



**REDUCING REGULATORY BURDENS FOR QUEENSLAND'S  
AGRICULTURE AND RESOURCE INDUSTRIES**

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**Contact:**

The Australasian Institute of Mining and Metallurgy

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## About The AusIMM

The Australasian Institute of Mining and Metallurgy (The AusIMM) was formed in 1893, representing professionals engaged in all facets of the global minerals sector. With a focus on 'enhancing professional excellence', The AusIMM delivers an ongoing program of professional development services to ensure our members are supported throughout their careers to provide high quality professional input to industry and the community.

The AusIMM is the leading organisation representing minerals sector professionals in the Australasian region, primarily in the disciplines of mining engineering, metallurgy and geoscience. Our purpose is to provide leadership and opportunities for minerals industry professionals.

We have more than 12,000 members spread across industry, government and academia, of which over 1,400 are student members currently enrolled in undergraduate studies.

As a professional organisation whose members have an ethical duty to put the community first, The AusIMM constitutes a forum through which technical experts in the minerals sector can comment on policy for a sustainable industry, free of private and sectional interests.

## This submission

The terms of this inquiry are extremely broad, and cover a challenging set of issues. This submission from The AusIMM does not make firm recommendations for reforms to be pursued by the Queensland Parliament. Instead, it tries to draw links to relevant inquiries, reform initiatives and regulatory best practices that we are aware of and that might assist the Parliamentary Committee.

## International perceptions of Queensland's ability to attract minerals investment

Mining is an international industry with high levels of competition between jurisdictions to attract investment. Fundamental to sustaining a healthy minerals industry in any jurisdiction is ensuring there is a positive regulatory and governance environment and support for investment in minerals exploration.

An authoritative assessment of the relative attractiveness of jurisdictions for minerals investment is published annually by the Fraser Institute of Canada. The Fraser Institute's *Policy Potential Index* is a key summary measure of minerals industry perceptions of a jurisdiction's attractiveness as a place to invest. 'The Policy Potential Index is a composite index that measures the effects on exploration of government policies including uncertainty concerning the administration, interpretation, and enforcement of existing regulations; environmental regulations; regulatory duplication and inconsistencies; taxation; uncertainty concerning native land claims and protected areas; infrastructure; socioeconomic agreements; political stability; labor issues; geological database; and security.'<sup>1</sup>

For 2011/12, Queensland's Policy Potential Index score was 65.5 (out of a possible 100 points). This result places perceptions of Queensland as a minerals investment destination significantly behind South Australia (75.3 points), the Northern Territory (81.5 points) and West Australia (also 81.5 points). Of 93 jurisdictions measured in the survey, Queensland was ranked as the 28<sup>th</sup> most attractive – in other words nearly a third of all of the assessed jurisdictions were considered by the surveyed mining businesses to be more attractive investment destinations<sup>2</sup>.

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<sup>1</sup> McMahon, Fred and Cervantes, Miguel. *Fraser Institute Annual Survey of Mining Companies 2011/2012*, 2012. Page 9. Sourced from: [www.fraserinstitute.org](http://www.fraserinstitute.org).

<sup>2</sup> Ibid. Pages 10-13.

## Regