand that they have some issues papers out at the moment. We have provided a submission to that review. We do look forward to the final report in January next year.

Another key component of our submission was a process that QRC was heavily involved in back in 2010—it was started by the then government in 2009—which was the streamlining of approvals. So what is quite important to the resources industry is actually getting projects on the ground not only quickly but in a timely manner. The approvals process is risk based. They assess the issues that are brought up in the terms of reference as such and approvals are provided in a timely manner.

There were three aspects of that report back in 2010. Michael Roche chaired that process. There were three main recommendations. They were certainty of scope, certainty of pace and regulatory certainty. That is something we have continued to aim for in future regulatory reform processes. Those three aspects are very important in terms of making sure that we do get timely approvals and we do have regulatory certainty.

Recently we saw retrospective legislation imposed on industry such as that relating to the urban restricted area. Moving the regulatory goalposts for industry creates a lot of uncertainty of investment, especially when investment has already been put into certain assets, not just in regional areas but across Queensland. That does have an impact. That is what we wanted to bring to the committee's attention today.

Just recently the Queensland Resources Council released a report—the *Queensland Exploration Scorecard*. This is an annual report. The first one came out last year. I would like to table that today. It has interesting findings.

CHAIR: The committee accepts the tabling of that document.

Ms Mulder: It is also publicly available. Page 24 is the most relevant to our submission. The graphs show that the approval times for exploration for coal and minerals are the lowest they have ever been. At the same time, we are seeing more applications being received every year. That links into what we also talked about in our submission in terms of effective regulation and how adequate resourcing actually really makes a difference. One of our recommendations in the Queensland scorecard that we provided to government was that there needs to be adequate resourcing of the department of mines and energy.

I wanted to raise an additional concern. Going back to the supporting resource sector growth report that happened in 2010, one of the recurring themes that is relevant today is the regional planning process and providing regulatory certainty to industry through that process. We are still quite uncertain about how it will play out in a lot of aspects, but we hope that it is developed and implemented with care.

CHAIR: Frances, would you like to make any opening statements?

Ms Hayter: I guess the summary of what Katie was saying, which probably came through quite clearly, is that there is a plethora of other information out there and reviews being done on a national level and of course at a state level. The Queensland Competition Authority is one that is substantial. The industry does have a strong fear that we are only seeing an increase in regulation and the potential for regulation. We have had some work with streamlining and the green tape act, but we still have that fear and it is really important in terms of encouraging the long-term future of the industry.

Our overriding theme—and it is something we say regularly, and apologies if you are bored with us saying it—is that our aim is to have certainty of process, not certainty of outcome. It is actually the process part and the increasing amount of process that scares companies, rather than automatically accepting that they will get an approval.

CHAIR: I am sorry for this question being so blunt, but what percentage of miners are actually involved with the Queensland Resources Council?

Ms Hayter: We have 90 full members—which is a combination of miners and explorers and minerals processors, but in terms of on ground—which is something like 90 per cent, or it may even be a bit more. I can take that on notice. I would say that, as a representative organisation, when we are presenting an industry view it is probably as close to an industry view as you can get.

CHAIR: As I am sure you are aware, some miners have a fairly good reputation whereas others leave quite a bit to be desired. Of course that trust does not build up. If one loses trust, then you lose trust in the whole lot. I know Santos has been working extremely hard to try to give a credible face to the community; it already has a fairly credible name. It is out there promoting itself as a good neighbour and all that sort of thing, whereas I could name a few others which are more pointed at being not a very appropriate neighbour or land dealer. Could I encourage you to ensure that all of your members are aware of the fact that one bad apple spoils the barrel a bit. That is one thing I would like to say.

Ms Hayter: Could I give a very quick response to that. We would like to say that you are absolutely right and I think that is a problem. That is one of the reasons why regulation ends up being about the lowest common denominator. At QRC we do not give our companies a pat on the back for not doing the right thing, but I think the problem then becomes that, because it is about that lowest common denominator, it loses the context of a risk based approach. So if you are always regulating for that, you are going to end up with something this big, whereas if there was actually a proper analysis of the extent of the issue, you may not need legislation that big and then you focus on enforcement. We have got absolutely no problems with giving as big a boot up the bottom as we can if people are not compliant.

CHAIR: So there is real enforcement on the people who are the wrongdoers.

Ms Hayter: That is right, rather than this much legislation.

CHAIR: I am a bit positive about regional planning. I have seen it sort of managed with the South East Queensland Regional Plan, and I have got a large area in South-East Queensland. Is the Queensland Resources Council waiting for the response, or are you quite happy with the way the regional planning stuff is going to go?

Ms Mulder: Overall, we are very supportive of regional planning. Andrew Barger, who could not be here today, is being represented on those regional planning working groups. I think he is quite positive.

Ms Hayter: Again, I think our biggest concern is that it is being done very rapidly. I know the Deputy Premier has a particular focus on trying to get things done by a certain time, which is good, but it should not be at the risk of making decisions about very important aspects without full levels of information. We have actually been working with our agricultural colleagues, our relevant conservation groups and LGAQ even, and we share very similar concerns about the pace of it.

I guess the biggest issue for us relates to the fact that the law is that the minerals belong to all the people of Queensland and the decisions should continue to be made by the state government. There still seems to be a pretty big vibe, if you like, in the regional planning process that we have seen so far that there will be no-go zones for the resources sector, and we think that is an inappropriate place for that approval process to sit.

CHAIR: Planning documents are always moving documents, so I am sure there will be some amendments made to it even after it is introduced.

Mr KRAUSE: You spoke earlier about changing policy and regulation from the government point of view. Are you able to give a couple of examples? Ms Mulder, you might have used the term 'moving the goalpost'. Could you give a couple of examples of how that has happened, not only in this term but in previous terms, and how it affects your members?

Ms Mulder: Sure. One example I gave was with the urban encroachment policy which actually removed quite a lot of existing exploration tenements around a particular buffer zone, around a population of 1,000. The 1,000 was brought up by the Australian Bureau of Statistics. That whole process was handled quite well, in that I understand the department did offer some terms of relinquishment holidays for some tenement holders that were eligible to do that. But, as with everything, it was not something that you could offset to everybody basically.

The mining tenement is essentially an asset—they have spent quite a lot of money in terms of complying with their work program, which they promised the government they would undertake. They have spent the set amount of money that they promised to spend in developing that land to reach a higher form of tenure to get to production and hence a benefit back to the state in the form of a royalty.

I guess when you take those existing tenement rights away, there is always a fear in future investment in the industry. We saw that policy decision happen very close after the North Stradbroke Island decision, whereby it was actually a producing mine where the current tenure was being cut short. That is a worry when you do put in quite a lot of your time, money and effort and you have shareholders and that is taken away without any sort of consultation. It was a decision that for us was quite a surprise.

Mr KRAUSE: Can I ask one more question. In relation to the planning process, you have said that the minerals in the ground are the state's assets. If planning documents and planning processes are not the place to set out no-go zones, if there are to be any, how else would you suggest that be implemented from a policy point of view?

Ms Hayter: We could take that on notice as well. I think the point about regional planning is that its fundamental purpose is about local government areas and local government decision making in regards to what is allowed and what is not and change in use and SPA basically. Regional plans are under SPA. The position of QRC is that it is very difficult for a local government to make a decision about something of state significance, such as the location of minerals. I think it is important to remember that minerals are where minerals are. You can move a housing development or a tourism development, but you cannot move where the minerals are.

As for where that process is in terms of approvals and considering the appropriateness, there are clear processes within the Mineral Resources Act, the Environmental Protection Act, any accompanying infrastructure and native title processes—so it already exists. I think that was the significant problem with the 1,000 and even the strategic cropping land. That is, there are systems and rules in place to assess whether mining is appropriate. We could suggest that maybe it was a little silly for a particular exploration company to have attempted to peg over the middle of Toowoomba, but the reality is they would never have been able to go into production anyway because there are some very strict rules about distances from residents. It is there, I think is the answer, which is when you end up with the duplication.

CHAIR: Thank you for that. In summing-up, I have looked at maps recently; in relation to the amount of exploration tenements, it is almost like trying to make a million bucks by buying an exploration tenement. That probably has not helped the industry now because every block of freehold land has an exploration permit over it. If you look at it over the last 20 years, it has dramatically increased. A lot of it has been very speculative investment, of course.

Ms Hayter: I would agree that, as a community social licence to operate exercise, it is very scary when you look at a map. I would be scared if there was an exploration permit. But what is the average in terms of how many holes you have to drill? It is something like only one per cent; it is something diabolically tiny. Again, you still have the existing processes. It does not equal a hole in the ground but, yes, we do accept that if that is over your place that is not a comfort.

CHAIR: That is right. Like I said, a lot of the stuff that has happened just recently has been very speculative.

Ms Hayter: I think the government are seriously looking at this. They have made some fairly strict changes about the length of time an EP can be held and the way it needs to be reported et cetera. So again that is there.

CHAIR: Thank you very much for coming this morning. You are quite welcome to stay and listen to the other witnesses.

Ms Hayter: If you have any further questions that we did not have time to get to, feel free to contact us.

CHAIR: Thank you for the responses you have made to the committee already.

ROBINS, Mr Wayne, Senior Manager, Policy and Research, Australasian Institute of Mining and Metallurgy

CHAIR: Good morning, Wayne. Thank you for appearing via teleconference. I am the chair of the Agriculture, Resources and Environment Committee in Queensland, and we are glad you could be on the line this morning. I am sorry that we are a few minutes late but we will try to catch up the time. Could you give us an overview of who you represent and your thoughts about the process so far?

Mr Robins: Thanks for the opportunity to make a submission and to appear today. The Australasian Institute of Mining and Metallurgy is the professionals' institute for industry professionals working within the mining sector. Obviously we know and work with the QRC representing the companies in the mining sector quite well, but our perspective is a bit different—that is, we focus on the interests of the professionals working within the industry. AusIMM has a pretty strong focus on professional development, building and sharing best practice in minerals, professional activity and obviously the policy advocacy on behalf of our members. I am going to speak at a fairly high level about regulation reform and regulatory efficiency type issues. I will run through that pretty quickly and if there are any questions I welcome them.

The starting point is a pretty obvious one. Regulation is a pretty powerful tool of government to intervene in marketplaces, and obviously regulation should only be made when there is a clear need to intervene in the market. One thing that we believe the Queensland parliament could make more use of is independent reviewers where regulation is either being considered as a new thing or a regulation review comes up. It is a very difficult thing for a regulator that has a decade or more of experience in administering a particular regulation to step back from that and think about the alternative approaches that could be taken. So in order to get more innovation into the system, in order to get more objective decision making about whether regulations are really needed, an independent perspective is something that can often be very useful. It is good to see that the Queensland Competition Authority's scope is changing and that they are coming in to talk to the committee later today. They might actually be a very good body to play the independent role in many cases.

I heard my QRC colleagues talking about the importance of risk based regulation, and that is certainly something from an AusIMM perspective we strongly support. The idea of designing regulations to combat and deal with the lowest common denominator in any particular industry and then applying that standard to every player in the industry obviously has a lot of potential to impose significant costs on companies that are doing the right thing and that are trying very hard to do the right thing.

We understand that risk based regulation is a very difficult thing to do in practise but something that is well worth investing in. I have an example for you. To make it a simple one I am using an agriculture example. In terms of risk based regulation, one of the areas where we think there is a lot of opportunity to do this is for regulators to better understand what are the market forces that companies are working within. Markets really influence and drive the behaviour of companies, and market pressures and demands often require companies to do the same sorts of things that regulators do.

So to give one simple example: in the agriculture setting, if I am a farmer who wants organic certification, then I have to do a lot of work to prove to the market that I am at that standard and that I do not use pesticides. Obviously regulators are very interested in the use of pesticides. For a regulator, they can look at the fact that a company has an organic certification and say, 'All right, the market already has a really good standard imposed on that company. They are low risk to us from a perspective of misusing pesticides. We do not need to put much effort into it.' Maybe that is something that can be considered more broadly in terms of the way agriculture and resources are regulated where there are particular market pressures that require companies to do the right thing. In that way the regulators can then focus on those businesses that are much less likely to be doing the right thing and are therefore a higher risk.

CHAIR: Thank you, Wayne. You were talking about independent reviewers, but aren't most of the independent people involved in the Institute of Mining and Metallurgy dependent on mine owners and mining companies for a living?

Mr Robins: I am not suggesting that the institute should be an independent reviewer.

CHAIR: No. I mean the people who are members and work. It is a bit like biting the hand that feeds you—for example, if you are a geologist and you go out and write really tough reports on every mine, isn't it?

Mr Robins: I think you are misunderstanding the point that I was trying to make which is that when a regulation is being made, rather than having, for example, the department of environment reviewing its own regulation that it has been administering for 10 years on its own, you really need someone independent of the administration of that regulation to also be taking a look at what are the possible alternative approaches, what are the ways that we could achieve the outcome that government and parliament is trying to achieve. It is a different model.

CHAIR: So you are talking about wider consultation on regulations and reviewing regulations.

Mrs MADDERN: Just on that, who would you suggest then would be an appropriate person or organisation to do that review?

Mr Robins: I was suggesting that the Queensland Competition Authority might be an organisation that is well placed to do that, in the same way that the Productivity Commission does at the Commonwealth level and the Victorian Competition and Efficiency Commission often does at the Victorian level.

CHAIR: You were talking about market forces. In 2002 the coal price was about $25 a tonne and it went up to $170 a tonne, and now it is back to about $70 a tonne. My old man had a saying, 'You can't be green if you are in the red.' When the companies were making the big dollars, were they more responsive to regulations while there was plenty of profits around or less responsive?

Mr Robins: I think that is a very challenging question, and in part it is about the culture of the particular business. The vast majority of businesses want to do the right thing all the time. But you are absolutely right that when market conditions are tough it can be harder to do that or you can lose concentration on that particular issue. But one thing to consider in terms of market forces is that it is not just about the price. If the coal is being imported by a Japanese company and that Japanese company says, 'We will only buy your coal if you prove to us that you perform to the highest environmental standards,' then that is a very, very strong driver for that company, and it is something that the EPA can take into account in considering how they regulate that company—how often they need to inspect that company and what sort of a risk that company poses to the environment. So they are the sorts of market forces that we think can be more effectively used by the parliament and the government and the regulators in order to really have an effective risk based approach.

CHAIR: That is very interesting. Thank you.

Mr KRAUSE: I just wanted to ask if you could provide an example of where you see there could be too many regulations making it difficult for businesses to carry on or start projects in the resources sector.

Mr Robins: I would need to take that question on notice because working nationally and personally being relatively new to the job—

Mr KRAUSE: It is a hard question.

Mr Robins:—I am not terribly familiar with the detail of Queensland. But one thing that we mentioned in our submission and is certainly important is the whole issue of making sure that when regulations are being made there is not overlap with other existing regulations and that, to the extent possible and to the extent that it is actually cost-effective for everyone to do it, there is consistency between jurisdictions. So one of the ideas that we have put forward is that perhaps one of the mandated components of an IRS in Queensland should be doing a bit of an analysis of is there are any overlap and, if so, why is that overlap justified and also doing an analysis of how other Australian states and territories regulate that particular issue and ideally taking similar sorts of approaches, unless of course being consistent imposes unnecessary costs for government and businesses.

Mr KNUTH: This could be a similar question to the one John asked but it can be a complicated question so I understand why you may not be able to answer it. But the Queensland Resources Council mentioned this before and you mentioned about imposing the lowest common denominator and applying that to everyone. That includes imposing it on those who are doing the wrong thing and those who are doing the right thing. When we look at the regulation, what do you see there that could be relaxed for those who are doing the right thing?

Mr Robins: That is a very good question. I think what it boils down to is that the regulations in terms of the black letter law do not change because they set out the expectations and the requirements of all companies. What we are talking about when it comes to risk based regulation is really the way those regulations are administered and the way they are applied to different businesses. I have heard the committee talking about the fact that there are many businesses that have a really solid reputation and are known for doing the right thing and are working very hard to have good relationships with their communities. If the regulators can take that into account in the way that they schedule their inspections, their audits, their expectations in terms of what level of change in a particular business needs regulatory oversight, then that is risk based regulation and it frees the regulator up to really focus on the businesses that have a high potential to do the wrong thing—which is better for the regulator, better for the community in terms of outcomes and means that the very good businesses who are doing the right thing and working very hard at that do not have unnecessary delays or costs in dealing with processes that, frankly, they have already been on top of and looked after.

CHAIR: Thank you. I think it was Eisenhower who said, 'Speak softly but carry a very big stick.'

Mr Robins: Indeed, and QRC said something very similar, didn't they?

CHAIR: That is right. Thank you very much for making yourself available this morning, Wayne. If you have anything else you would like to submit to the committee before we bring down our final report, please do so.

Mr Robins: Thank you.

MALES, Mr Warren, Head-Economics, Canegrowers

CHAIR: Welcome, Warren Males, from Canegrowers. I am surprised you are not out on the reef fishing.

Mr KNUTH: Where are you based, Warren?

Mr Males: I am based in Brisbane.

CHAIR: Would you like to give us a bit of an introduction about the regulation, because I know there has been a fair bit imposed upon cane growers over recent times?

Mr Males: Thanks, chairman and committee members. My name is Warren Males. I am the head economist with Canegrowers, based here in Brisbane. I joined the sugar industry a long time ago in 1991 and joined Canegrowers more recently in January this year. Over that time I have seen a number of ebbs and flows in the sugar industry, if I can describe it in that way—periods of rapid expansion and periods of economic hardship, particularly during the early part of the last decade. I am pleased to say that the industry now is on another upswing, which is fantastic for the coastal communities of Queensland and the prosperity therein.

In terms of the issues before your committee, Canegrowers is concerned that the regulatory burden on our industry is far too onerous. Previous government policies governing environmental management and economic development we feel were too skewed in one direction, and of course that direction was towards the environment and at the cost of the farming communities. We believe that those regulations have not achieved their desired outcomes. In terms of those environmental outcomes, we have seen punitive vegetative management. Chemical and nutrient regulations have really increased costs and reduced industry productivity and, in doing so, particularly through some of the difficult years that we have experienced, they did threaten the economic viability of the industry and with it the regional communities in North Queensland.

I have to say that there are no demonstrable environmental benefits of many of the policies that have been in place. One example is the case of vegetative management where the clearing restriction applied to everyone but not to the resources sector and not to the construction industry for urban development. Effectively, that left agriculture as the only sector without exemption under that particular act.

Also, I would like to draw your attention to the fact that the industry is taking proactive steps to managing the local environment. We believe that our members, the sugar canegrowers, are the natural stewards of the land. The soil and the waterways on their farms are vital inputs to their farming activities and their farming systems. When you look at the nature of farming and the intergenerational transfers that go along, it is quite clearly in the farmer's economic interests and for current and future generations that they do look after the land that they are farming. We are seeing Landcare groups delivering real improvements in waterways. We are seeing the revegetation of wetlands, not in response to industry regulations but in response to sound farm management practices.

Canegrowers, leading up to the last election, was very encouraging of both parties to remove red and green tape as an election commitment. The LNP was quite supportive in opposition and since coming to government I am pleased to say that we have been able to work with the incoming government, through the Department of Environment and Heritage Protection, to look at the development and introduction of a cane best management practices program. Those negotiations and discussions have progressed to a grant agreement, which we expect to have signed off at the Canegrowers board meeting, which will be held next week.

The cane BMP is a program that Canegrowers has led. It has been driven by the industry. Thankfully, it has been supported by the government. The idea there is to link cane best management practices built on profitability, productivity and stewardship. The three pillars that we see of best management practices are profitability, productivity and stewardship. That will link those three elements to professional development extension and industry RD&E. Allied to all of that, of course, is that our industry, at the moment, is going through a period of significant reform of RD&E practices with the reconfiguration of BSES and, through that, the creation of a new body called Sugar Research Australia.

CHAIR: What is BSES?

Mr Males: BSES, as it is now known, was the former bureau of sugar experiment stations. In terms of government funding, the government has allocated $3.5 million to this BMP project for its development and implementation by December 2014. The real core of the BMP program is a mechanism to transition away from regulations towards an industry-driven system, again underpinning the three pillars of profit act, productivity and stewardship. I have to stress that the BMP is a voluntary arrangement. The processes will consolidate and build on industry products, training programs and best management practices that have been brought together looking at productivity, profitability and stewardship over the past few years. It covered the full range of activities. Just to list a few of them, we have farm business management; landscape and biodiversity management; machinery management; workplace health and safety; integrated water system management; pest, disease and weed management; crop production and harvest management; soil health; and plant nutrition. All of those factors are really important factors and they will be driven by the industry looking to improve its own outcomes. Stage 1 of the process is going to be a self-

assessment stage. Stage 2 then moves into more of an industry-assessment phase where there are suitably endorsed industry assessors who check what is being done, deliver reports back to the producers and make recommendations on how to improve those practices.

The targets that we have indicated: we are looking to achieve 95 per cent grower awareness of the program. That will be some 3,800 growers will be aware of the program. Of those, we are looking for 40 per cent or 1,520 growers to be undertaking BMP self-management assessments and at least 25 per cent of those to move to the full industry assessment by June 2014. Our program reflects and in some respects mirrors what will happen with the cotton BMP. It really is the industry looking to take control of its activities, so that it enables the government to step back from the regulatory burden that we find ourselves under.

By March of next year, some of the activities that you can expect to see out there are strong communications and an industry engagement strategy and program. We are in the process of employing a project manager. That position was advertised just last week. We will have district working groups across all of the cane growing regions established. Those working groups will be engaged with their local growing communities. We will have the scope and content of the BMP standards all sorted. We will have the accreditation system locked away and the design of the monitoring and data collection and reporting systems all in place. That is a fair body of work to have done between now and the end of the first quarter next year.

CHAIR: I will just pull you up there, Warren, and we might ask a few questions. Was there any sort of quality assurance base before that? I come from the horticultural industry and Woolworths and Coles got us to the BMP very quickly because they said, 'Unless you do it we wont take your produce'. We got there very quickly with quality assurance programs, with external auditors and all of that sort of thing. I am surprised. I am sure the milling companies could also get canegrowers there very quickly if they wanted to.

Mr Males: On the quality assurance systems in place in our industry, we really have had very strong quality assurance from the customers back to the raw sugar production standards and so on, because Queensland raw sugar is known around the world and certainly in the Asia-Pacific basin as the best quality—

CHAIR: But I am talking more for the growers.

Mr Males: Just coming back through that, the systems have been in place back through the mills and linked back to activities on the farm. We have had financial incentives in place for improved practices back through the supply chain. But in terms of a formal accreditation process, this will be one that pulls together a lot of informal practices and activities and formalises it in a much stronger way than we have had in the past.

CHAIR: From that, if you feel that that is going to be so successful, do you think that a lot of the reef regulations that have been put in could become virtually redundant?

Mr Males: That is certainly our objective. We see this as a mechanism that enables a transition away from regulations such as the Great Barrier Reef Protection Amendment Act 2009. The guys have given me notes here. Those sorts of regulations, I think, we can step back from. We are seeing our growers very much, as I described, as custodians and stewards of the land, if you like, because it is their most important asset. It does not make any sense for the growers to be considered in any way, shape or form as environment vandals of any description. It is not just that they are making their living from the land, but the Great Barrier Reef is in their backyard and, Chairman, as you described at the outset, I wish I was out there fishing at the minute. A lot of my colleagues in the months ahead, now that the crush is coming to an end, will probably be enjoying the environs of the Great Barrier Reef Marine Park. I am damned sure that they do not want to be doing anything on their farms that is going to restrict the environmental amenity of that resource.

CHAIR: That is good to hear.

Mrs MADDERN: I think basically what you are saying is that if we can get this best management practice in place, get it set up and self regulated, then you would be asking government to relax the regulations that govern. If your best management practice is self regulated, how then do you deal with the 'cowboy' in your industry, as there are in every industry, who does not comply and who does not fit the best management practice? Is that going to be something that, as an organisation, you can deal with or does that bring us back to this case where the government has to regulate for the lowest common denominator?

Mr Males: I think the question that you are asking applies to whatever the regulatory situation is out there. Clearly with the regulations, people look at them, see the regulatory burden and in some cases some individuals, some of the 'cowboys' as you have described them, may simply say that the cost of compliance is too high. When the cost of compliance is too high, unless you have an assessor around every corner, there is no way that you can guarantee 100 per cent compliance. Under the scheme that we are proposing, we are looking at putting in place bona fide incentive structures to encourage people to follow the best practice. We will be having training programs associated with this so that the individuals can see not just what those recommended practices are but can see some real worthwhile outcomes delivered on their farms, so that it does encourage uptake of the system.

Mrs MADDERN: I guess what you are saying, then, is that you are going to use the carrot rather than the stick and hope that the carrot picks up?

Mr Males: We are confident that that approach will deliver much better outcomes than the alternative, because under the alternative that we have seen in recent years, we are not seeing a demonstrable change in environmental outcomes.

Mr KNUTH: I am curious about the cane prices, which are now very buoyant. The industry is doing well. Is that just on one thing, that the cane prices are high? What are the prices now and what were they when it was almost unviable, in comparison?

Mr Males: That is a very good question. There are a couple of things that have changed the environment in which we operate. If you go back to the early years of the last decade, just after the millennium, sugar prices turned to a very low point. That reflected the rapid growth and expansion in sugar production in Brazil. It also reflected the fact that the European communities were exporting more than their committed amount of subsidised sugar into the world market. In 2005, Australia, Brazil and Thailand took a challenge to the WTO in Geneva. I managed the program. From the industry's view, we worked very closely with our government. Prior to that challenge, the world sugar price was in the range of five to 10 cents per pound. Since we took the challenge and won it, the Europeans had to take some five or six million tonnes of subsidised exports off the world market. That changed the dynamic of the marketplace substantially. At the same time that that happened, there was strong demand for ethanol in Brazil and ethanol was in an upswing.

As a coincidence of those two factors, we saw sugar prices reach 30 cents or more. I think at the high point it was up to 34 or 35 cents per pound. In recent times, we have seen prices fall. At the minute, they are just below US20 cents per pound. In delivering that back to Australian dollars, that comes back to about the mid $400 a tonne, around $420 or $440 per tonne of sugar. Of course, that comes back to cane prices of about $42 or thereabouts per tonne of cane. That has been a picture of how prices have developed over that time. There is no doubt that we are in a stronger price environment as a result of structural changes in the world market.

For our industry the times have not been quite as good as those prices would suggest because, as your committee would be only too well aware, of the production damages caused by the weather events of not just Cyclone Yasi but the severe impact of the rain depressions that we have had impacting production up and down the coast. So we have had two, three or four years where our industry has seen very good prices, but unfortunately many have not seen a very good level of output. Of course to have good incomes, as you would be very well aware, you need both a good price and a good quantity of production. So we have had a good P but not a very good Q, if I can use that terminology.

Mr KNUTH: Earlier you said that vegetation laws and regulations were imposed heavily on canefarmers but not so much, for example, on the mining companies. Do you feel that cane growers were used as some form of scapegoat in the sense of, 'We'll put heavy regulations on them to set a perception that we're doing something about protecting the Great Barrier Reef'?

Mr Males: The footprint of the cane industry is large along the 2,000-odd kilometres of the coastal strip, the river valleys and floodplains in those river valleys of the coast. The cane industry is high profile. It is easy for people to see. When government puts regulations on those sectors, it is easy for people to see that they are targeting the sugar industry and the sugar industry has a very large footprint along coastal Queensland and the focus has been on the regulations rather than the impact of the regulations and the environmental amenity that is caused by those regulations. Of course what we are seeing are the costs associated with implementation of the regulations, not just on the farm but we see large costs in government in terms of compliance. You mentioned before about having a large number of people looking for checks and balances. If you have a regulated system, then you have to have the associated costs of going out and checking and balancing. In terms of our BMP program, we will have a range of assessors for sure but not to the same extent or the same level of cost as imposed by the regulatory system.

Mr KNUTH: And you will probably feel a little bit at ease without having that whopping big stick.

Mr Males: Absolutely. I think the carrot will be far more effective than the stick.

CHAIR: So you would feel a bit like everyone was equal; it was just that some were more equal than others. Have you actually got any data on what percentage of coast cane growers actually take up? I know there are 3,800 growers and you said you have a large footprint, but have you actually looked at what sort of percentage 4,000 kilometres of coast is?

Mr Males: I must say that I have not looked at it in those terms, but our industry production area is in the order of 400,000 hectares.

CHAIR: As there are no further questions, thank you very much for that, Warren. It was a very full report. I am sure that all of the regulations are not going to go away, but we need to manage them a bit better. Self-management seems to be the way but, like I say, we need to look at that other five per cent. I am sure the mill owners can make sure that other five per cent get on board as well.

Mr Males: Thank you for that, Mr Chairman, and I wish you and your committee well in your deliberations. The more you can do to bring in a more sensible regime, the better it will be for us all and we will get some better economic outcomes up and down the coast.

CHAIR: Thank you.

HEWITT, Ms Lauren, Policy Manager, AgForce

CHAIR: Welcome, Lauren. Would you like to make a brief opening statement?

Ms Hewitt: I want to thank the committee for having me here today to make comment on this. Obviously AgForce has made a submission to the inquiry. We have also made a very similar submission to the Queensland Competition Authority, who is present here today, and been talking to them about many of the matters that we will talk about this morning. Obviously AgForce members and the broadacre agricultural industry are the largest industry in terms of land cover and land management across Queensland. AgForce members generally cover about 60 per cent of the landscape of Queensland, and that is fairly important. They are generally small to medium sized enterprises and they have a number of issues which fall across a range of areas which I will speak to today. The first is obviously environmental regulation, and we have heard a little about that today—things like vegetation management, the Nature Conservation Act and reef regulations. Obviously being remote industries predominantly, they have issues with transport and infrastructure. Another large issue our industry faces is labour regulation and standard commercial transactions, like any other industry.

Before I proceed to talk further about some of the particular issues that were in our submission, I thought it pertinent to maybe bring up some small facts that relate to our industry that are fairly pertinent when considering how to regulate them and how to get achieved practice change. In 2006 the average median age of farmers was 52. This is compared to the rest of industry where the average age is 40. We have low labour availability and significant shortages in it, with high competition from other industries. We are generally price takers rather than price givers, largely in export. Profitability is low. For anyone who has read the Holmes-McCosker report, which is probably the pre-eminent report on the profitability of the northern beef enterprise published by MLA in 2010, it shows that most farm businesses in Northern Australia are not profitable and have not been so for some time. Productivity, although it was increasing for the last 30 years, is generally on the decrease now and government support for farmers represents just four per cent of farming income. By comparison to other OECD countries, Norway has subsidies of 61 per cent, Korea 52 per cent, the EU 23 per cent, Canada 17 per cent and the US nine per cent. I thought those figures pertinent to set the scene in terms of where we are going now. I will focus on a couple of issues in our submission and I am happy to take any other questions on anything else that I have not spoken about in detail.

One of the big issues that AgForce members have in broadacre industry set across the large span of Queensland is vegetation. Obviously in the nineties this was started to be regulated, particularly on leasehold land in Queensland. However, in 1999 with the introduction of the VMA, this was extended to freehold land and we saw a framework put in place which used remnant ecosystems, which we call REs, as surrogates for biodiversity. It put in place a significant mapping exercise and a very high regulatory exercise and its original intent was to end broadscale clearing. However, as we have seen over the last 13 years, the Vegetation Management Act has extended to a wide number of other activities and not merely broadscale clearing.

Today, any landholders wishing to develop their properties must ensure they comply with a complex framework. This is time consuming, arduous, resource intensive and shrouded in red tape. In order to carry out development within a remnant RE, it must be for a relevant purpose as outlined in the VMA. The landholder then puts in a development application. That is assessed by the department against relevant regional vegetation management codes, each set out and unique for each of the bioregions in Queensland, and those requirements must be then met. Each of the performance requirements within the code has an acceptable solution that is developed by the government or an option that you can present as an alternative solution to meeting that performance requirement. That performance requirement must be set in order for the development application to be approved and the permit subsequently approved.

It is a significantly arduous process and anyone putting in for a DA has often experienced multiple years in terms of waiting to hear back from the department about whether that permit can be granted. There are a whole range of issues—and we have set them out in the submission—about what the issues are and what our members have found working with the VMA. In terms of working forward with suggested solutions, we make a few. The first is to review the act for procedural fairness. Many of you probably know there is a reverse onus of proof. There is significant emphasis on the maps, with little referral for review of those maps and presumptions generally favour the prosecutors. This is unlike most other legislation and we find it incredibly inequitable for our landholders to face that situation. What it has led to is that most landholders do not develop their country. They will not put in for a DA and they will not conduct any activity for fear that if they are found wrong they will be prosecuted because the reverse onus is on the government side of proof.

We need to allow further development. Broadscale clearing, as it is, was set in place in 1999. It is fine for some areas. However, in the northern REs or northern bioregional areas we have situations where the bioregions—for instance, up in the gulf—are actually 96 per cent to 97 per cent remnant vegetation. That is very different to a lot of the southern bioregions. The codes that we have at the moment are heavily complex and not self-assessable. AgForce would advocate that these codes should become self-assessable to the greatest extent possible and underpinned by accurate mapping. AgForce's experience is that the mapping is inaccurate at the moment used on an inappropriate scale and there are little resources available within the department to modify any maps or PMAVs that are incorrect, with an assumption of the department generally assuming that all maps are correct.

With regard to administrative efficiency, we have also found that the department has lacked both the knowledge and the administrative efficiency to implement this act. As I said, members have often waited years for a response on a development application. This leads to costs. It can led to welfare concerns. It certainly leads to thickening of vegetation and additional costs when eventually you may get to manage that vegetation. If we are to have this sort of regulatory framework, you need in place the people to manage it. The approval time frame has been a particular issue that AgForce has had and we need to make that significantly shorter. To put it in perspective, in Queensland earlier this year we conducted a mapping exercise. I will provide some of the statistics of that, but one is that 79.24 per cent of Queensland is currently covered in protected vegetation. That is 137,271,000 hectares.

The second area that I thought pertinent to bring up today was our nonapproval of the Wild Rivers Act. Wild rivers has been in since 2004, as we know. It puts in place essentially an 81-page code for landholders who may be sitting within those wild rivers catchments. There are 12 of those across the state at the moment. That equates to about 60,000 hectares or about 35 per cent of the state which is covered in wild rivers declarations. Essentially, the legislation locks in whatever the development that is occurring within that catchment at a particular period of time and provides that no more development will occur. It will divide the catchment into areas of high preservation, flood plain management areas and a range of things and it will make development in particular areas of those prohibited, code assessable or impact assessable. It is incredibly complex and incredibly onerous and can I say that most people living in those catchments have not read the codes and do not understand them. Most lawyers do not understand those codes.

CHAIR: That is probably being reviewed at this moment, so do not spend too much time on that.

Ms Hewitt: I will leave it there, Mr Rickuss.

CHAIR: Thank you very much. You talked about the profitability of the industry. Was that nearly the industry's own fault in that there was a lot of speculative land buying in properties and the fact that if you started to do the economics on beasts per acre or beasts per hectare some of the prices paid for properties were never going to be viable?

Ms Hewitt: Definitely the price and the property boom that we experienced in mid-2000 was perhaps unjustified and we are seeing that fall back—that is, the property values in a number of areas. However, I really do not think it is probably as simple as that. Certainly we have seen cost imports rise significantly and profits generally or prices paid stay the same. While I say that landholders did participate in that to an extent, I guess they were encouraged in part by the commercial enterprises in taking on large amounts of capital debt. So there are quite a range of factors that have contributed to that profitability.

CHAIR: I will play devil's advocate here. What about industry bodies? Do you feel that industry bodies such as Growcom, AgForce, QFF—the whole gamut—have been helpful in vegetation management issues, because they have painted the picture that dark that a lot of producers have said, 'I'm not even going to look at this. It is not even worth my while.' Could some of the representative industry bodies take some of the blame for that?

Ms Hewitt: I heavily dispute that fact. I will not speak on behalf of other agricultural bodies, but when the VMA was introduced AgForce essentially went to the department and asked them what they had put in place for consultation and telling graziers about these really complex codes and onerous conditions. The department responded, 'We're not interested. People don't want to talk to us anyway.' So AgForce actually sought and received funding from the state government, from DERM, to put in place what has just ended—and that was an eight-year program of consultation, going out and talking to people about what the codes mean, unveiling the myths, putting in place what we call PMAVs, or property maps for assessable vegetation, and assisting landholders to do that. A PMAV actually allows you some degree of freedom in white areas of country—that is, areas that are not RE. There have been extensive roadshows that the AgForward program has done across the state, and I think that has really helped dispel the myths. Obviously though, at the end of the day, when landholders go home and they have a wad of paperwork that big on how they have to manage the vegetation on that property, it is pretty complex. They have a map with anywhere from four to 10 colours on it. It is incredibly complex.

Mr KRAUSE: So in the past eight years AgForce has done the job that the government should have done, in your view?

Ms Hewitt: AgForce has certainly moved into what historically would have been something that the government would have done—extension and outreach.

Mr KNUTH: Lauren, I can understand where you are coming—the regulatory burden that is put upon you, the ERMPs, the reverse onus of proof, the two years it takes for the department to go through an application for development. I just want to let you know that I have taken that on board and will do everything in my power to support the landowners.

CHAIR: I know you have put in a very extensive submission, but do you feel that this would be better managed by the commercial entities, getting them to look at some of the mapping and the vegetation management? There are plenty of good consultants out there who understand these issues probably better than some of the government departments even. Would that be a way of improving vegetation management?

Ms Hewitt: Exactly how you manage a mapping system that is so complex and wind it back to something more simple is quite difficult. We are talking to the department about how to do that. I would say that in the past some landholders have availed themselves of the consultants. However, that is quite an expensive exercise and we really would not advocate that people should have to do that just to understand how to manage the vegetation on that property. We really think that the first avenue is to go back and look at the vegetation to re-form it into something that is simple enough to understand. So I would not advocate that people should avail themselves of those consultants at significantly high costs.

CHAIR: No. I think you have missed my point. Should it be a bit like quality assurance where you get an external auditor to come and assist you with setting up a program? Do you get an external forestry consultant group to come in and say, 'This is what should be pink and this is what should be white,' in consultation with the department, to assist you along those lines? Satellite mapping has improved dramatically even over the last eight to 10 years that it has been in place. So shouldn't some of that vegetation mapping be done a fair bit easier now?

Ms Hewitt: I definitely advocate that it does, but the Queensland government still has in place the Herbarium and the SLATS monitoring and modelling. So I would be very keen to look at how we can do that, and that is one of the planks that AgForce is asking for, yes.

Mr KRAUSE: Lauren, you mentioned some issues with the mapping and where there are errors in it. One of the issues I have been asked about is the issue of clearing regrowth in areas that were previously cleared. Is that one of the errors that you were referring to in the mapping—in areas that had previously been cleared, and obviously were shown as cleared, but where regrowth has occurred, landowners have not been able to clear that regrowth? Is that one of the issues you were talking about? Could you elaborate a little on whether you have had any issues of a similar nature come to you?

Ms Hewitt: The regrowth issue is certainly a huge one, as I said. The original intent of the act was to end broadscale clearing. However, over the last decade a range of other purposes have crept in—one being regrowth which came in the last few years with very little thought or logic behind it, I would say. The mapping is slightly more fundamental in that I suppose landholders will be issued their maps. They will go on the DERM website and download all of their maps. Depending on what area you are in, you will receive a different scale of map—one to 10,000 or one to 25,000, that sort of thing. What a landholder then has to do is translate that. They are just given a map literally—no GPS coordinates, no nothing. So you need to work out where those bits on the property are.

Mr KRAUSE: With the reverse onus of proof threatening.

Ms Hewitt: That is correct. So doing that is pretty difficult. What we find is that some areas are just incorrectly mapped. Sometimes we see woody weeds mapped as remnant vegetation just because they have some sort of canopy cover. So in a situation like that we would advocate that a landholder should contact the department, and we assist them through the AgForward process in saying, 'I am requesting a map modification to my RE map and this is why.' You have to supply the photography, you have to go out there and get the GPS coordinates—do all that sort of stuff and pop it in the letter. What we find is that those map modifications take a couple of years to come in, so you have to sit there and watch it grow and not manage it for those couple of years that you will hear nothing and get absolutely no update from the department. In terms of mapping, particularly for some people on large properties these areas can be significant. So they are the sorts of areas that I am talking about.

Mr KRAUSE: Are you engaging with the department of environment at the moment in relation to this?

Ms Hewitt: Not the department of environment; the Department of Natural Resources and Mines.

Mr KNUTH: Lauren, with regard to the PMAVs, there are areas that you can clear because it has already been cleared in the past. In terms of the Vegetation Management Act, are landowners wanting to develop areas that are remnant or is there something within that act that still allows that?

Ms Hewitt: No. There is nothing within the act that allows any type of development on a large scale in those remnant areas, not for agricultural purposes anyway. One of our issues is that other industries can apply to get development applications over such areas, but for agricultural purposes, no, they are not allowed. Some of the issues that have come up particularly for people who have large areas of REs and perhaps also white areas is: 'I'd like to develop this. How about I give you a two for one offset back and we will swap some land that is maybe of a higher quality?' But there is just no flexibility within the act to consider that at the moment.

Mr KRAUSE: Does it apply to resource industries?

Ms Hewitt: The VMA certainly does apply to resource industries. However—

Mr KRAUSE: Do they have exceptions available to them?

Ms Hewitt: Yes, that is right.

CHAIR: They also offset a lot too.

Mr KNUTH: So you are looking for a bit of flexibility because there will be certain areas of land that you want to develop but because it is remnant you cannot touch it. So you are saying that you would like to trade other areas that you cannot develop for remnant areas that you can develop.

Ms Hewitt: There are certainly people who have approached us to ask that and to seek that flexibility.

CHAIR: In relation to some of the smaller blocks around Ipswich and the Scenic Rim, the bloke who has looked after his block of land is the only one who has the pink areas. Others who have all the washouts in the gullies and not a tree left can do what they like on 200-acre blocks or 300-acres blocks. The bloke who has managed the timber—he can still do a bit of timberwork but he is pretty restricted otherwise. That is frustrating for them because they feel they have looked after their land and they are penalised more than the other group who has not looked after their land. Like you say, it is not only a reverse onus of proof but it is almost a reverse onus of freehold title. Is there anything else you would like to add, Lauren? We have a bit of spare time simply for the fact that the Canadian group cannot come on the line.

Ms Hewitt: I will take up Shane's comment about reef regulation. Obviously that was one area that AgForce put in their submission. As you know, in around eight per cent of the state for anyone conducting an agricultural enterprise it is considered an ERA or high-level development, kicking in with the mining type of applications under the Environmental Protection Act. Those people are therefore required to do annual ERMPs or environmental risk management plans—sort of a flick and tick exercise. It does not mean a lot. It does not translate to any on-ground outcomes. AgForce is pretty dismayed that such a piece of legislation was brought in in this area. What it has led to is putting our producers back about 10 years in their thinking in terms of what they are doing on the ground. They are thinking in terms of getting a good outcome. Instead of regulation, we would have liked to see that money put towards some sort of best management practice or voluntary industry-led practice that actually led to on-ground outcomes rather than merely a tick and flick exercise. It is really a big stick approach. So I would like to just point that out.

Mr KNUTH: Lauren, landowners must feel guttered in relation to the ERMPs, the big stick approach, the reverse onus of proof. Everything like that has been put upon you and all you are trying to do is produce a product that is still eaten by millions of people across this country.

Mr KRAUSE: Lauren, I think you mentioned earlier in your introduction that the average age of graziers was 53 or something.

Ms Hewitt: 52.

Mr KRAUSE: Do you think that is related to the lack of new entrants into the industry as a result of overregulation or overzealous regulation?

Ms Hewitt: I think it is a combination possibly of a range of things. Regulation would be one of them. But the result of that is the lack of profitability potentially that is in the industry at the moment and the high land values. Certainly it is very difficult for young people to buy into a large property. They have not got the capital or access to capital to do that. A lot of these guys are sitting out there and they have historically had some pretty poor successional planning. So there is a whole range of factors that would introduce that. Economically we work at a national level to try to put in place commercial triggers that allow new entrants or make it a little bit more palatable for new entrants. But I would say that profitability is one of the significant factors of that.

CHAIR: We are lucky we are living to be 80, aren't we?

Mrs MADDERN: I was just sitting here thinking that one of those negatives to new people coming in would be vegetation management—no capacity to expand or no capacity to expand easily and readily. I had someone come to me about an area—this was a subdivisional plot of land—that was mapped as remnant vegetation but it was actually a mango plantation.

CHAIR: I had a similar case with a pine forest on the north coast when I was in opposition. Some bloke had a pine forest and somehow it was in the pink area. It was part of the old pine forest.

Mr KNUTH: Lauren, you said that you are now price takers. I do not know if you can remember, but I remember going to the sales and the landowners, the cockies, used to say back in the seventies that 15 or 20 bullocks could buy a Land Cruiser. Now it is about 80 bullocks, or something like that. Do you know that comparison?

CHAIR: It is still 15 to buy a Great Wall.

Ms Hewitt: It is almost the same.

CHAIR: It probably has the same qualities as a cruiser.

Ms Hewitt: I do not recall the exact stats. I think the first one was 15. There is a very interesting article by the NABRC chairman, Ralph Shannon, that is on Beef Central at the moment talking about the issues that our northern beef industry faces. I think he quoted that it was around 50 now, but I would have to go back and check.

CHAIR: If we compare it to the Great Wall.

Ms Hewitt: Possibly—I do not know whether anyone wants one. If I can draw the committee's attention to one final point—and we are working in conjunction with the other departments and another committee on this issue—and that is the matter of tenure. Sixty-three per cent Queensland is actually rural leasehold land. These people generally cannot get to freehold and that is for a range of issues. About 15 per cent of those are actually perpetual leases. Yes, if they could buy their property twice effectively then they could afford to go to freehold tenure. However, 50 per cent of Queensland is actually term lease

which means they have to address firstly native title and get all their surveys redone, which can be an exercise worth a couple of hundred thousand dollars. Also, a high percentage of the unimproved value of that property is what you pay out to get freehold on that. That is not something that people can avail themselves of and it is an impediment when they are continuing to pay skyrocketing rates on this land. That is certainly a factor of profitability when you are talking about 63 per cent of the state.

CHAIR: That is something a good economist should be looking at as well simply for the fact that, when you start to release a lot more on the market, what is that going to do? There would be a lot of issues there if you looked at that in depth. If you look at some of the big supermarkets, they do not buy their buildings. They just lease them because part of their business strategy is that they are shopkeepers, not building owners. Maybe some of the farm businesses have to look at that sort of attitude as well—'We are cattle producers; we are not landowners.'

Mr KNUTH: We have been getting a lot of issues in regard to leasehold compared to freehold. They are finding that it costs them more to freehold the land than what they would get to sell their property.

CHAIR: Thank you very much. We will have a short break while we wait for the Queensland Farmers Federation.

Proceedings suspended from 9.45 am to 10.02 am

JOHNSON, Mr Ian David, Water Adviser, Queensland Farmers Federation

CHAIR: It is just past 10 o'clock. I will reconvene the committee hearing now. I would like to welcome Ian Johnson from the Queensland Farmers Federation. Just by way of disclosure, I have known Ian for probably 20 years, being involved in irrigation matters. How long have you been involved, Ian? You have probably been involved a lot longer.

Mr Johnson: It is about that.

CHAIR: About that.

Mr Johnson: Coming to an end, I think.

Mr KRAUSE: I sympathise with you, Ian—Ian Johnson, I mean.

Mrs MADDERN: Which Ian are you sympathising with?

CHAIR: Ian, would you like to give us a brief outline—I know that you are an expert on the irrigation side of things—but on QFF's regulatory basis?

Mr Johnson: Obviously, you have seen the submission. I would like to go straight to the report of the QCA as to where they are heading. Generally, we are supportive of what they are doing. We believe that it is the only really good process that will allow for progressive and managed review of regulation. It is not an easy task. The complexities in acts like the Water Act is huge. So it is something that needs to be worked through. I think that the process that they are setting up—the whole-of-government process, the targets—we are in accord with where they are going there. We believe that it will at least give you a process to do this properly, not just grabbing something that appears to need to be done. There is nothing wrong with that, but it will follow on from the priorities that the government sets.

In regard to the fast-track reforms—the ones that the QCA has identified that we are clearly interested in are occupational health and safety. This is a big cost component in irrigation—a huge cost component. We recognise that there are two sides to this case and that you need protection but, clearly, that is an area that we would support.

Similarly, the mining development restrictions, while we as an industry understand the need to be not totally fettered so that we can pursue business, on the other hand we are obviously coming up in many areas against the implications that mining development has for agriculture. So clearly, we will be watching very carefully the reforms there. Obviously, the vegetation management issues, we are fully supportive of where AgForce is pushing for that.

In the medium-term priorities, the QCA has singled out dam safety guidelines. This is a very critical one. I am not talking particularly about on-farm dams; I am talking about the big dams and the costs involved in rendering those dams safe from what would be a one-in-100,000-year event—very huge costs involved which have yet to hit really. Some dams have been rendered safe but there are costs involved in the Burdekin Dam—all of the major dams—in rendering them safe, as engineers see it, for an event that may happen very, very infrequently. At this stage, those costs by the previous government we have been shielded from having imposed in the SunWater schemes, but they are still an issue that will come back up. SunWater has an obligation, I have no doubt, from its risk point of view to take the requirements of the Australian national council for dams into account, but it is a huge cost impost. It is something that I know QCA knows about, because they were involved in the assessment of this in the lead-up to the SunWater price path. So that is a key one for us.

The other one is that we have over time in working with the past department of environment and resource management, and now DNR, measures to improve the Water Act, particularly the streamlining of water resource planning, and we have been fully supportive of that and we want that process to continue. The legislation was set up to initiate water planning and all the aspects that go with it. What we are hoping is that over time that can be refined and can be made more efficient, because it will eventually be a cost to industry. So QCA has identified what they call water trading and use restrictions. There is a group of reforms there. In fact, I know a number of them are already starting to be mooted to us by the department in respect of land and water management plans. In respect of metering, already they have announced major reform there to the government and then the water licensing regime. Some of that is already happening but it is all part of a process we will continue to support to make that whole water planning process, which is now bedded down, more efficient. We can now see where we can make the efficiency gains. So, obviously, any target with QCA, leading into that, we would be supportive.

CHAIR: All right. Thanks very much, Ian. With some of that world dam stuff and dam safety, that was a UN law, I think.

Mr Johnson: Yes, it is a world law. It is a worldwide issue.

CHAIR: I have always struggled a little bit with it for the fact that most of our dams, particularly in Queensland, do not get any snow melt, whereas most of the other dams in the world are filled by snow melts and that sort of thing. I would imagine all of that sort stuff has been taken into account, but it did seem almost a bit of overkill. I remember Henry Palaszczuk, the previous minister for DNR, standing up there when Wivenhoe Dam was at 20 per cent looking at this $70 million we have just spent on a double overflow saying, 'Who bloody set me up to open this?' Do you know what I mean? Even he was struggling with the concept at times.

Mr Johnson: But we are aware of climate change. We only have to look back at—

CHAIR: This would be part of one of the COAG agreements, I would imagine—

Mr Johnson: In the sense of COAG, COAG just puts it in terms of a pricing. They do not get into it in any sense, really. It is an ANCOLD—the Australian National Committee on Large Dams—requirement and SunWater has to obey, because they are obligated. The question is: who bears the cost? The cost is huge. Tinaroo Dam has been actually tied down to the rocks through large costs there. Each of the dams have major measures to make sure that they do not overtop. It is a risk. We saw Wivenhoe during the floods. It was not pretty, that sight, of the water getting close. So all of those measures are costly but how you actually apportion cost, it is a very hefty bill. It is not an easy one to address.

CHAIR: Do you feel that some of the COAG measures that have been dished out to the Queensland irrigators or farmers in other ways have added to cost burdens that we have had to put up with over the past 10 or 15 years?

Mr Johnson: This is no doubt they have and that is my key argument in terms of the intricacies of doing the water planning process to set it up and the number of people and staff. Now that they are set up, irrigators are now seeing the benefits of getting defined entitlements and trading and things. But that cost needs to be reduced. With the efficiencies it is now set up. It can be refined. I know the government is looking at more refinements to that water planning process.

CHAIR: Good.

Mrs MADDERN: Can I go back to workplace health and safety. That now comes under the federal government. As a state government, we can try to reduce the regulation but it is not really going to impact on your—

Mr Johnson: You are quite right. I suppose it is more in a sense that the intent of the QCA is to look at ensuring that, although the federal government sets down the principles, as to how you would best implement it. I suppose that is where we would have to go. It is that question of are we implementing it in a way that is more cost efficient? You are quite right: it is really just how you implement it. There are a number of case examples of pretty inefficient methods of implementing the requirements that really need to be looked at carefully. Hopefully, QCA has that focus in mind—what they call alternative solutions.

Mrs MADDERN: That is where we can make the adjustments. So instead of being very prescriptive, we set a policy and how you comply with that policy is basically up to you. But if you do not comply, you are going to get the big stick.

Mr Johnson: Yes, and the same applies for all the water planning. It is all national requirements. You still have to implement them but in the implementation the state has the basis to do it in a way that is effective for the state. To date, in a sense when we do the Murray-Darling debate they have tried to do that. It is very hard with Canberra. Canberra sees only one way of doing things, which is southern Murray. It is the same argument. Really, we have to be able to cast our implementation program appropriate to the state.

Mr KRAUSE: Ian, you mentioned earlier some interaction with the resources industry. Earlier we spoke with the Queensland Resources Council. We touched on the land use planning program, which is going on for regions at the moment. Does the QFF have a view on that particular policy way of dealing with conflicts between mining and agriculture—where there are or could be conflicts?

Mr Johnson: I suppose the major issue we have with the mining companies is very much that their approach is very project orientated and our approach is more a cumulative management issue. That is where we are finding the one area that is the most difficult to deal with where project by project you have good environmental processes and stuff like that but, at the end of the day, we are into an era now where mining is not a sole project; it is a series of projects. CSG would be the best example of it. What we are finding the most difficult to do is we can understand mining companies wanting to have a fast-track to get their projects moving—they are in the world market—but at the same time we are coming up against more and more this cumulative impact type of problem where individual projects will say, 'It is not us' but it generally overrides. So that is the area where QFF has been pushing for some time to try to find out how we get around that problem of setting a reasonable framework in which multiple companies can operate and still achieve win-win outcomes for both sets of industries.

CHAIR: So you are saying the one project that is going to put 10 trucks a day on a road is not an issue, but when there are three projects they are putting 50—

Mr Johnson: And/or one project is taking CSG water out of here and it is having an impact over there and when you put two or three projects together and you are looking at trying to say, 'Look, can we talk substitution,' it is very hard to talk to one project about substituting water in, say, the Condamine aquifer. You really have to look at on a multicompany basis. That is the area. Obviously, with strategic cropping land, it is the same issue. We welcomed the strategic cropping land proposals of the last government, but putting that into practice is not an easy task. Mining companies in their own right have a track record. They have to get funding—they have to get finance—and they tend to want to move individually. It is really in that possie. Looking at regional planning and that sorts of things, whether we can get some of those issues addressed, it is not an easy one.

In terms of regulations, we as an industry want as much scope as we can. I argued in my submission that on farm we find that when we get a regulation what happens often is that the government pushes the interpretation of the regulation down on the farmer because basically they do not have the data

or detail. The mining companies are probably saying the same thing. We are saying, 'Use our best practice. Let us allow that to happen.' That is from an industry point of view. But we can understand, at the end of day, that we as a group of farmers probably have collective impacts too. You need to take those into account. I am not answering your question very well. More and more you probably have to be doing it from a planning approach so that it will give the companies more confidence that they can move ahead in areas and, at the same time, give the farming communities some confidence that they have a longer term future in an area.

CHAIR: I do not know whether this is part of your expertise. Some of the intensive industries—the chicken and pig industries, for example—are represented by the QFF, if I am right. Is the vibe you are getting back from those sorts of industries that there is overregulation—for example, distances from suburbia or whatever?

Mr Johnson: Clearly, the chicken meat industry continues to have the problem of proximity to urban development. There is the whole question of how urban development encroaches on chicken farms. At the end of the day, they know that eventually they will have to move out. That is an ongoing issue for them. The problem tends to be that they are at the edge of the urban space so they are not able to exit per se. The ability to sell out is—

CHAIR: Some of the farms are still zoned rural of course.

Mr Johnson: Yes. That is an issue for those intensive industries. The intensive industries that are not captured by the environmental legislation are always watching that very carefully, particularly the dairy industry. Will it eventually get drawn into more regulation from the point of view of on-farm operations? Bigger dairy farmers see that prospect looking them in the face. They see themselves being in the same position as the lot feeders.

The control of the on-farm use of resources is one that we watch very carefully. At this stage, it is not highly regulated. We are now moving into that with the reef. We watch South-East Queensland carefully. In those cases it has either been the issue of the reef or an encroachment of the urban area that starts to encourage the question about whether these industries need to be more regulated. That imposes costs on them. In an area in proximity to Brisbane you would be hoping to encourage some of those industries because they are closer to market and things like that.

CHAIR: That builds up that peri-urban conflict—whether it be horticulture or the flower industry, the turf industry or whatever?

Mr Johnson: Yes.

CHAIR: That is still very close to the urban fringe.

Mr Johnson: You know full well that we have problems in the Lockyer and it is not just because of regulation. It is in a sense because there is regulatory pricing coming in. All those issues are putting a lot of pressure on the future of the Lockyer particularly.

CHAIR: I grew up at Rochedale.

Mr Johnson: I know, but you have been out there and you know what is going on.

CHAIR: I know down at Greenbank there are always issues about the small farmers. They are living on farm road but are getting criticised for farming.

Mr Johnson: A lot of farmers are now saying to us, 'We have to get our measures so we are working in conjunction with the way the urban sector works.' It is obviously the case with water. We cannot survive on a rural only type basis. I will not go into the detail. It is coming to a head. In fact, after lunch I am going to the parliamentary committee hearing on the water restructuring bill. That is classic territory for how do those rural industries in South-East Queensland survive.

Mr KRAUSE: I think you said that you broadly support AgForce's view in relation to the vegetation management laws?

Mr Johnson: Yes.

Mr KRAUSE: I understand QFF has made a submission to make them regional or industry based, is that correct?

Mr Johnson: Sorry, can you say that again?

Mr KRAUSE: Has QFF made a submission to another inquiry to make vegetation management laws regionally based?

Mr Johnson: No. AgForce understands the vegetation issues better than we do so we support their view. As part of the QCA review we submitted in support of choice.

Mr KRAUSE: Wires crossed there, my apologies.

Mr Johnson: That is okay.

CHAIR: Is there anything you would like to say in summing up?

Mr Johnson: No, thank you very much.

CHAIR: Thank you very much for attending.

Proceedings suspended from 10.20 am to 10.45 am

PUTLAND, Mr David, Policy Manager, Growcom

REEVES, Mr Troy, Policy and Research Officer, Growcom

CHAIR: I welcome David Putland and Troy Reeves from Growcom. Growcom represents the horticultural industry. I used to be fairly involved with it in another life. Would you like to give us a bit of a summary of some of the issues?

Mr Putland: First of all, thank you very much for the opportunity to comment and also for the invitation to come here this morning. We have a number of areas that we would like to discuss and that we raised in our submission, primarily around the role of regulation and overregulation of agricultural industries. I believe you have already had a bit of a rundown on some of those issues from AgForce and QFF this morning.

We have recently had the benefit of doing a survey of our growers, not just our members but all growers across Queensland. In that survey 94 per cent indicated that they thought there was too much regulation for agriculture. So that is an overwhelming opinion within the industry. When we asked further what areas were overregulated, top of the list were: workforce issues, like workplace health and safety and the management of awards; quality assurance—and I will come back to this one; this is an interesting one for the committee. Quality assurance was highlighted as a particular area of concern. The others were, in descending order: regulations around tax and super and the compliance costs around those; chemical use and safety; food safety; environmental regulations; quarantine issues; and planning and development. When we asked them how much compliance cost it ranged between $500 and $80,000 a year per farm business. So some farms have two full-time employees doing nothing but compliance for various regulations.

Quality assurance is an interesting issue. One of the things we flagged in our submission is that all regulations are not necessarily evil. There are obviously some necessary regulations to ensure a level playing field across the industry and also to provide a level of protection for members of the industry. There are other regulations, in particular quality assurance, that are actually applied by non-government bodies. These are other members of the supply chain. It can actually be quite significant compliance. Many of our growers indicate that the highest compliance load is for quality assurance. It is probably outside the scope of this inquiry, but we are pursuing ways to try to streamline the quality assurance regulations across the industry as well.

CHAIR: Would you like to say anything Troy?

Mr Reeves: No.

CHAIR: Thank you for that. The quality assurance issue is probably outside the scope of this inquiry. I was WVMQS quality assured, Woolworths quality assured, Coles quality assured and Freshcare quality assured. I think that Freshcare, Farmcare and Flockcare are affordable schemes that need to be encouraged. The community ends up paying somewhere along the line for quality assurance. Freshcare is a pretty good standard. Unfortunately the quality assurance with Woolworths and Coles also had specifications for each product. It is not only about safety, it is about product specifications as well. That is outside our area of inquiry.

A lot of the issues you mentioned at the start are federal issues. I realise workplace health and safety on farms is always going to be an issue. Like you said, you have two full-time workers doing that. In the Lockyer Valley there are four or five farms that employ over 200 people. A couple employ 400 or 500 people. Horticulture is the sleeping giant of the agricultural industries. We actually employ people not like most of the agricultural industries.

Mrs MADDERN: I do not know whether I quite agree with that.

Mr Putland: A lot of people do not realise that horticulture is in fact the state's second biggest primary industry—second only to beef.

CHAIR: If we take lifestyle horticulture, I think we will catch them.

Mr Putland: It is about including lifestyle horticulture. It is way bigger than sugar, cotton, grain—all of those other industries. Yet, for some reason, in a lot of these policy discussions horticulture usually comes a fairly distant consideration. Something we would really like to emphasise is the size of the industry—not only in terms of value of production but also, as you highlighted, in terms of the number of employees and then the flow-on effects that has in regional communities.

CHAIR: It gets a pretty good run from me, don't worry.

Mrs MADDERN: There are some questions that I would like to ask. I will jump in feet first. Has the resource industry or exploration permits impacted upon your industry and your farmers?

Mr Putland: Absolutely, but probably not to the same extent as for some of the broadacre and grazing guys. It tends to be a little bit more geographically separated—that is, where the gas exploration and other mining operations are happening and the main horticultural areas. We do have fears, however, that some of these exploration permits will eventually encroach on the main horticulture areas. We do have issues on the Darling Downs where there are some problems with reduced access to areas of farm because of pipelines and so on crossing land. It is certainly a concern. I do not have any figures on that off the top of my head.

Mrs MADDERN: So that is farm management issues. What about issues in terms of putting in submissions? When one of the mining companies wants to come in and you put in your submission, does that chew up time for you there or have you not had to do that very much?

Mr Putland: We certainly have not had many growers come to us for assistance with that. They seem to be doing it directly. As a result, we do not have any information on what is involved in doing those submissions.

CHAIR: Can I just ask you about the peri-urban mix. I represent some of those types of areas down around Greenbank. People in urban and semi-urban areas seem to be putting pressure on those people on smaller blocks. Do you feel the regulations are adequate or do you feel that the regulations have been abused by the urbanites? What do you think about that?

Mr Putland: I do not think it is a case of the regulations being abused but that the planning guidelines are not necessarily clear enough. You highlighted Greenbank. We have an ongoing issue of conflict between existing horticultural properties that are seeking to either remain there or, in some cases, build their business and make it more efficient by moving into protected cropping with greenhouses, for example, and those on neighbouring blocks. Now that these areas are rural residential, the owners of the neighbouring residential properties object to the new developments on those horticultural properties.

Part of the problem is that the guidelines are not clear enough. There is room for interpretation on both sides about what is actually required under various planning codes and what is code assessable and what is impact assessable. As the planning rules currently stand, as they apply in most councils, they inevitably lead to land use creep. So once an area has residents rather than agricultural businesses any further planning decisions seem to fall to the benefit of residents rather than continuing farmers. You then see that creep of more and more residential areas moving in. With the increase in land values as a result, growers are slowly forced out of those areas. I think the primary thing to do there is to address the protection of agricultural land and the issue of creep where, at the moment, that inevitable march of residential areas across agricultural land could be stopped.

CHAIR: Could that not also be a negative? I grew up around Rochedale. It was always going to be a green zone. So the professionals came in—the doctors and dentists—and had horse paddocks. Then they were the ones who sold out for $400,000 an acre. The green zone did not last. Of course, the rural cockies sold out for $6,000 an acre. Some 15 years later with the right lobbyist they are selling for $400,000 an acre. That is the problem. If we are too restrictive in terms of what people can do with their land then you end up with farmers locked on their farms and surrounded by people who do not want them to be there.

Mr Putland: There are certainly members of the industry who are coming up to retirement who probably think this is a good thing to fund that retirement. But for growers who are looking at maintaining their agricultural business, there are limited opportunities to move further out in a lot of cases. If they are forced from that block of land they do not necessarily have the opportunity to restart a business elsewhere in a cost-effective way. We would like to see some sort of flexibility built into these rules that would allow both options. Off the top of my head, I do not know how that would work. How that would be implemented is very difficult.

When you have businesses that rely on being on good quality land and close to markets, as is the case with horticulture with the fresh perishable product, by necessity they need to be around these urban areas. We really do not want to see those businesses forced to move because of the expansion of residential areas.

Mr Reeves: We have used the Greenbank one as a bit of test case really because we expect that that is something that could happen throughout Queensland in peri-urban areas. We have discovered that in Queensland there is no definition for rural residential land and what you can do on it. As we have discovered down at Greenbank, which is Logan city area, it depends on which council you get. There has been a council election recently. The previous council had a very different view on rural residential to the current council.

The previous council seemed to tend to the view that some of the blockies put that rural residential means you have a slightly bigger block and maybe run a few horses, but that is it. They believe that any sort of intensive farming such as horticulture should be totally not allowed in rural residential areas. The problem is that there is no definition whatsoever that says either side are right or wrong.

We have met with Assistant Minister Ian Walker. We are yet to meet with some of his departmental people on the issue. We believe there needs to be a standard definition of what is rural residential which at least gives people some certainty. People moving into the area who think it is just going to be a slightly leafier suburban neighbourhood can appreciate that under the rules people are allowed to intensively farm there.

Mr KRAUSE: Troy, can I concur with what you are saying there. I represent part of the area of Logan city, a little bit further south than Greenbank. There is rural residential land which was been enclosed on both sides by residential development and schools. There are a number of large tracts of land which are still zoned rural residential but cannot be used in any way, shape or form for agricultural purposes due to council regulation. The land is just sitting there. It is completely useless for farming or anything else. That is a real issue that should be dealt with. Thanks for pointing that out.

CHAIR: I know that you did go into workplace health and safety and some other issues, but they are mostly federal issues. It is important to keep workers safe in their work environment. As much as we realise it can be a bit of a burden, you have to have good processes in place. Like I said, the horticulture industry is a major employer.

Mr Putland: Absolutely. With the harmonisation process there appears to have been some loss of flexibility with the workplace health and safety regulations. From the industry's perspective it would be handy if more of a risk management approach was taken rather than these restrictive regulations.

One that we are dealing with at the moment is the changed regulations for rollover protective structures on tractors. Under the old Queensland legislation it was not essential to have a rollover protective structures, or ROPS, on a tractor if you were operating under netting were there was low-head height or risk of snagging, for example. To make it practical, it was also not necessary to have that rollover protective structure going to or from your tractor shed to the orchard under which you had those restricted height requirements. Since the harmonisation process has come in, the new legislation requires a ROPS to be erected immediately that you leave the orchard.

CHAIR: Is that right?

Mr Putland: That is how we read it and that is how we have been advised by the department. It is not really a practical solution. In many cases a ROPS, even a foldable ROPS that allows you to put it up and down, is a two-person process. That means a second person going out to a remote area of the farm to put it up or down. That is an area of workplace health and safety that we would really like to see addressed within the Queensland legislation. We would like to see a level of practical risk management added so that these sorts of on-farm practices can be continued where there is no genuine risk to farm worker safety.

CHAIR: That is a good point.

Mr KRAUSE: Dave, do you have any idea how many incidents there were in the horticultural industry due to rollovers in last 12 months or last recorded period?

Mr Putland: No, I do not have those numbers in front of me.

Mr KNUTH: I was trying to get my head around workplace health and safety. Are you saying that some farming operations have two health and safety officers?

Mr Putland: They have advised us in our survey that they have two full-time employees doing compliance issues—not just workplace health and safety but all compliance issues. That would include their quality assurance and other risk management practices.

Mr KNUTH: Because it appears to be overdone, especially when you are trying to run an operation and you have this compliance put upon you.

CHAIR: Like I said, Shane, some of those big employers in the horticultural industry employ 500 people.

Mr KNUTH: Yes. So that is a lot of people.

Mrs MADDERN: I was going to make the point that often when those really big organisations have two people, when you take it as a proportion of the overall it does not impact as much as the little one-man band, or the two-man band or even the three-man band who still has to provide in many cases exactly the same documents. So the smaller operation, obviously, quite often can be impacted more severely by regulation than the really big operations.

Mr Putland: Yes, the effort of compliance is often independent of the business size. When you have a small business that is just a partnership of a couple, their compliance load can be excessive. In their estimates of the cost of compliance that they have provided to us they often make a note that they have not included their personal time and that estimate of cost which, of course, they should.

Mrs MADDERN: No, when you run your own business you do not, because if you do you start to see your bottom line disappearing and you do not want to know about that bit.

CHAIR: All right. Is there anything that you would like to sum up with, Dave, or Troy?

Mr Putland: The only other issue we would like to raise is the electricity prices. A lot of our growers are now starting to feel the impact of the revised tariffs. The QCA proposal that came out earlier this year I think highlighted quite clearly with the use of the Ergon data exactly what the impact of some of these tariff changes would be and in some cases using Ergon's data it would result in an increase of about 300 per cent on some electricity bills. We have not seen that come to fruition yet in practice—or at least we have not been advised of that by our growers—but now that people are getting their quarterly bills after the change of prices there is quite a level of shock and horror at the price increases. I think that is something that we would really like to see addressed—smoother transition arrangements with the cost of electricity for on-farm irrigation use in particular.

CHAIR: Any of those direct costs that are sort of quasigovernment control, unfortunately they are tariff 22, which has been the small user. Tariff 22 has been quite difficult. Also, I think they have changed the charging mechanism for meter access and all of that sort of stuff. It is not even what you are using; it just seems to be a charge that they thought up. Do not worry, Mr McArdle does know all about these sorts of issues.

Mr KRAUSE: Several people have raised that issue.

Mrs MADDERN: Just out of curiosity, though, from your particular industry what sort of increases are we looking at? Have your people given you any indications?

Mr Putland: Probably not in reliable numbers. If you just bear with me for a second I will dig through some papers.

Mr KRAUSE: While you are doing that, does it vary between large and small businesses?

Mr Putland: It does.

Mr KRAUSE: The impact?

Mr Putland: For many of the tariffs there is a 100,000 kilowatt hour threshold and then suddenly your costs go through the roof, because there is a trigger point,

Mrs MADDERN: And it does not transition gradually then; it just goes boom.

Mr Putland: As I understand it, yes.

Mrs MADDERN: So you go back and you pay more up to that.

Mr Putland: As I understand it, and that is taking a lot of growers by surprise—some of the new tariffs, just the level of that sudden switch in the tariff once they meet that threshold. There is probably more variation on the type of business rather than the size of it. With some that are much more energy intensive, if they incorporate packing sheds et cetera on their farm, large refrigeration units as well, they have considerable energy consumption.

Mr KRAUSE: Cold fresh?

Mr Putland: Yes, one of our members uses $144,000 worth of electricity a year. So if you have between a 10 per cent and on average 30 per cent range of electricity increases, that is a significant slug extra just this year from these new QCA price increases. So yes, it varies a lot, depending on the nature of the business and what sort of things they are running. Refrigeration is one big one and the ones that have heavy irrigation needs as well are the ones that are going to be the hit hardest by this need.

Mr KRAUSE: Yes, off-peak irrigation.

Mr Putland: And the off-peak. One of the other issues is that a lot of the differentiation between peak and off-peak tariffs is reduced, which in some ways is counterintuitive. You would think that you would be encouraging more people as possible to switch to off-peak but, under the new tariffs, many growers have indicated that they will just switch back to peak because they do not have to get up in the middle of the night and monitor the systems et cetera.

Mr KRAUSE: I understand that directions have been given in future years for that onus or emphasis on off-peak irrigation to be put back into the system.

Mr Putland: Yes.

Mr KRAUSE: That does not help in the immediate term, but for the future.

Mr Putland: That is much appreciated.

CHAIR: All right. Thank you, Troy. Thank you, David.

Mr Putland: Thank you.

SEELIG, Dr Tim, Queensland Campaign Manager, Wilderness Society Queensland

CHAIR: Good morning, Tim, how are you? Could I just ask you for my own curiosity what your doctorate is in?

Dr Seelig: I have a PhD in urban sociology.

CHAIR: All right.

Dr Seelig: Firstly, I want to acknowledge the traditional owners of the land on which we are today—the Jagera and Turrbal people—and to thank the committee for the opportunity to do a short presentation on the basis of the issues raised in our submission. As you would have noted in our submission, we do not believe that there is overregulation of industry when it comes to protecting the environment. Things like the objectives that the Productivity Commission have discussed and the harmonisation—so-called—of environmental regulation between different jurisdictions and levels of government we believe should not be at the expense of adequate environment protection. We need to look at the real reasons we need environmental regulation. We believe terminology such as 'regulatory burden' and 'green tape' are pejorative. It is used for great political effect and media grabs, but what we are talking about is essential environmental regulation and essential assessment processes.

We can ask the question: why do we have environmental regulation at all? I sincerely hope that everyone here would accept the importance of making sure that our beautiful environments, particularly our most fragile, pristine environments which are some of the last remaining of those on the planet, are properly protected. So the principle here is about ensuring adequate environmental protection and that those environments will not be damaged by development, whether that is mining, farming or other sorts of industrialisation or activities.

The application of regulatory rules and the requirements to go through sufficient assessment processes is the best way of ensuring that the environment will not be damaged inadvertently or deliberately by development. We do not believe that the current level of environmental assessment and regulation should be reduced. If anything, arguably in some cases it should be radically increased. There is a critical difference in the way we look at environmental regulation. We see great value and importance in the precautionary principle, which is as I think the Environmental Defender's office submission highlights, about being precautionary—taking a cautious approach. When the evidence is not there about environmental damage or there is a doubt about environmental damage you should take a precautionary approach and not hope that things will work out for the best. We see this being quite different from the notion of ecologically sustainable development—ESD—which, quite frankly, has proved itself to be completely toothless when it comes to protecting the environment.

I understand that there are options of the new government and of many of the industry sector people you would have been hearing from, which is largely kind of an anti-government regulatory position. What we would say is that, without those essential regulations, without those assessment processes, we will lose ecologically important, environmentally fragile environments. Once they have gone, they are lost forever. Self-assessment and self-regulation in our experience simply does not deal with cases of deliberate or inadvertent attempts to undertake unlawful practices or where development simply will logically end up in environmental damage. We accept that there are many farmers, graziers and others who are trying to do the right thing and, particularly when it came to VMA, there are many people who comply and there is no issue there. But clearly, there is still a level of unlawful clearing and we believe that is the kind of reasons you have environmental regulation. But self-assessment will not deal with those cases.

The effects and costs of regulation in our experience, again, are regularly overstated. But even when they are correct, we believe that they are there as a necessary process. The people who complain about them have to acknowledge that there are good environmental reasons for having those sorts of regimes in place. If the government wants to speed up aspects of the assessment process, then frankly the government has to look at strengthening its own environment department and other agencies as required so that they can make full assessment efficient. This probably means more, not less, scientific expertise, technical expertise. It needs more power of those environmental agencies, not less. It also needs more enforcement and compliance services. In our view, the recent decimation of the department of environment and resource management and the scaling back of enforcement of the VMA, for example, just flies in the face of the logic of efficiency. If you want to make these processes work you need to invest in these agencies. It is counterproductive to ensuring strong environmental protection, but perhaps that was the point.

I can come to some specific examples if the committee is interested. I note that AgForce has talked at length about wild rivers. We have a lot of detailed knowledge of how the wild rivers system works. Whilst I am not here to critique AgForce's submission, I would like it placed on the record that there are a number of claims and assertions that they make that I do not believe are correct. I would like to table formally a set of reports that the Wilderness Society produced as part of a federal inquiry—unless there is any particular reason that cannot occur. There are six reports. They explain how wild rivers works, why we need wild rivers protection in place. They focus very much on Cape York, because at that time the western Queensland wild rivers declarations had not been finalised. They have already been submitted to a federal inquiry, but I think they summarise a whole load of issues that you might find of interest.

CHAIR: Yes.

Dr Seelig: Very briefly then, I have just one other matter on wild rivers. The other thing I wanted to table was a copy of some media that was in the *Australian* newspaper on 27 October.

CHAIR: If it is in the public domain does it need to be tabled?

Dr Seelig: It may not need to be tabled, but I would like to draw your attention to those. It is a series of articles. There were three or four pieces in the one weekend edition talking about the work—

CHAIR: Just give us the date of the edition.

Dr Seelig: It was 27 October and it is largely a story about an Indigenous cattleman, Bruce Martin, from the Aurukun area and how he has developed the cattle industry in the Archer River. There are a number of references there is to wild rivers and how wild rivers has prevented these kinds of activities and other sorts of sustainable activities. The reason I wanted to table this is that the article failed to mention anywhere that the Archer River wild river declaration is still in place. So the work that Mr Martin is undertaking here—having a cattle industry—is happening under the auspices of a wild river declaration. So the claim that wild rivers prevents these kinds of activities, there is a very clear and obvious piece of evidence right here and now that that is just not the case.

One of those reports in our submission goes through in detail what wild rivers does allow and what it does not allow. The bottom line is to prohibits environmentally destructive development like instream mining, like damming, like intensive irrigation in a very narrow band around what is called the high preservation area between 500 metres and one kilometre of the main watercourses and tributaries and special features. Outside of that area activities—even mining—can occur. So even within a wild river area outside of the high-preservation area mining is allowed. The regulatory systems that apply there are ones that would have applied regardless of the wild rivers declaration. They are the VMA, they are the Mineral Resources Act and so on. So there is a lot being said, there is a lot being argued and claimed about the way wild rivers works, but in our experience most of it has been incorrect and fallacious.

CHAIR: All right. Thank you. Just on a couple of issues, the Queensland Resources Council was here this morning and was saying that what they really are chasing, though, is a solid set of rules so that the goalposts do not keep getting moved. Would you be in agreement with that—if they were appropriate regulations?

Dr Seelig: Of course, I am sure from an industry perspective having as much forewarning about what the rules are and having as much clarity and transparency about those rules would be very important. How I would answer that question is that, if they are strong environmentally protecting regulations, then absolutely, but if it is about winding back environmental protections so that industry has the security of knowing that it will get its projects up regardless, then that is not transparency, that is not efficiency; that is essentially rubber-stamping development.

CHAIR: I notice that you were critical of some of the freewheeling of why rules should be put in place. Undoubtedly you have been to Fraser Island, Tim?

Dr Seelig: Yes.

CHAIR: The logging industry survived there for 100 years.

Dr Seelig: There is not much old growth rainforest left on Fraser Island after the logging industry was there for a long time.

CHAIR: Wasn't it declared a World Heritage area after the logging industry had already been there for 100 years, probably without any regulation?

Dr Seelig: Yes. If you go to the very small remnant part of the rainforest on Fraser Island and compare it with the overall size of Fraser Island, you will find it is an incredibly small proportion of that island.

CHAIR: But it was still good enough to be classed a World Heritage area, of course, wasn't it?

Dr Seelig: The Great Sandy Region was declared World Heritage on a number of fronts. It was not just about the rainforest, though; it was about it being the largest sand island in the world, it was about having large pristine lakes and so on. But the logging industry had a devastating impact on the old growth forests that were on Fraser and the little bit that was left was protected, but that is a pretty poor way of going around saving your precious environment.

CHAIR: I just thought they had managed the logging industry fairly well there and it is probably better than clear felling Malaysia.

Dr Seelig: Both are bad.

Mr KRAUSE: You mentioned the Vegetation Management Act. We have spoken about this with other people this morning as well. Do you support or does the Wilderness Society have a view in relation to the presumption of guilt being placed on landholders, in relation to clearing undertaken on their land?

Dr Seelig: I would not describe it as a presumption of guilt, but I think you have to—

Mr KRAUSE: It is a reverse onus of proof. They have to prove they are not guilty when an allegation is made, so it is a presumption of guilt.

Dr Seelig: Are you talking about an enforcement—

Mr KRAUSE: Yes.

Dr Seelig:—where a prima facie case is being made that there has been unlawful clearing? I have no specific comment on that. I would say the compliance area of vegetation management is absolutely essential if you want to make that system work properly. We have observed an ongoing annual rate of unlawful clearing, so clearly there are still problems. I guess if there is a prima facie case, then I do not see it as being unreasonable for the landholder to show how it was not unlawful.

Mr KRAUSE: Thank you.

Mr KNUTH: The AgForce representatives who were here talked about the complications that they have with vegetation management, and likewise with reversing the onus of proof and the unviability problems in relation to mining companies now taking parts of their land. You talked about harmonisation. Primary producers are one of our greatest assets, but some of them are just tied up and cannot do anything. They cannot farm their land or manage their land, because they are tied up with this regulation. Is the Wildness Society prepared to work with the farmers and have a good look at all of these regulations that are affecting them, to try to work out something and get a bit of an understanding, rather than saying, 'We are going to get you. Stop! Environment, environment, environment!' Someone said here that we have good land and good farming land that we cannot touch, but we have good environmental land that we can clear and yet we cannot do anything because of trying to offset it. Can't something be worked out? They are looking at clearing remnant, but protecting that non-remnant, which is basically good environmental land.

Dr Seelig: If the purposes of the Vegetation Management Act are to protect remnant vegetation, then it does not make sense allowing the clearing of remnant vegetation and offsetting it with something else.

Mr KNUTH: Okay, when you talk about harmonisation, is there something that you can work out? You can sit at the table with them and say, 'Look, we understand', and there needs to be some regulation set in concrete to allow that bit of flexibility under certain conditions?

Dr Seelig: The Wilderness Society has been involved in a number of processes, working with industry players at a formal level, with the Cape York Heads of Agreement. We sat down with the Queensland Resources Council, or whatever it was called at that point. Also the Cattlemens Union and the Cape York Land Council. We have a history of working with some of those institutions, providing they are also interested in having practical conversations, rather than polemic. At a local level, in western Queensland, for example, when the wild river nominations were made for the Cooper Creek and the Georgina and Diamantina rivers, we worked with a number of graziers out there, many of whom are AgForce members, who are very strong supporters of those protections. They were quite happy to see wild river declarations made in those areas, because they understand the threats to large-scale irrigation and they understand the threats from coal seam gas and trail gas and so on.

We will talk to anybody and everybody. We will always look at practical options, but our bottom line will always be protecting the environment; that is absolutely essential. When you say good farming land is locked up, I do not know the exact example. I was not here when they were providing the specific example of that. I can certainly say, when it comes to precious environments, whether it is in western Queensland, the gulf country or Far North Queensland, our experience is that people are relegating the importance of the environment. They are putting industry first or their own profits first and our job is to make sure the environment has a voice at the table, whether that is—

CHAIR: Just to give some explanation of what Shane is talking about, I think the largest owner of offset land in the United States is the United States highway group, because they like to build straight highways. Of course, they then offset some of the things. Do you feel that the offset legislation that is in Queensland at the moment should be reviewed or could be reviewed to give some better outcomes? At the moment it seems to be very hodgepodge.

Dr Seelig: I have to say that I am not a great fan of offsets. What are you offsetting it against? You are potentially destroying pristine environments or remnant native vegetation, old growth—whatever it is. You are saying you are going to offset that with something else. If it is of the same ecological value, that other area should also be protected. If it is not of the same ecological value, then it is actually not a straight offset. I know under the regrowth vegetation amendments there was a multiplier effect of whatever it was—two or three times the size of area. But that does not work if you are not protecting high ecological value areas.

From memory, the legislation was supported by Labor and I think supported by the Liberal Party. Certainly wild rivers was supported by the Liberal Party; the Nationals abstained. You actually had effectively bipartisan support. The purpose of this was to protect native remnant vegetation. If that is the purpose of the legislation, you cannot blame the legislation for doing its job. If now there is an attempt to undo that and say that is no longer a priority, then you will naturally have people in the environment sector and elsewhere saying that that is a bad thing to do.

Queensland was the land clearing capital of the planet, almost. The scale of legal land clearing in this state was just unbelievable. When Queensland did adopt protection of native vegetation, even John Howard was able to argue that that helped him in his Kyoto related targets on climate change. It was seen

as a good outcome, I think, across the political board. Certainly aspects of industry did not like it, but there were a number of concessions and other sections put into the way that that act works, so that a number of the issues that AgForce in particular highlighted as being problem areas are things that are allowed under the Vegetation Management Act. But, yes, you have to go through a process to get a permit to do that. I do not see that as being unreasonable if there is a question mark over whether the area that they want to clear is of environmental significance. That is not saying you cannot do it; it is just saying you have to demonstrate that it is not going to damage the environment.

Mr KNUTH: Are you happy for them to demonstrate that, to show to you that they can offset this for that? If this becomes a viable piece of land for them and there is no change in the fact that it will become, eventually, as time goes by, remnant; it is not viable farming land, but it is of high value?

Dr Seelig: I have already said I do not like offsets. I think that sounds like a nice argument, but I do not think that is how it works out in practice. If the area was of high ecological value in the first place, then it should be protected. I think you will find in practice offsets are looking at other types of areas. They are not necessarily looking at the same ecologically significant areas or areas of the same value in a conservation sense.

Mr KNUTH: As you go to the Atherton Tableland, you see this pristine forest. All those forests have been logged and cleared, but they have just grown back, so it still looks the same.

Dr Seelig: Obviously, they were not clear felled, they were selectively logged, but it still has quite an impact on biodiversity. It takes a very long time for those rainforest environments to grow back, if that is what you are referring to.

CHAIR: In the logging industry, there was very little clear felling in Queensland. It was mostly all selective logging. Some of the ex-forestry staff were probably some of the best tree people in the world. They understood trees and they understood the way it works.

Mrs MADDERN: Going back to vegetation management, this is a proposition that has been put to me and I would like your comment on it. Yes, remnant vegetation that has been there since whenever, fine. But their argument is that very often the land has been cleared in the past, vegetation has grown back, and then all of a sudden that becomes classified as 'remnant vegetation'. My definition of 'remnant vegetation' is something that has been there forever; it has not been cleared and grown back. That is their definition. Can I have your comment about that, please?

Dr Seelig: You are referring to regrowth, though?

Mrs MADDERN: Yes, basically.

Dr Seelig: I think the amendments that were made to the VMA around regrowth have a much smaller impact. I think it was only another 800,000 hectares, wasn't it? I forget the precise figure in the end. But that was about particular types of regrowth that were of particular ecological value. That was not all across the board. That is my understanding.

Mrs MADDERN: Actually, it seems to have had a fairly big impact, but—

CHAIR: Would you like to sum up at all, Tim?

Dr Seelig: I had some other examples. Just coming back to the harmonisation issue, I guess one of our big concerns right now is this harmonisation across jurisdictions, so the federal government talking about divulging or delegating its environmental assessment powers to state jurisdictions. We think that is a big mistake. I think Traveston dam is a very good example in Queensland of where, if that had occurred, we would have a Traveston dam now. It was the fact that we had two separate levels of government applying different assessment processes and ensuring that different aspects of the environment were being considered in that overall assessment process that allowed the federal government to overrule the state government's decision to protect the environment. I am not necessarily saying I am supporting federal intervention in every sector, but certainly when it comes to the environment it is helpful, I think, for the environment to have a separate set of eyes. Delegating that down and harmonising that to the point where there is only really one agency, I think, will have further devastating impacts on the environment.

CHAIR: Thank you.

BRAGG, Ms Jo-Anne, Principal Solicitor, Environmental Defenders Office Queensland

CHAIR: Good morning, Jo-Anne. Thank you for coming along again today. You are a regular visitor to us and it is good to see you here. Would you like to give us a bit of a run-down on some of the issues that you think need highlighting?

Ms Bragg: Certainly, Chair. My name is Jo Bragg and I am from the Environmental Defenders Office. I am the principal solicitor there. I have been there for 20 years, so I have certainly been aware of some these reform processes on vegetation, mining and other things that have been mentioned over that time. As I guess you would be aware, over that time we have given legal advice and assistance to both rural and urban people on environmental issues relating to local government and also relating to major state issues like vegetation, mining, pollution and so on. We have a fairly broad perspective and it is from a community angle, because of the clients we have helped on a non-profit basis.

In terms of what I would like to emphasise to you, it is a huge topic and it is a big job to be conducting this review. I guess you have probably seen the written submission we have put in. I don't know if you have had a chance to read it at all, but on page 12 there is a summary of the recommendations and I thought I might try to refer to those. Do you have access to that at all?

CHAIR: I have read it.

Ms Bragg: Trying to skip over a few of the main points due to time, I guess I would certainly strongly emphasise that our community benefits from environmental regulation. In fact, having strong environmental regulation is absolutely essential if we are to look after our air, our water, our communities and if we are to have strong sustainable industries into the future, including a strong agricultural industry. I see the general thrust of cutting red tape, cutting green tape and reducing the burden of regulation as misguided and driven by certain parts of industry who stand to gain from weaker regulation.

My recommendation 4 is rather than rushing in and saying we have to cut regulation, and remembering a phrase that someone said to me recently, 'liberty to the wolves is death to the lambs', what might be good for one part of industry might be a serious problem for another part of industry or the natural environment. I think the real point of looking at environmental regulation is to look at what is the social, environmental and economic objectives you wish to achieve and how best to pursue those. So not chopping and cutting environmental regulation unless you have really looked at the cost benefit analysis of that for the environment, for the community and for other industries. What might be desired by the mining industry might be a real problem for the agriculture industry. That is why I think the phrase 'liberty to the wolves means death to the lambs' has to be borne in mind.

I have had a quick look at the Queensland Competition Authority report. We did not have time to do a detailed submission, but when it talks about how you measure regulatory burden, it is not an exact art here, they are reaching at trying to work out how to measure it. Just to give an example, if you had a clear rule which said no mining within 10 kilometres of a locality of 200 people or more, that is a clear-cut rule, that is clear cut for the mining industry, they do not have to fuss around and spend time and do studies and spend resources tying to get the rights to go in and mine there. You have got a clear-cut rule, less burden for the community, less burden for the regulators and a clear rule for mining. Often industry says it wants certainty, but actually it wants certainty in terms of giving ample access to itself. The community usually wants clear rules so they can sleep at night and not be worried that the mining company that is coming in their area will come too close to their town and they have got to move.

CHAIR: So you would be supportive of more clear concise rules like that then, is that what you are saying?

Ms Bragg: Look, I certainly would. I certainly suggest that tighter regulation of the resources sector is necessary to benefit the environment, the community and other industries like tourism and agriculture. We are not seeing tighter regulation of the resources industry, we are seeing more streamlining and weaker regulation or a lack of necessary regulation.

Mr KRAUSE: Could you give an example of that, please?

Ms Bragg: Of the looser regulation?

Mr KRAUSE: Yes.

Ms Bragg: Well, there was a bill called the Economic Development Bill that went to parliament just recently. Our office did a submission on that. That included a proposed amendment to the Environmental Protection Act which would make it easier for a resource company to release water, potentially wastewater of various properties, into waterways. The criticisms our office and the EDO of North Queensland made were that there was a ridiculously fast turnaround for such an application—one day, 24 hours—the financial implications on the industry were a prominent criteria, it did not only apply in the case of emergency as perhaps some people understood, there was no public input and any permit given was not required even to be put on the public register under the Environmental Protection Act. We opposed that particular reform. That is good for the resources industry, it is not good for the other industries or even towns who need to use the water. The river that springs immediately to mind is the Fitzroy in Central Queensland. There has been a lot of other legislation come through the various committees and the House. The mines streamlining bill is the one that just springs to mind. That is just the example I will choose to give for the moment.

CHAIR: That is a fair example, simply for the fact that the important point about all that would be the quality of the water that would be released, of course.

Ms Bragg: That is an example where there is a proper assessment process. If, say, a new mine is proposed, there is an assessment process, a very important one because these mines might last 30, 60 or more years, and conditions are placed on the environmental authority about water and wastewater after a lot of deliberation and so forth. I do not support, and the community does not support, some quickie approach for the industry to try to get rid of some wastewater in that sort of short turnaround with no public input.

CHAIR: Like I say, that is totally relevant. If the water was better quality than the water that it was going into surely there would not be an issue.

Ms Bragg: Who is going to check up on that if you have only got 24 hours?

CHAIR: That is what I am saying. The quality of that water is the relative point, is it not?

Ms Bragg: It is, but you still need your assessment process and your public eyes watching what is happening on the web otherwise you cannot be sure the water is an appropriate quality. I am just worrying about the time. Maybe I will talk a little bit about human health and dust issues and about restricted areas around communities. Is that of interest to people?

CHAIR: Yes

Ms Bragg: I have mentioned this before and it is a very, very significant issue, and I will probably be mentioning it again and you will find many people mentioning it to you, but when the Mines Legislation (Streamlining) Bill went through you might recall this issue came up about protecting communities from mining. At the time our proposal was, and still is, that you need clear rules so that communities of 200 people or more should have an area around them and it should be, according to Doctors for the Environment, who are very concerned about the health impacts of dust from coalmines, up to 10 kilometres around the community that is free of the mining and in that area there should be no ability for a company to put in an application for a mining lease or for the mining lease to be granted or, if there is already a tenure there like exploration, for it to be upgraded. So I think this is a really important feature to give small communities comfort that they are not going to be subject to major mining around them and emphasising it is a social issue, it is a health issue in terms of the fine particulate dust. You would have seen, in the last couple of days in the *Courier-Mail*, a little bit about that.

I am aware the Deputy Premier at that earlier time said that the regional plans will deal with that. I do not believe that will do it effectively. We need clear-cut rules on this so that communities can feel comfortable that they know there is no way they will get mining within a certain distance of their community. It is possible you could put that into force by the regional plans, but the informal feedback I have had to date is the regional planning process is not going to be nice and precise and definite in that respect as we would need. We are certainly happy to put in submissions to that effect in regional planning. But I did put in the submission an example about what sort of regulation we need. It is like a circle. Do people remember seeing a blue circle in the submission? As a lawyer with 20 years experience and representing people with small resources, often against mining companies or property developers with large resources, you need clear cut rules because if they are vague and fuzzy I am sure we can all guess who will win out.

Mr KRAUSE: You are proposing that towns of 200 people or more have an exclusion zone of 10 kilometres; is that right?

Ms Bragg: 200 people is what we propose. We are not saying that smaller communities should be left in a bath of dust.

Mr KRAUSE: I know. What was the radius?

Ms Bragg: It is hard to work out what is the correct radius, but Doctors for the Environment have taken a particular interest in the health impacts of dust.

Mr KRAUSE: What do they say?

Ms Bragg: Their best estimate from what I could find of their work was 10 kilometres.

Mr KRAUSE: Have you or any other body you know of extrapolated that to come to some sort of conclusion about how much area in Queensland that would affect in terms of mining tenures?

CHAIR: 314 square kilometres per village.

Mrs MADDERN: How many villages?

CHAIR: I do not know.

Ms Bragg: I have not added it up.

Mr KRAUSE: There are quite a few towns in Queensland with more than 200 people and 10 kilometres out from each of them is quite probably a significant amount of ground.

CHAIR: 14 square kilometres.

Ms Bragg: That area could still be used for an economically productive use which could in many cases be agricultural. It is not sterilised. But this is more about a serious health issue for people in the communities and many health professionals have dubbed the very fine coal dust—not the big stuff that you

cough up, the very fine stuff which when you breathe it in it goes into your lungs and right through in your bloodstream, okay? We are not talking about the big particles. It is a very serious issue and it has been called the new asbestos. Certainly where I have looked at examples, and the one I am most familiar with is Acland, Jondaryan, that sort of area, they have completely inadequate monitoring at the moment and communities within a few kilometres of, say, the big coal pile near the railway line there, there are serious health issues at the moment, but we do not have the established monitoring and everything publicly available. The company, New Hope Coal, is avoiding accountability on a lot of those issues.

Mr KRAUSE: You have raised the issue of the health effects of coal dust. There has been coalmining proceeding in this state for probably 100 years or so. Have these health problems been documented in the past?

Ms Bragg: I think they have been poorly documented. Certainly we all know the stories of the Welsh miners who got black lung in that close contact. That has been documented, but it has been poorly documented. Air quality is, if you like, a fairly new issue for public attention in that respect so it is not well documented. We would like to see a lot more research and better standards in relation to fine particulates.

Mrs MADDERN: Just to go right back to the beginning of your presentation, it seems to me that you were saying basically, in a nutshell, reducing regulation equals weaker regulation.

Ms Bragg: Yes.

Mrs MADDERN: So you do not see that there is any capacity to reduce the regulation and still keep it at an appropriate level? Just reducing it automatically weakens it?

Ms Bragg: I think it is possible to reduce it and strengthen it, but the way you do that would be some of these clear rules that I have mentioned. If you have a clear rule that there is no mining around a community or a nature refuge or important natural area, you can have simpler regulation, probably you could say less regulation or less complicated regulation, and maybe even better protection. When I say reducing regulation will lead to problems, I guess I am thinking of the sorts of changes to regulation that I have seen and that are being advocated by, on many occasions, industry. You can have good simple rules that are better for the environment and less regulated.

CHAIR: There has been an argument put of course that this resource is the public's resource; the state owns the resource. If, for instance, it is one of the new rare resources that everyone is trying to chase, should there be a right to mine that then for the fact that it is important for the better procurement of mobile phones or whatever it is going to do? Should the larger public have the benefit of that resource?

Ms Bragg: Certainly if it is a rare resource, then you do need to have that debate about the benefit to the public as against the cost to the local community. But at the moment the power imbalance is all against the local community and all against the environment. I just spent the last four days in Roma, Chinchilla and Toowoomba running environmental workshops for landholders and hearing how the power imbalance is for them, and it is entirely in the wrong direction. If someone just gets an exploration licence over a corner of their property, they cannot sell it. There was one fellow who had his whole property taken up by two different proposed gas tenures and two different mining companies. So at the moment it is completely out of balance and that is why I am suggesting to try to even the balance up a bit more. We still want to mine valuable minerals. Most of the minerals I am familiar with that are being mined are coal, which is not particularly rare. We really need something like the chart that I have put in my submission where you get clear rules in the legislation. You get planning done. If it is done well, again, you need clear rules on your land use planning about what is allowed where and what areas are protected. Then in the development assessment process you still need to be looking at impacts on the community and impacts on the environment.

I certainly agree with Dr Seelig from the Wilderness Society about the need to take a precautionary approach. There are so many abandoned mine sites in Queensland where in the past a precautionary approach was not taken. That costs the public money year after year when they have to go and fix them when the companies go broke or whatever, and Mount Oxide mine was one example we did talk about another time I was here. In the submission we did put in one of the appendices—Appendix E—a reference to a scientific report that Queensland has an estimated 60,000 abandoned mining tenements. Some are small. They are not all major, but there is a large quantity. If we do not have good environmental regulation and if we do not protect certain areas, it is really a legacy issue which we already have from the earlier mining.

CHAIR: I must admit I have looked at the maps of mining leases and exploration leases over Queensland and it is very speculative at the moment. Everyone who can afford to own a lease has just about got one I think.

Ms Bragg: They have, but that creates a major problem for a landholder or a community when they are told, 'Don't worry. It probably won't happen,' but they want to sell their land or even they do not want to put improvements on. They do not want to spend money on their land if it is about to be chewed up by an open-cut coalmine.

Mr KNUTH: I want to clarify something in relation to the 200 and the 10 kilometres. You say that you are looking for a balance there so you have gone way in the opposite direction, which I probably see as a little bit too far. I want to share something. I have Moranbah in my electorate and I fought tenaciously with the Moranbah community to stop coalmines getting too close to the town, and I am still fighting that. Isaac

Plains is around seven kilometres away and the community is copping the dust, probably silicon dust. There are certain areas where they have to sweep their verandas and I have put my position forward of vehemently opposing this. But we also have Ravenswood as an example where the mining company has a pit which is 400 metres from the township.

Ms Bragg: I think I have seen that on Google actually and historic buildings.

Mr KNUTH: That is right; 400 metres from the township. It is a town of about 300 people. At the moment it is divided in some way in terms of the mining company, but it is gold that they are mining and they want to expand that pit. That means that the pub has to evacuate and the school has to evacuate. But the town is recognising the benefits of it having that mine there rather than not having that mine, so it now looks like the town and the community will support it. But they do not have the issue of the environmental side of it. Their issue is the inconvenience of the blasting and having to evacuate the school, having to evacuate the pub and that some people's homes will have to be bought out. So there is that circumstance. So does this 10 kilometres apply to the goldmining side of it? Have you taken all of that into account as well, or are you only looking at coalmining?

Ms Bragg: I must confess I am mainly looking at coalmining and particularly the large scale mining. Has everyone seen an open-cut coalmine—how big they are, how deep they are, the lights and everything? So I am mainly thinking about coalmining; that is certainly true. But just recalling Ravenswood, that seems a good example to me of what happens to a town when a mine gets too close. It used to have a lot of people and they have just left because it is pretty intolerable.

Mr KNUTH: They are relying on the school. They need those people there because they want to keep the school open. They want to keep their local pubs going and they provide medical services to that community—the mining town. It is so important, but there is that factor of the inconvenience of it but the health side of it is not so much there because it is a different mining operation. It is goldmining and the pit is over 1,000 metres deep and that blasting will occur more down there as opposed to other types of mining.

Ms Bragg: I agree there are different impacts from different types of mining, but coal is the one foremost in my mind because that is what people complain about. For example, at Toowoomba on Wednesday all the people from Acland were at the environmental workshop we ran and they are just getting terrible impacts from dust, and a lot of the people I spoke to are vets. There are a lot of rural vets very concerned about the dust issue and people were raising issues relating to livestock and dust as well, not just human health. But I guess what I really hope you will remember from my submission is that everyone seems to agree that we need to look after special areas of the environment—water catchments and communities—but as a lawyer with 20 years experience vague words and vague criteria will not do it for you. It will not do it for you. The mining companies will keep arguing their way through with their expensive experts and the communities will have to keep trying to defend themselves. You need clear-cut rules in the legislation and clear rules in your regional plans and you still need an assessment process for those fine grain impacts.

CHAIR: Thank you. We are going to have to move on.

Ms Bragg: Thank you.

JULIEN, Ms Patricia, Mackay Conservation Group

CHAIR: Good morning, Patricia. Would you like to give us a summary of what some of your concerns are and some of the issues for you up there?

Ms Julien: Yes. We are concerned that community and environmental concerns are not being considered properly. We would like to see a more systems based approach to planning so that the costs of regulation and enforcement are brought down. We know that businesses focus on minimising costs, but we do not want to see businesses doing cost shifting so that the communities and the environment suffer as a consequence. From our perspective and our experience, this is what has been happening.

CHAIR: Would Mackay be suffering more from the fact that it is a large coal distribution point or are you suffering from the mining?

Ms Julien: We do submissions on the mines out west and one of the things I found in the research is that because of past widespread land clearing and the mining now, which is the only one really allowed to do the large scale clearing, we have evidence of a decline in species richness in all of our fauna—that is, our mammals, our frogs, our reptiles and our birds—compared to the Galilee Basin. The Galilee Basin has yet to be mined. We expect a collapse there as well in the number of species, but definitely the species richness should be much greater than it is compared to the Galilee Basin. I am speaking about the Northern Bowen Basin. The species richness there is lower than in the Galilee Basin. So that is one example of our concerns. Every time I do a submission I see a decline. I see the same species being affected across each mining site, so even though the birds may be common now their numbers are decreasing. That is one aspect of it.

The other aspect is what we are seeing at the ports. Dudgeon Point, for example, will be only 11 kilometres directly from downtown Mackay and yet it is going to have 400 hectares of coal stockpiles put on it. Flying coal dust is already reaching the Northern Beaches of Mackay and we expect that that will maybe double or triple in amounts despite what the modelling of the North Queensland Bulk Ports says on air quality. So we have concerns about—the locals do too—the health impact. We do not want to see any decline in regulation at the expense of healthy communities and a healthy environment.

Mr KNUTH: With regard to the coal dust coming into the Northern Beaches, how far is that travelling and what is the reason for this?

Ms Julien: Flying coal dust—that is, PM 2.5 and less microns—can travel hundreds of kilometres and that has been shown in that air pollution from Peking has been found across the Pacific in the north-western US, so that gives you some idea of how far it can travel. In terms of the way that the coal dust is measured, we have no way of knowing what the actual concentrations are. It is all bundled together as TSP, total suspended particulates. We have 20 years of monitoring data of that but no real way to know what the actual day-to-day change is in those fine coal dust concentrations. If we double or triple it, we expect it to be often out of compliance with standards that have been set in that, according to world health standards, even background levels can really cause harm to some people. So we are very concerned that this is a toxic product that we will be getting over Mackay.

Mr KNUTH: So basically this dust is coming from the coal loading facility. You are getting traces of coal dust on the northern beaches; is that right?

Ms Julien: Yes, they are on the northern beaches. They are at the harbour. They are at Bucasia. We have had reports at Blacks Beach.

CHAIR: How close are the closest residential suburbs to the terminal?

Ms Julien: Within less than a kilometre from the stockpiles. There are half a dozen communities around Dudgeon Point. They are from less than a kilometre to six to 10 kilometres around there. There is quite a spread there. The ports are setting up a PM 2.5 monitoring station at McEwens Beach. It is very expensive to do it. You would have to check the machinery. It is very delicate equipment, so you would have to look after it properly to make sure the readings are okay. So it is very hard to get really good data and sort it out the fine black coal dust from other types of contaminants that might be there.

CHAIR: You would be pleased with the ports doing the monitoring now, wouldn't you?

Ms Julien: If it is going to reach hazardous levels, monitoring is no replacement for having an operation that is to scale that is not going to impact the community or the environment. We are suggesting that these huge coal stockpiles—and they are massive; 900 soccer fields; imagine that!—should be placed inland in a safer place where there is less environmental and community harm and brought to the coast as needed. We do not see the need for such large coal stockpiles right on the coast.

CHAIR: Admittedly, your point is well made. But we do have to measure it to make sure we are understand what we are actually doing, surely.

Ms Julien: Yes, absolutely. I have no problem with that. But the TSP was monitored for 20 years. I have 20 years of data and I have looked through the past two years—

CHAIR: TSP?

Ms Julien: Total suspended particulates. That is a mixture of mineral and organic matter and fine dark particulates which we expect is the coal dust. They have stations that collect bottle samples that give you some idea of the percentage of each of those particulates but that is only given monthly. The report is on a monthly basis. For TSP monitoring you can get a 24-hour average of total dust. Total dust includes all of those three factors. It does not sort out what the actual fine coal dust exposure is.

CHAIR: Twenty years ago they would still have been burning cane up there, wouldn't they? Has there been a noticeable—

Ms Julien: Do not forget that the prevailing winds are from the south-east, so the winds mostly come in from the sea. So you are not getting too much impact from the burning of cane. This is data I have done for the last 18 months. We do a lot less cane burning in the area now than in the past.

CHAIR: I just wondered what the total suspended particulates—

Ms Julien: Emissions are down from what they were 20 years ago, but we are talking about a future scenario where emissions will rise.

CHAIR: That is what we want to look at. If we have a baseline we can work from—

Ms Julien: They do not really have the baseline. This is why they are going to set up the PM 2.5 monitoring station at McEwens Beach, which is just across from Dudgeon Point—just a little further to the north.

CHAIR: Weren't you talking about the TSPs being monitored for 20 years though? What was that about?

Ms Julien: The TSP monitoring for 20 years was in about half a dozen stations around the whole stockpile.

CHAIR: And that has been going for 20 years though.

Ms Julien: Yes, that has been going for 20 years, but it does not really provide you with the information that you need. That is the problem.

CHAIR: Why?

Ms Julien: Because it does not tell you what the exposure levels are on a day-to-day basis to the fine particulates that are the coal dust. Do you see what I am saying?

CHAIR: What is it telling you then?

Ms Julien: It is just telling you what the total concentrated dust levels are. Those guidelines are then set by the state and most of the time the report comes back that the port is in compliance with those guidelines most of the time—sometimes there is a difference. Right now we would expect that the levels are usually in compliance because we just guesstimate that. We really do not know what that day-to-day concentration of that coal dust is within the whole dust particulates measure.

CHAIR: I realise it is only a guesstimate. What is your guesstimate of other issues then of dust? Are there a lot of dusty type industries or polluting type industries around there as well?

Ms Julien: No, not right now. The coal port and the coal stockpiles are the issue. The other problem is at Abbot Point. They will be increasing their coal stockpiles as well over time, and you have a lot of agriculture around that area. So that is a concern too. The coal dust is a concern. I note that it has been in the *Courier-Mail* too. There are communities down there along the railway line that are concerned about it. When you read the World Health Organisation background reporting on setting the standards, they say there is really no safe level for coal dust. The more there is in the atmosphere the larger the percentage of the population that will be affected. So all you can do is try to get those levels down as low as possible. But if there is no safe level and they are going to increase, why are they being put up wind of a large growing urban area like Mackay? That is the question.

Mrs MADDERN: My question to you is that this inquiry is about trying to reduce red tape. Basically, from all of your comments here about coal dust, are you saying we need to increase regulation rather than decrease regulation?

Ms Julien: No. I am saying we need better planning. We need to think about this as a problem of how do we have no coal dust there at all. How do we change the plan, change the whole approach, so we do not have it? Well, you do not expand the port or you have the coal stockpiles further inland. To me they are the first two things that I would think of that you would want to do. You are trying to approach regulations from the point of preventing the need to have them in the first place. That means a systems based approach to your planning scheme. Your goal is to have sustainable outcomes for the community and the environment so other businesses can thrive as well and no-one is being faced with costly regulation and enforcement burdens. That means that you avoid problems in the first place. So you ask, 'How do we avoid this kind of issue in the first place?' That is the premise of what you want to do.

CHAIR: Thank you very much, Patricia. I have one final question. Do they water the coal there much at all?

Ms Julien: Yes. Whenever the winds get above a certain speed they water it, and that is a temporary fix because it dries out pretty quickly. They do what they can. In the CRG meetings they talk about other things they will try to do. But there is a plan to require veneering of the coal where they put a fixative on the coal in the coal wagons to try to reduce it. From the Galilee Basin it will be almost a 500-kilometre trip, so that stuff will dry out pretty quickly in the kinds of temperatures we get up here. Also, the wagons shake as they move. So we expect that will initially help to my minimise it, but we do not expect it to be a real solution. We also can't see why they cannot cover their wagons. When you carry wheat you have to cover the wagon. With other products you have to cover the wagon. So we do not see why the coal industry cannot cover the wagons as well.

CHAIR: Thank you very much for your time today.

Ms Julien: Thank you.

Proceedings suspended from 12.08 pm to 12.33 pm

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

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

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

CHAIR: I welcome officers from the Department of Environment and Heritage Protection. Would someone like to give a summary of your submission?

Mr Hutchison: We have a bit of a tag team approach to this. Firstly, thank you for the invitation to address the committee today. While I propose to talk to some issues specifically affecting the cane and grazing industries, I am accompanied today by my departmental colleagues who will focus on some of the other ways in which the regulatory requirements on Queensland's agriculture and resource industries can be reduced, while simultaneously balancing economic development with environmental protection.

As members of the committee will be aware, the Department of Environment and Heritage Protection, or EHP, has a clear regulatory role in overseeing the state's environmental sustainability, and there are a number of measures that the department is taking to review and reduce the regulatory burden while maintaining that important responsibility. One significant example of this is some new work that has begun with the aim of delivering improved water quality to the Great Barrier Reef, not through increased regulatory measures but through a new emphasis on industry based best management practice programs. The Great Barrier Reef is an important part of Queensland's and the nation's natural heritage. It also supports more than 60,000 jobs in tourism and related industries and is worth an estimated $6 billion annually to the Queensland economy. The Department of Environment and Heritage Protection is supporting the government's commitment that the reef will continue to be one of the best managed marine protected areas in the world.

EHP is continuing to work to support the targets and outcomes of the Commonwealth and Queensland Reef Water Quality Protection Plan, generally known as the reef plan, that was originally established in 2003. The reef plan's objectives include reducing the discharge of pesticides and nutrients by 50 per cent and the 'above natural' volumes of sediment by 20 per cent. Reducing end-of-catchment pollutant loads is a key strategy to protecting the health of the reef and building its resilience to other damaging processes. This commitment also maintains Queensland's $35 million annual investment in reef water quality and its related initiatives.

However—and I guess this is relevant to the scope of this committee's inquiry—the means by which those objectives can be achieved has been reviewed. Sectors of the cane and grazing industries made it clear that the previous reliance on regulation to support these objectives was too great an impost on their activities without a sufficiently demonstrated return in reef water quality improvements. The department's change of focus on this issue away from a primary reliance on regulation means that there will be a transition towards industry-led best management practice programs, also known as BMPs, and a move away from a sole dependence on regulatory measures.

This beginning of a transition away from the regulatory requirements draws on the experience of the grain and cotton industries that have had BMP programs in place for some time. These best practice programs, prepared and delivered with industry support, have encouraged producers to voluntarily adopt new practices that can mean significant improvements in productivity, as well as long-term benefits for the environment. The department is currently engaging with representatives of the cane and grazing industries about potential best practice methods, and together we are examining the standards that those industries consider would be most effective in delivering increased farm productivity and profitability while also limiting the nutrient, pesticide and sediment loads that can flow to the reef.

It is intended that a framework agreement for establishing this new cooperative partnership with these two key agricultural sectors will be in place by the end of this year. This new approach complements other government objectives designed to strengthen rural and regional economies and to provide primary producers with better tools and services to enhance their business. The department will continue to fund and partner our colleagues in the Department of Agriculture, Fisheries and Forestry to provide extension services to the cane and grazing industries in a cooperative approach to improve water quality, increase farm productivity and minimise the impacts on the environment.

While the reef is susceptible to a range of pressures—and the science tells us that cyclones, coral bleaching, ocean acidification and crown-of-thorns starfish all take their toll on reef health—improving catchment water quality remains vital to the reef's capacity to withstand these combined pressures. The effects of soil, nutrients and herbicides washed from reef catchments into reef waters are well documented. Recent findings by the Australian Institute of Marine Science supported the view that off-catchment nutrients carried in run-off are also implicated in driving a three to fivefold increase in outbreaks of the coral-eating crown-of-thorns starfish, which some scientists consider have caused the most harm to the reef over the last 50 years.

Residual herbicides found in the reef lagoon kill the coloured algae that live within the coral tissue and are necessary for its survival. This process then contributes to coral bleaching, and it is the cumulative effect of these and other pressures that we must consider as we look for solutions. Maintaining reef water quality is also important to the quality of life of people who live near it, tourists who visit it and businesses that rely upon it. And this group includes cane and cattle producers whose profitability, productivity and land stewardship responsibilities are being recognised by this new focus on voluntary, industry-led best management practice programs.

The department has commenced negotiations with a range of industry groups including Canegrowers Queensland, AgForce and the Fitzroy Basin Association about the best way to develop and deliver these BMP programs. Together we are exploring options for accountable reporting of industry uptake of best practice, and the BMP programs will be underpinned by credible accreditation systems and supported by strong science and extension programs.

Since 2010, Queensland's cattle grazing industry has been investigating a voluntary BMP system, and a pilot project will be negotiated in the Fitzroy Basin in a partnership between AgForce, the Fitzroy Basin Association and the Queensland Department of Agriculture, Fisheries and Forestry. Negotiations with Canegrowers Queensland on the key elements for delivering a cane BMP are well advanced, and we anticipate finalising that framework agreement very soon.

Participating in BMP programs will be voluntary across the cane-growing and grazing industries, and producers will be encouraged to take part in a whole-of-enterprise BMP system that will, as the BMPs take effect, provide an alternative to the current regulatory provisions. It will also provide a practical pathway to verifying management performance through further training, accreditation and recognition of industry prior knowledge.

Through the BMP program, participating producers will assess their current land management methods against industry best practice and will develop an action plan for improvements on their properties. Specific BMP modules covering issues such as soil health, nutrient management, grazing land management and property planning will help producers to maintain and improve their land resources and business productivity for the longer term.

Implementing the modules will help these industries minimise nutrient and chemical run-off, maintain adequate pasture cover throughout the year and essentially keep soil on the property. Whilst BMP programs are being developed, the reef regulations will remain in place. But the move to embrace a more cooperative approach that draws on voluntary producer participation has begun. Its objective is to underpin producer profitability, efficiency, productivity and stewardship while producing better environmental outcomes so that we can begin to move away from broad regulatory coverage of these industries. We would be happy to respond to any questions the committee may have.

CHAIR: I have a couple of questions. What is your target percentage for the producers to be involved in the BMP?

Mr Hutchison: That is something that we are still negotiating with the producers. That question is covered in the framework agreement. We think we are close to that but that target has not yet been signed off.

CHAIR: We were speaking to AgForce and Canegrowers this morning about quality assurance, for instance, with Woolworths and Coles suppliers in the horticultural industry: if you have not got it, you just ain't in it. So it is pretty basic.

Mr Hutchison: I think in our discussions with both industries there is a recognition that the BMPs need to be backed up by credible accreditation and sufficient numbers. That is not an issue that we are debating.

CHAIR: It does become difficult if some of the producers are not going to. There is going to be a cost for whatever producer is going to do it. So if the producer next door is not doing it, then you think why am I doing this and he isn't?

Mr Hutchison: I think it does require a substantial amount of industry pressure, if you like, on producers to lift standards to that level. But it is a voluntary program and I think, as other BMPs have generally shown, the trend is that producers will pick that up over time. It will take some time I suspect.

CHAIR: I have down here that the sediment from Yasi was 20 per cent. For cyclones like Yasi—and I know that was a big storm—would the sediment loads be well above normal levels? What sort of influence does Yasi have on that?

Mr Hutchison: Any cyclone that leads to flood that leads to increased run-off in the catchments is going to push the sediment levels up. I guess one of the things that they are looking at in deciding how the standards will be applied is what is a reasonable background average level. There is always a certain amount of natural sediment there. One of the questions that the various research programs associated with this are looking at is what is normal, natural sediment levels. Where is a normal baseline and what is generated by extreme events as we have seen over the last couple of years.

Mrs MADDERN: With these BMPs coming into play, how long do you anticipate it might take to get—it is probably an open-ended question—to a point where you could recommend to the government that we start to reduce the regulation or take out some of the regulation and/or amend some of the legislation?

Mr Hutchison: I think the commitment that has been given to the industry is that the regulations will remain in place until such time as the uptake of the BMPs has taken effect. That will depend on our time line for getting the BMPs in place and the uptake within the respective industries. I would not like to hazard a guess as to when that might be.

For example, for the grazing BMP we are wanting to roll that out in the Burdekin by June next year. I think the target there is roughly 100 graziers. That is the kind of thing that we would like. That has not yet been settled with our partners in the process. It is difficult to put a date on when that transition will happen. The transition has begun, but when it will be complete I would be reluctant to commit to.

Mrs MADDERN: But do you anticipate that you will be able to ultimately take out some regulation and/or amendment legislation?

Mr Hutchison: I think that is highly likely.

Mrs MADDERN: That is the whole purpose of this exercise.

CHAIR: Ms Nichols, would you like to make a statement?

Ms Nichols: I am talking about an entirely different area today. I am talking about the Environmental Protection Act and the regulation that we do under that. This is one of the primary areas of regulation for the mining, petroleum and gas industry most notably. The Environmental Protection Act also regulates intensive animal industries—namely, the cattle and sheep feedlots, piggeries, poultry farms and also aquaculture facilities. It is relevant to this inquiry in a number of different ways.

What I am going to focus on today is the range of things that we are doing in this space to streamline and reduce green tape for our regulated industries under the Environmental Protection Act. I am well aware that you have had extremely detailed briefings on the green tape reduction bill earlier this year so I am going to touch on that quite briefly to remind you of some of the benefits of that.

The green tape reduction act was passed by parliament on 31 July this year. It will come into effect on 31 March next year. We are in a very big phase of developing implementation materials and getting things ready so it can rollout smoothly on 31 March.

As you recall, it is a fundamental shift in our regulatory framework. It introduces a new licensing framework with a streamlined approval process for environmental authorities. It introduces a proportionate licensing system with different ways of getting an approval for different levels of risks of activities. Once implemented, it is estimated that the changes will save business and government about 12½ million dollars a year. Since that time, we have also been publicly consulting on a regulatory impact statement about deleting further environmentally relevant activities from regulation entirely. There is another around $5 million to $6 million in savings identified through that. I will go through that a little bit more.

The streamlined approval process for resources activities effectively replaces the entire current system, which is very complex, with a very simple step-by-step process which goes from the initial application through to the decision stage. These changes bring a number of additional benefits to these industries including removing requirements for environmental management plans and replacing that with clear application requirements. We have consulted very closely through the whole life of this project. I have seen in the submissions that you have received that a number of our key stakeholders have noted their support for this project, including the Queensland Resources Council and Cement Concrete and Aggregates.

The project will introduce shorter assessment times for these kinds of activities. For example, with mining leases the current process is that public notification cannot start until we issue a draft environmental authority. We are changing that process so that public notification can happen on the application rather on a draft environmental authority. That has benefits for industry because the notification process is brought forward earlier and saves them a lot of time. There are also benefits for the public in that they can comment on the proposals that are at an early stage and have their comments taken into account when we are drafting the environmental authority. It is almost a done deal once it comes out in draft deal.

That is a real example where we are streamlining processes, but still managing to improve the process for everyone associated with it. I should have said clearly at the start, nothing that we are doing in this changes the environmental outcomes that we are seeking from these sectors. It is all about administration and process. Everything we have done is to change waste of time paperwork and duplicated processes. It is to speed things up but without it in any way reducing the amount of rigour we give to high-risk projects.

Another example of that is that larger resource projects have to go through an EIS process. There is a funny provision at the moment where even though they have gone through an EIS when they subsequently apply for an environmental authority they have to resubmit all the materials. We are removing that requirement. We will recognise what they have already given us and go on from there.

We are also doing a lot of administrative process changes to streamline how we do our business. So it is not just the regulation side that is changing, but it is actually how we implement our regulations that is changing. For example, we are working with the Australian Petroleum Production and Exploration Association to develop an off-the-shelf standard approval for petroleum and gas exploration for really simple types of activities. That means everyone will have standard conditions. They will know before they apply what we are going to ask of them because it is clearly out there. That will enable things to move swiftly through those processes.

Similarly, we have been aligning our internal departmental structures to better align with industry need and to be more client focused in a regulatory sense. One of the key criticisms that we have had is that we do not focus on our clients enough. There has been quite a big shift in how we are structured and how we are presenting ourselves to clients to improve the regulatory process overall. Not everything has to involve actual legislative change.

We are also working on model mining conditions with the Queensland Resources Council. This is a similar thing to what I mentioned with the petroleum industry. The conditions are up there and public. Everybody knows what is expected of them. They can design their projects to meet those conditions which will speed up the approval process.

We are also revising guidance material for operators who might require a financial assurance. That is our rehabilitation bond. The new guideline will include a simplified and more standardised method for calculating the amounts of financial assurance. So that reduces the time taken. It is quite a complex mathematical formula at the moment. I do not know what you are like, but I hate maths. It will make it a lot easier and a lot more consistent and predictable. Consistency and predictability is one of the things that we can most achieve when we are doing regulatory simplification.

One of the other areas is our clear treatment standards for coal seam gas water to make it very clear what we expect of industry if they are going to use that water beneficially. They are going to be complemented by a revised coal seam gas water management policy. That will emphasise the importance of using coal seam gas water as a resource and not treat it as a waste. It is really important to close the loop in these kinds of systems so we get environmental benefits at the same time as preventing environmental harm. That should be out by the end of the year. It will have greater flexibility around management options.

That is the resources industries in a nutshell. The intensive animal industries and aquaculture also benefit from the changes from the green tape bill. In particular, the proposal to delete ERAs include deleting some of the smallest parts of that sector. We start regulation at something like 50 cattle, which is barely a feedlot for all intents and purposes. We are raising the threshold. It is really only the larger operators who have a risk that we need to manage and will be regulated into the future.

Similarly, most of those sectors will benefit from the development of standard conditions which again means that they will be able to go through the approval process much more quickly. Another small thing, but important thing, that we have announced is a partnership with the National Feedlot Accreditation Scheme. We have recognised that as a formal environmental management system under our regulation. Feedlot operators who subscribe to that will actually get a 20 per cent fee discount because it shows that they have really good environmental regulation if they are meeting the accreditation requirements under that scheme. It is similar to the BMP process that Peter was talking about earlier.

CHAIR: That is externally audited is it?

Ms Nichols: Yes, it is externally audited. As part of our negotiations with the Australian Lot Feeders Association they agreed to some additional environmental training. That will further improve the process. It has taken a little while to get off the ground that one. It has had a few hiccups so we are really proud to actually have that out there finally. It is a good template for getting other types of industry accreditation schemes recognised in the act. That is a bit of a snapshot of the sorts of things that we are doing in this space at the moment.

CHAIR: That is really good.

Mrs MADDERN: As you will have seen from our program, we have had—and I do not mean this to be offensive—the green groups in. It seems to me that their view is that we need more regulation not less and less regulation is going to equate to poorer outcomes. From what you are saying, you are working very hard to make sure that reducing the regulation actually does not impact on any of the environmental or community areas or do you focus totally on environmental—

Ms Nichols: The community is captured in that too. There are differing views on what level of regulation is appropriate and how you regulate to achieve outcomes. All the research we have done has indicated that there are actually multiple ways of regulating to achieve the same outcome and that there are differing levels of regulation that are appropriate for different types of activities.

For example, where we are proposing to delete ERAs, issuing a licence is not the only way that we can regulate to protect the environment. What we are going to do in that space is develop codes of practice so that is telling industry what they should be doing. It is all voluntary. But they can look at that and get some guidance. But if they do cause a problem and if they have caused some sort of harm we have umpteen tools under the Environmental Protection Act to deal with that. If we deal with these people in a compliance sense rather than forcing them through all these administrative hoops all the time, we can actually potentially achieve better environmental outcomes than we do through this default standard of licensing.

Mrs MADDERN: One of the points that was made was really clear guidelines is what they are looking for. So if we can get the really clear simple guidelines rather than leaving people to try and assess where and what is required that would help.

Ms Nichols: One of the reasons for the delay in implementing the green tape reduction act is because we are actually investing a lot of time in developing a complete manual that will go onto our website and provide really detailed guidance in terms of what we need.

CHAIR: Sally, would you like to give us a bit of an opening statement?

Ms Egan: I will be talking to you today about the protected plant framework review. At the moment the Nature Conservation Act establishes a framework to manage the harvest, trade and clearing of protected plants. Declaring of individual protected plants is treated separately to the broader clearing of vegetation under the VMA. That can be difficult to explain to people at times. The existing protected plant framework is comprehensive in its effect in that all protected plants are protected everywhere apart from where specific exemptions have been developed over time. This has meant that we have a complex and burdensome regulation that is poorly complied with and creates difficulties for industries and provides for poor conservation outcomes.

We did consult on this last year and the results from our initial consultation were that the framework is overly complex. At the moment it is spread across six different pieces of legislation. It is burdensome. The timeliness of assessment and the period for which one can hold a licence are problematic. There are blockages to harvest and trade. We have complexity and inconsistency in the provision of exemptions. You may have heard some of the resource sector exemption issues come up. There is duplication in it in that protected plant matters are considered in an EIS, for example, but they still need to be assessed under the NCA as well.

CHAIR: So this is the department that has come up with all of these criticisms of itself?

Ms Egan: No, this is stakeholders. This is the consultation process that has come up with this criticism. The review of the framework has been undertaken as part of the review of the NCA, stage 2, being led by national parks, recreation, sport and racing. I will outline a few key points of where we think the framework will go, or where we aim to take it.

Basically, we are looking at regulatory simplification. An important part of the framework is to reduce the regulatory complexity and try to compress it down to just two parts of our legislation so it is easier for people to access and understand the legislation as it applies to them. We are looking to integrate, so we would like to look at setting out the framework in a way that means that, if another assessment process considers protected plant matters in accordance with a statutory code, then the approved action will be exempt from requiring assessment under the NCA. So we will get past that situation where someone does a lot of work in an EIS and they still have to come to us for a clearing permit. As part of that, we are also looking at options for perhaps introducing into the Environmental Protection Act and integrating into the Vegetation Management Act, and also voluntarily being able to be picked up by a local government as part of a development approval. So if you can basically talk another assessor into considering protected plants as part of whatever process you are going through, you will be exempt from the NCA.

We are also looking at targeting high risk. At the moment, all plants are protected across the Queensland landscape unless they are specifically exempted. For any development to occur, technically a survey has to be carried out to ensure there are no protected plant issues prior to clearing. The greatest change will be to exempt completely all least concern plants from the effect of the act. There are two small qualifiers on that: one, that plants that are least concern but still special interest because of their high value in trade—for example, cycads and xanthorrhoea—will still be protected; and, two, where least concern plants make up the immediate habitat of an endangered or vulnerable plant. But, in most cases, least concern plants will be able to be freely cleared, harvested, grown and sold without the requirement for an approval under the NCA.

The second step is to confine the need to survey for protected plants to only those development types that occupy very large footprints or where there is a known record of an endangered, vulnerable or near threatened plant. Systems will be established that require a developer to carry out a due diligence check to establish if there is a record of such plants in the area that they plan on clearing. If not, no further action is required. If so, a survey of the area will be needed. Large areas of clearing will always require a survey. An approval to clear will only be required in those areas where endangered, vulnerable or near threatened protected plants are known to occur and where they will be impacted by the development proposal.

We are also looking at standardising exemptions. There are currently inconsistencies in the way activities are treated in relation to exemptions. All exemptions will be reviewed and standardised across the framework with a view to providing exemptions where risk is small or impacts are addressed by other means, and focusing regulatory effort where risks are high due to the area to be cleared or where there is a high risk that endangered or vulnerable plants will be impacted significantly or there is likely to be an extinction event.

We are going to focus in on high-risk harvest. The intent of the new framework is to shift the focus of regulation for harvest to the sustainability of the activity. Currently, licences are broken up in terms of whether they are commercial or recreational. The new approach will target regulatory effort to the activities and species that are high risk. For this reason, harvest of least concern plants, other than special interest plants, will be exempted and there will be only one harvest licence type. Similarly, there will be only one licence type for growing protected plants, regardless of whether it is for a whole plant, plant part or cultivation or propagation.

Trade in protected plants will be deregulated. It will be the job of a person in possession of an endangered plant, for example, to be able to prove provenance and the legality of the take of a protected plant if asked. This reflects the same approach that Elisa was talking about where we would look to compliance rather than assessment processes at the front end. The framework also allows for the introduction of fees for clearing permits, which are currently free, and a rework of existing fees to provide better resourcing of assessment effort. This is for the primary purpose of improving assessment speeds.

In closing, the aim of the framework is to reduce costs to business and government by reducing regulatory burden and targeting the regulatory effect to only those instances of highest risk of unsustainable impacts on endangered, vulnerable and near threatened plants. Targeted consultation is due to begin next week.

CHAIR: That sounds quite comprehensive. So you are saying that there will be a lot less restrictions on people who can actually harvest some of those things—

Ms Egan: If it is a least concern plant, yes. If it is an endangered and vulnerable plant, there will still be a requirement to prove up the sustainability of the harvest.

CHAIR: So they will have to have permits and that sort of thing, will they?

Ms Egan: Yes, but if it is not a thing that we have a problem with, then there will be no requirement to have a permit.

CHAIR: What about myrtle rust? Do any of you deal with myrtle rust, or is that DNR?

Mr Hutchison: It is not something that any of us are authorities on. It is a potentially very difficult issue based on the little I know of it. It is not an issue that is captured by these exercises, I do not think.

Ms Nichols: There is someone here from DAFF who might correct me if I am wrong, but I think it is actually DAFF who is the primary manager. It is Biosecurity in DAFF.

CHAIR: Okay. From what I have read, it is going to change the landscape dramatically.

Ms Nichols: Yes, it certainly sounds frightening.

CHAIR: Thank you for coming today.

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

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

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

CHAIR: I now welcome witnesses from the Department of Natural Resources and Mines. John, would you like to start?

Mr Skinner: Yes. I will be providing the committee with an outline of the main initiatives that are happening in the department consistent with the government commitment in terms of red-tape reduction and streamlining of regulatory processes, and the commitment to reducing the stock of legislation by 20 per cent. Consistent with that, departmental officers have undertaken a number of processes to identify where regulation and its administration can be reduced and streamlined. This has involved an assessment of the existing legislation and administrative practices in the context of government policy and, most importantly, listening to industry and the community.

As the focus today is on the regulatory framework for the resources and agricultural sectors, I will briefly cover the key initiatives that the Department of Natural Resources and Mines have recently implemented or that are currently underway that relate to the way in which these industries are regulated in this state. Firstly, in relation to resources legislation, 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. This demonstrates this government's commitment to a holistic approach to cutting red and green tape and streamlining approval processes. Consistent with the government's commitments, 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 recently passed Mines Legislation (Streamlining) Amendment Act 2012, which was considered by this committee. The centrepiece of the project is the development of an online tenure management system—MyMinesOnline—to transform Queensland from a manual based system, that is, a paper based system.

The government is also progressing legislation to promote greater consistency of tenure processes across the resource legislation. Given the global interest for Queensland resources, timing for change is opportune. Queensland needs a stable and modern statutory framework to encourage sustainable economic growth for the benefit of all Queenslanders. The Department of Natural Resources and Mines has taken the streamlining regulatory approvals project and expanded it to review how the mines business is delivered.

The department 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 hopefully will 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.

If I could turn now to the natural resource legislation area, DNRM also administers legislation relating to natural resources such as land, water and cropping land—all with an interaction with agriculture and some with a resource sector. A number of Land Act changes have been identified to streamline this major piece of legislation covering the state's leasehold and reserve land. These changes are on hold awaiting the outcomes of the land tenure inquiry.

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 resource operations plan to be undertaken together. The combining of the development of these plans into a single process reduces the time frames for plan development and provides for more effective and meaningful stakeholder engagement.

Other work in the water area 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 with other acts, hence reducing duplication.

The government commitment to consult with industry is also illustrated by the recent endorsed changes to streamline the administration of the Strategic Cropping Land Act. The department has 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 department'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.

I will turn now to the land use planning reform. The Queensland government is also currently dealing with a significant reform agenda around statutory planning. Whilst not directly administered by DNRM, this process is a key consideration for the department as it will 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 this planning reform is around statutory regional planning and government is progressing as a priority new statutory regional plans for Central Queensland, the Darling Downs and Cape York. The reason for the priority for those 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, while 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. The department is working closely with the Department of State Development, Infrastructure and Planning to ensure that the best available information is made available to inform the development of statutory plans and single State Planning Policy. The single State Planning Policy is due to commence on 25 March 2013 and will replace all existing state 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 been working with the Department of State Development, Infrastructure and Planning to articulate the state's interests in agriculture, mineral resources and acid sulfate soils in a simpler and streamlined form for inclusion into the single state policy. This will benefit local governments and developers by simplifying an easier to understand articulation of requirements and a user friendly suite of tools to assist in meeting these requirements.

In conclusion, as you can see from the areas I have covered in that brief outline, the department is focused on ensuring that an appropriately certain but administratively efficient regulatory framework is in place for the resources in the agricultural sector. That said, the regulatory reform agenda being pursued is also about ensuring the outcomes for natural resource management and the environment are not compromised by these streamlining processes. So we are adopting a continual improvement approach, tracking regulatory performance and seeking to make improvements where necessary. I am happy to answer any questions.

CHAIR: In relation to some of those State Planning Policies, I seem to run into conflict with them now. They are only a policy; they are a guideline sort of thing. People produce them and say, 'The council is not doing that,' or if the council produced them they say, 'The developer is not doing that.' From what we have heard this morning from some of the other groups that have been here, they want definite rules more so than airy-fairy policies. Do you know what I mean? For instance, you could say for two kilometres around a village you cannot mine, not a policy of, 'We will look at two kilometres around a village and if it is suitable we will not be able to mine.' Do you think there is much value in having a lot of effort put into policies without any real rules behind them?

Ms Ditchfield: From my perspective it is all about balance and providing some certainty and it is that balance in the interest groups. If we set rules that cannot be flexible in their approach and be able to change with what society expects, I do not think that is actually what people are looking for. They are looking for more flexibility I think.

CHAIR: You feel they are looking for more flexibility?

Ms Ditchfield: The government is looking for more flexibility and what I have heard from people who have come to me is that people are actually looking for flexibility because each individual person—

CHAIR: But everyone wants it to be flexible their way.

Ms Ditchfield: That is right.

CHAIR: So the people who are opposed to the poultry farm in suburban Acacia Ridge would say, 'It should not be here,' but the people who want to put the poultry farm there say otherwise. It is that interpretation again. That is what seems to be providing the difficulties, this double-edged interpretation of the same rule. That is the only thing I can see with some of the policies. I realise that they are only planning policies. But like I say, I feel we need to be a bit more certain.

Mr Skinner: It is a balance between the 'one size fits all approach'—if you look at the conversation about statutory regional planning, in some parts of the state the community is quite comfortable and accepting that they have a mining activity very close to the township and it is an important part of the economic development of the township. In other parts it is more considered that to some degree a buffer is more appropriate. The concept of looking at regions with their uniqueness in terms of their attributes and that they are quite diverse does give you that capacity to have that level of flexibility as distinct from a

generic policy that applies in all cases. It is about some degree of needing essential underpinnings but also with a mixture of flexibility depending upon the attributes of the area that you are talking about. We talked previously about restricted areas in urban areas et cetera. In some cases some communities indicated they wanted to opt out of that because they were quite comfortable with certain developments which were environmentally approved operating in close proximity; in other areas that was not quite the case. It is about the mix between how much you go with the generic vis-a-vis the diversities. I think that is where the strength of statutory regional planning applies; that you can have the fundamentals in terms of your environmental requirements but underpinned by allowing that degree of variation which picks up the attributes of that region.

CHAIR: Would you like to comment on any part of the regulations?

Mr Skinner: We would be open to questions.

CHAIR: There was a fair bit of criticism about, for instance, mine water. There was some criticism—and I forget which act it was now because I have done quite a few over the last few months. It was one of the acts governing the release of mine water and the Fitzroy River was used as an example. The environmental defenders organisation said that they should not be allowed to release water. The question that I asked was that, surely that would be representative of the quality of mine water that was going out. For instance, if we are going to put it in regulations that they can release excess mine water—after those floods we all saw the big Katos and the big draglines sitting in water. Some of that water I would imagine would have been of fairly good quality because it was not actually produced from the mining operation; it just ran in. Are there limits to what they can pump out? I have talked to mines who were saying that the water they want to pump out is probably better quality than the water in the stream running beside them.

Mr Skinner: It is really a department of environment question for them to answer in that context. Certainly I can say that, during the floods, you are correct, a substantial amount of water entered mines and there were also water releases that occurred. The fundamentals being the capacity to release that water, particularly when very substantial volumes of water were moving across the country as a result of the flood, should there be components of that water in the mine which is more diluted? That is why during the previous flood periods temporary environmental permits were issued by the department of environment that provided for mine discharges. Again, it is an environmental issue—

CHAIR: Sorry, I should have known that. I sat through estimates.

Mr Skinner:—about the quality of the water vis-a-vis—if the creek or riverbed is dry you have to consider the quality of water you are releasing into it and what the quality will be like further downstream. So you have to have monitoring processes in place. Otherwise, it does sit there as a major impact upon the mines. In the event that mines cannot resume production then it impacts upon their outputs, their royalties and their markets. There is some evidence, for example, that Queensland lost about six per cent of its market share internationally that did not come back because of our inability due to flooded mines to provide product. Clearly, you have to look at ways that that water can be released consistent with the department of environment's oversight.

CHAIR: You mentioned a 20 per cent reduction, I realise you have to have a target. Is that a target of 20 per cent of regulations or 20 per cent of number of pages? How are you looking at that?

Ms Cronin: I think there is a number of ways of looking at it. With regards to the mining regulation we have been looking at the number of pages. We know we have over 3,000 pages of legislation regulating the mining industry within the Department of Natural Resources and Mines. Many of those sections are duplicated across the five acts. So we are repeating the same information over and over again, which creates a legislative burden for amendments. So we are required to amend five acts to simply change a very simple process. That is one way we have been looking at it. I understand there is also another method of cutting the number of regulation requirements in each of the acts and having another look at that to see if there is another way of reducing and measuring that 20 per cent. That is another way to have a look at the legislation and, of course, there is the number of acts. We have been looking at the number of pages to govern our acts at this point.

CHAIR: Have you also looked at the number of other acts? You say it might be the EPA gets drawn into or DNRM?

Mr Skinner: Yes, because usually there are others; that is right. We have identified 11 pieces of legislation that were considered to be redundant. Obviously the 20 per cent—I think you will find at the hearings that there is a whole range of areas where adjustments can be made. Obviously we need to look at how it is best to quantify that impact and whether that is helping at the end of the day with the outcomes that we are looking for and the impacts on those who are trying to operate under those acts. As Rachael has said, we keep adding to things over time and it is not necessarily noticeable, but at some point—

CHAIR: You have to draw it back.

Mr Skinner: The question is: do we have better outcomes for adding those? Do numbers equally equate with better outcomes? Is it exactly proportional? The more pages you add, does that give you better outcomes or not necessarily?

Mrs MADDERN: Now that you are discussing the legislation, when we get a piece of legislation through in the parliament it can affect five acts. When that is passed, those acts are amended by that legislation. So you go back to the original act and, as I understand it, you have to find your way through all

the acts that have since been amended. Has there been given any thought to, when that amendment is made, transpose it back into the act so that when someone comes to get an act—whatever it happens to be—they have the original act as amended so that they are not doing this paper trail to try to get a total focus on what is needed? Am I making myself clear or have I lost you completely?

Ms Cronin: I think so. Once the acts have passed and come into effect, they are all consolidated. So we have a complete version of the current act with all the sections in there. Then at the back they reference amendments to those sections but, unfortunately, you have to go back through.

Mrs MADDERN: That is what I mean. You might have the references but then you have to follow those references through.

Ms Cronin: Yes.

Mrs MADDERN: My question is: in this day and age where we have Word documents and that kind of thing where you can literally slot things in, is there a capacity in terms of putting it into the act and consolidating it right into the act and then having 'such and such an act amended this date'. It will be a living document—it will have to continue to be—but it means that you are just going for that one document to get all the regulations regarding that one particular thing.

Ms Cronin: I guess that is more of a question for the Office of the Queensland Parliamentary Counsel and drafters about how they would like to pull that together, because we follow a fixed process that is set for us.

Mrs MADDERN: Yes, I understand that. I am wondering whether you have even thought about whether that process could change and whether that would make it easier for you.

Ms Cronin: We manually do that with amendments, as with amending acts we do—

Mrs MADDERN: Yes, you manually do it.

Ms Cronin: So we can see the changes progressively to ensure that we have not made any errors. But currently, that is not the standard process for OQPC to present it that way.

Mrs MADDERN: The fact that you are manually doing that so that you can see the changes is indicative that there may be other people out there—like the average person who does not have any legal training but who does need to see something can go and say, 'I need an act related to whatever it is,' go for the act and have the act as it is at this point in time, because all the amendments have been included. So the word that has been deleted and the one that has been inserted is there.

Ms Cronin: There is a way to trace it, but it is not in one version.

Mrs MADDERN: And it is not easy.

Ms Cronin: No.

CHAIR: All right. Where some of the acts refer to local governments and that sort of thing, is there any way that you can also give clarity to that? I have had not so much DNR but more EPA officials come up and look at an issue and then say, 'No, I think that is local government.' Do you know what I mean? Could we just make sure that we can clarify that in the process, too? All I can think of moment from DNR is quarries and sandstone mines. I have sandstone quarries and sandstone mines in my electorate. The quarries are under local government and where they take blocks out they are Mines. They are right on the same piece of paddock and it is very confusing even for the punters who work there, I think.

Ms Cronin: I think with that the government is focused on a one-stop shop, or a single whole-of-government portal into government so that you do not necessarily need to know which act, which department is regulating each process. They have instructed the departments to work towards that outcome so that it is not necessary for you to understand the legislation and the department administering that; it is just necessary that you can ask the question and you get directed to the appropriate area. That is a large chunk of work that is currently being undertaken. I understand that is the intention of that process.

CHAIR: All right. Thank you. I think that is about all we really need to know. John, thank you very much. Could we have your—

Mr Skinner: We will email it.

CHAIR: Yes. That is all right. Thank you very much.

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

CHAIR: How are you this afternoon?

Mr Miller: Very well, thank you.

CHAIR: Do you want to give us a quick summary, Elton?

Mr Miller: Certainly. Thank you for the opportunity to present today. DAFF has a number of pieces of legislation that it administers relevant to agriculture and resources. This includes a suite of biosecurity legislation relevant to stock, plant and animal diseases, agricultural standards and animal welfare. DAFF also administers the Fisheries Act 1994, which is relevant to certain aspects of aquaculture, noting that wild-capture fisheries are out of the scope of the inquiry. Further, DAFF is responsible for administering certain parts of the Forestry Act 1959, for example, in respect of the sale of native forest products and state owned quarry material. DAFF is a delegated authority under the Environmental Protection Act 1994 for environmentally relevant activities concerning feedlots, piggeries and dairies and we also have a role in postapproval mitigation under the Strategic Cropping Land Act.

The committee asked five questions seeking information from the department in relation to regulatory reform and red tape reduction. I will now attempt to answer those questions. The first question concerns the level of regulation and how it compares to the level of regulation in other states. In general, the level of regulation applying to agriculture and forestry and administered by DAFF is broadly similar to what exists in other states, although there are some differences in approach. However, DAFF notes that just because regulations in Queensland may be broadly similar to regulations elsewhere that is not a reason to not look for opportunities to reduce regulatory burdens. DAFF will work with the Office of Best Practice Regulation within the Queensland Competition Authority to develop a regulatory burden reduction program—and I believe they are presenting after me. DAFF also notes that the level of regulation of aquaculture operations is considered more than in other states, as pointed out in the submission from the Queensland Aquaculture Industries Federation.

The second question was: what methods does our department use to identify and resolve obsolete, conflicting or ineffective legislation? DAFF uses a range of methods. These include periodic review and updating of both policy and legislation and the development of options to achieve desired outcomes that are more flexible and less onerous in terms of compliance. We also work towards harmonisation of legislation, including at a national level, where this is in Queensland's interests. We consult closely with our stakeholders to identify the changes necessary to enhance legislative arrangements and streamline administrative processes. For example, the current suite of legislation relating to Queensland's biosecurity may be described as inflexible, reactive and outdated. Some of the older legislation takes different approaches and some sections are inconsistent or obsolete. We are proposing to repeal a number of these acts and regulations and replace them with a single new piece of biosecurity legislation. This will provide a cohesive legislative approach that would allow flexible responses to existing and evolving biosecurity threats and at a reduced overall regulatory burden.

The third question related to complaints received by the department from the state's resource and agricultural industries regarding regulatory requirements. DAFF does receive complaints about its own and other legislation and we attempt to deal with them as appropriate. Further, a resounding message from industry over time to us has been about the cumulative impact of all regulation on business and industry. It is this cumulative or total impact of regulation on business and its impact on underlying profitability that is of particular concern. That is what the government's commitment to reduce regulatory burden by 20 per cent is addressing. DAFF also tries to respond to concerns raised by stakeholders about cumbersome processes. Just one example is that Biosecurity Queensland is currently replacing multiple hard-copy forms concerning brands with a single electronic form, which can be completed and submitted to the brands team on one screen. DAFF will continue to look at implementing simpler processes for our clients.

Now to the fourth question concerning the importance of regulations to mitigate adverse environmental impacts. DAFF recognises that regulation is necessary to manage environmental impacts of agriculture, including forestry and aquaculture, but there is also a need for balance. In line with COAG's principles of best practice regulation, government action should be effective and proportionate to the issue being addressed. DAFF would like to see the adoption of more risk based, outcomes based approaches that allow primary producers greater flexibility in meeting environmental requirements. DAFF encourages the adoption of best management practices and, where appropriate, the use of voluntary codes of practice. DEHP's renewed focus on voluntary, industry-led best management practice programs, in particular regarding the reef and referred to earlier by DEHP, is an excellent example of this. DAFF would prefer to see non-regulatory approaches given a fair go, with black letter regulation reserved for highest risk situations or at a last resort.

Finally, in terms of regulatory impact assessment, I have some written material on that and I can table that for the committee.

CHAIR: That would be good.

Mr Miller: In conclusion, DAFF will continue to keep assessing its own legislation and processes looking for opportunities to reduce regulatory burdens on landholders and agricultural industries. There is a long way for us to go to keep improving what we do and reducing regulatory impacts on business and

industry and we will work with industry and the Office of Best Practice Regulation to achieve this. For the committee's benefit, DAFF has developed a short document answering the questions that the department was asked to present on and this document fleshes out in a bit more detail some of the information I have provided today. I am happy to table that.

CHAIR: Thank you very much.

Mr Miller: Thank you again for the opportunity to present.

CHAIR: Okay. It sounds like you have been fairly proactive. On reading the submission, aquaculture is really the one. Someone has been trying for 10 years to get up a prawn farm. Do you know what I mean? It has been going around in circles. I think that gives you a good idea of some of the problems that people are having with the department. So if we can clarify some of that? I know that piggeries and poultry farms—any of those intensive industries—are always more difficult, of course. Also, some of the stuff overlaps through your Biosecurity to EPA and National Parks and all of that sort of thing. Do you think there is too much confusion there? Like I said, I asked about myrtle rust. I asked the EPA because, when you think about it that is where you thought it would be—in Environment—but it is actually Biosecurity.

Mr Miller: There probably is confusion, but I think it is something that we have to live with and deal with. I suppose we can look at what options we have to make it much clearer to the community about what resides where and who is responsible.

CHAIR: All right.

Mrs MADDERN: I just have one question. You were talking about reducing the amount of paperwork needed for brands and making it just a one-page online issue. My concern is that, particularly in my electorate, there are a bunch of graziers who do not have access to computers, simply because there is no internet connection for them. How do you then address that particular issue?

Mr Miller: I think there would probably still be opportunities for them to do things paper based.

Mrs MADDERN: But with one page.

Mr Miller: But we certainly want more and more—

Mrs MADDERN: Yes, I understand that. Ultimately, in time they will have access and ultimately in time the generations change and for some of those old cow cockies it will be their children or their successors who will pick up on that computerised version. But it does concern me at this stage. Would they then still look to be having the reduced amount—like just the single piece of paper—the same as everybody else?

Mr Miller: I can certainly look into that for you to see if that is what we can achieve, yes.

Mrs MADDERN: Because it would be good to see them have the same reduced regulatory load, even if they do have to do it with a pencil.

CHAIR: As this was part of one of the superdepartments and you have had to pull DAFF out of that, has that created an extra legislative burden for you? Have you had to separate stuff out?

Mr Miller: No, not really. It was fairly clear in the separation when the government set up the stand-alone department.

CHAIR: All right.

Mrs MADDERN: I think probably we have covered most of it, particularly when we are given the documentation to read.

CHAIR: So if you could just table any notes with the staff? Thank you, Elton.

Mr Miller: Thank you.

COPEMAN, Mr William, Principal Analyst, Queensland Competition Authority

DOBES, Mr Alex, Senior Analyst, Office of Best Practice Regulation, Queensland Competition Authority

FALLON, Dr John, Director, Office Of Best Practice Regulation, Queensland Competition Authority

ZOLOTIC, Miss Ana, Analyst, Queensland Competition Authority

Dr Fallon: Thanks very much for the opportunity to present here today about what we have been working on. As you know, the government set up the Office of Best Practice Regulation in July of this year to help with its policies to reduce the burden of regulation. We have two main roles. One is looking at new regulation—regulatory impact statements for new regulation and for regulation that is to be renewed—and the other is to examine matters referred to us by the government in relation to competition, industry, productivity or best practice regulation. In July, when we were set up, we received a direction to investigate and report on a framework for reducing the burden of regulation. We are well into that process and we are giving an update of where we are at and what we have recommended to government so far.

CHAIR: It is starting to progress all right, is it?

Dr Fallon: I think so. Our interim report has been fairly well received. It is hard to please everybody, but I think we have some good ideas out there. We released an issues paper and received submissions, consulted with people, undertook analysis. The issues paper was released in August. We prepared an interim report. That was released on 1 November. I will be mainly focusing on that interim report today and will talk briefly about the government's goals; the issue of incentives, because we see it as very important—critical—to try to get progress on reducing the burden of regulation; measurement of the regulatory burden; recommended priorities; institutional changes that we have recommended—key long-term recommendations; and the next steps. Basically, these topics reflect the direction we were given by the government—the key things we were to look at.

The first thing is the government's goals. It has been expressed as a 20 per cent reduction in red tape and regulation. We have confirmed that it is over a six-year period. There is an issue—and I notice that you raised it in one of the earlier sessions—as to what is the 20 per cent to be applied to. I will talk about that in a moment. We have been asked to come up with a way to measure the burden, to review the existing stock of regulation and to set reform priorities. They are the key things we have looked at in the interim report.

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.

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?

Dr Fallon: Who is getting the incentive?

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.

The other thing, and this might be the most important thing, is 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 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. An independent review body is part of the accountability process as well. That is what the OBPR is. That is what it has been established for. Another thing is the onus of proof. By that we mean: make it incumbent on those who propose a regulation or retain a regulation to prove there is a net benefit from that regulation. These are the main areas where we have identified that things need to be done with incentive.

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 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.

I will highlight some of the advantages of this. Although it is relatively simple, there are still ambiguities to it. It is not lay-down misére simple. There are a few things we have to work through—our methodological issues when you come to options and so on—but we think it is auditable, and it is easy to understand and much easier to implement than a dollar-cost approach. The main disadvantage is that you do not know the true economic burden, but once you set this target for a department—the 20 per cent—they have to determine what their priorities will be in terms of the cuts. That is where an economic approach can come in. And we have recommended some criteria in the interim report at a high level and you can do further investigations on those lines.

CHAIR: And that is saying that British Columbia got a 40 per cent reduction over 10 years?

Dr Fallon: In less than 10 years—something like 42 per cent in eight or nine years. We understand that quite a lot of the departments think this is a useful measure as well, that there is support for it. We have done some experimentation already, counting and so on.

Mrs MADDERN: Just thinking about it, historical dollar values change over time—what was a dollar value 15 years ago or an economic cost 15 years ago—whereas if you are doing the regulation, it is not going to change. It is a fixed number; it is not going to change over time.

Dr Fallon: That is true. The other thing is that this is easier to track over time—the next year, rather than having to redo the economics. Besides an inflation adjustment, there could be all sorts of other things that you need to do.

Mrs MADDERN: Accountants love it!

CHAIR: Just with that sort of stuff, though—I suppose BC might be the perfect look at that—they have not made their new regulations more complex and enlarged? Instead of having it as two regulations they have not enlarged one into one large one, have they?

Dr Fallon: We do not think so. We did talk to some of the businesspeople over there. Would you like to make a comment on that, Alex?

Mr Dobes: I had a phone call with one of their chambers of commerce—the exact name escapes me, but I can tell the secretariat later what their name is—just to verify what the government people had told us, and they verified that the number of requirements had in fact decreased because the way of counting the requirements is: they do not just count the number of times a word like 'must' or 'should' occurs; they count what is behind each 'must'. So if a 'must' says that someone must provide a name, address, date of birth and so on, they count each requirement separately.

Mrs MADDERN: So name, address, date of birth is three?

Mr Dobes: That is right, yes.

Mrs MADDERN: That comes in as three rather than one 'must'?

Mr Dobes: That is right. So you cannot just simplify your burden by putting more than one requirement under one 'must'.

Mrs MADDERN: That makes sense.

Mr Dobes: And the chamber of commerce also confirmed to me the fact that it did change the culture because of the net zero increase. Before any bureaucrats thought of introducing a new requirement, they had to think about what to remove.

CHAIR: I know from talking to business that they get frustrated when they are actually paying a regulatory fee but they never see anyone. It might be an environmental fee for keeping a gas bottle down the end of the room. They pay this regulatory fee to have it there, and they have to have a sign up—'gas bottles, explosive' or 'dangerous goods' or whatever—but they never see a soul. They just find that sort of stuff really frustrating, that they are paying this regulatory fee for those sorts of things.

Mrs MADDERN: For no regulation.

CHAIR: For no regulation, that is right.

Mrs MADDERN: Or the regulation is there but for no—

CHAIR: No participation in the regulation.

Mrs MADDERN: Or no-one actually signing that they have kept the regulation.

Dr Fallon: So that is on measurement. Of course, we would measure the requirements then set the targets. These targets will be linked to CEOs' performance requirements.

On priorities, we are asked to suggest priorities for reform. I think in an earlier presentation to you I explained a little about the criteria we are using, and here they are here. We used these four criteria on the left and we applied it to all legislation in Queensland to come up with a list of priorities. Now, it is a high-level assessment, but we were fairly thorough. We also got support for what we came up with from what the submissions were saying and a separate consultant study that we did. So we sort of triangulated it.

The four criteria: the first one is that it is obvious that the legislation is burdensome, complex, redundant or of questionable benefit, sort of like a low-hanging fruit criterion. The next thing is extensive reach and they are using that in New South Wales as well. It really means the extent to which the regulation affects people, touches people, how many does it affect. The third one is the potential economic benefits from reform. It is the most important in terms of an economic impact, but the others complement it quite well. The last one is that the reform is well understood and it is likely to be accepted; there is not going to be too much resistance. So we used these criterion.

It was quite an effort to go through the legislation. We came up with priorities as a result of that. They are shown on the next slide. We had 10 priorities in what we call a fast track review. These are not in order other than alphabetical order. These are the top 10. These are suggestions to the government. We expect the government to look at this. They will have other information, establish how we want to proceed with them. We also came up with eight medium-term priorities. For agriculture, I suppose the one that is prominent there is vegetation management. Certainly, for the agricultural people we spoke to that was very high on their list. Of course, a number of water issues came up as well. Mining being such a big sector in the economy, mining development restrictions are important. Even though there is a lot afoot in the mining area, the mining representatives still have a lot of complaints and would like to see the process accelerated. If you can get mining going faster, obviously you can get more economic output.

CHAIR: Land sales is a DNR issue, too, of course.

Dr Fallon: Land sales and property development, there is a big number behind that. There is a conservative estimate of $200 million a year if some meaningful reforms can occur in that area. We can come back, if you want. Then we had some immediate-term priorities. Some of these did not make the top list. One of the key reasons often is that it is more complex or there is less community acceptance for reform or less understanding that this would be a good idea, for example, with pharmacy ownership.

CHAIR: Recently I was staggered when the pharmacy guild came to see me because they were wanting to put in criteria so that you could only have registered premises from which to sell, for a pharmacy. You could not sell out of the tin shed—a little six by six sort of thing—beside the hardware shop; that sort of thing. I said, 'Why do you want to bring in this in? Why do you want to regulate yourself?' A local pharmacist, Alex, was there. I said, 'If your shop is not up to speed, I'm not going to go to it. Why would we regulate it?' It was just that some of the other states had it. It was almost like they wanted regulation. I think they just want to keep their licences.

Mrs MADDERN: They want to keep everybody else out, like the newsagents.

Dr Fallon: It is about the protection of the business. We have some 40-odd recommendations in the interim report. I will just summarise the key ones, some of them which we have already spoken about. We talk about a whole-of-government regulatory review and assessment structure. This is a big thing and you have to be organised. You have to have clear objectives. You have to have an overall objective that is very clear. We recommend that it be basically the public interest. Each regulation has to have a clear objective, ministers who are responsible, CEOs who are responsible. There have to be accountability arrangements. There have to be coordination arrangements. There have to be appropriate measurement tools and evaluation tools. You have to have appropriate incentives as part of the package. I have already mentioned transparency in reporting. We think it is a critical thing for incentives, for a government. The onus of proof also goes with that. Those two are both very important.

With departments and the culture, we think those incentives are critical, but also we want to engage early with departments when they are developing policy ideas, particularly ideas that may involve regulation, so they can understand better that there might be other options and they can understand better what the costs would be of what they are proposing. They need some capacity building, so we have a training program in mind for that. For the regulatory impact statements, there needs to be independent authoritative assessment. We have already got that role. We have proposed some specific measures there.

Another thing is that there should be no presumption that any particular regulatory goal is taken as given, regardless of the cost. Often it is the case in the environment and in the safety areas, that a goal is specified but without regard to costs. It is: achieve that goal at any cost. We think all goals need to be subject to a reasonable benefit cost assessment. That is another point that we make. We think all regulations should be subject to sunset provisions and go through a regulatory impact statement type review.

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 and we would suggest what further was needed. We would look at that, assess it and make a case to government. They are our main recommendations.

In terms of next steps, we have provided the interim report to government. They are considering it. We expect to get a response back in about mid December. We are required to provide a final report by 31 January. We have made a number of recommendations in the report, including reforms. We expect the government will confirm what reforms it thinks are a priority and assign responsibility for who should do that, who should lead that, and the timing. We have recommended that we have some kind of an oversight role in that, so that the reforms are meaningful. You want to make sure that the entity that is reforming something has not got some other interest that means that it is not going to reform it, so you get maximum benefit out of it.

We will be working on the final report. If the government accepts our recommendation in relation to the requirements count, we will work with agencies to develop the baseline count. We propose to use consultants to do that, rather than get the departments to do it. We think that is a better way to go in terms of incentives, again. We will conduct the priority reviews assigned to us by government, evaluate the RISs for new regulation and for sunset regulation.

CHAIR: Have you cast your eye over some of the new legislation regulations that they are bringing into the House now? Have you been looking at some of them, John?

Dr Fallon: So far, they have been regulatory amendments. The main one has been the green tape. In that case they are mainly reducing regulation, so we did have a look at a regulatory impact statement there. We have a number on their way. There is one, I believe, in relation to electrical safety. But no, we have not had a big role there yet with reviewing.

CHAIR: At times, as a committee we have chastised a department for very poor English. One of the classics was something like, 'More than one, at least two or more'. They need to make it simple English. If it is more than one it has to be two or more. They come back and say, 'This is fundamental legislative principles' and all that sort of rubbish.

Dr Fallon: That might be a legal drafting thing, I do not know.

CHAIR: Yes, but it still does not make any sense.

Dr Fallon: Sure. It is supposed to be simple English.

CHAIR: That is right. I just wondered how the departments were actually taking it. It will be interesting to see. They almost seem to get offended that you are criticising their drafting because they know more about the legislation than you do; that sort of thing.

Dr Fallon: It is early days yet.

CHAIR: I actually have not read your report yet, but I will.

Dr Fallon: We will table our report in the presentation.

Mrs MADDERN: I read the summary and that all sits with the synopsis, the executive summary or whatever you call it.

CHAIR: It is interesting. Even today, we were getting conflicting ideas. Some of the industry people say, 'We want decisive decisions made about legislation so that we understand where we stand and then we are putting out state planning policies that are only a policy.'

Dr Fallon: One of the problems is discretion. If you delegate discretion to an entity—and this comes up with local governments—they have the discretion and then it is not really subject to proper review. That is probably one of the issues that they are talking about there.

CHAIR: Some of the smaller councils really are not resourced to look at some of this sort of stuff. They struggle with understanding our legislation and the intricacies of it. It is frustrating at times. Thank you. Are there any other questions.

Mrs MADDERN: No.

CHAIR: John, have you found this an interesting process to go through?

Dr Fallon: Yes, it is very interesting. As an economist, to be involved in a process like this is quite a thing.

CHAIR: I can remember we actually brought in an act that was hailed as a wonderful thing to do. It was about convicting people for throwing away used needles, because HIV was all the go. Not one person has been charged under that law and we have this whole act sitting there. It was just a feel-good bit of legislation, but no-one was ever going to go around chasing people who throw away needles. It is as simple as that. Thank you very much. I think that must be about it.

Dr Fallon: Thanks again.

Committee adjourned at 2.12 pm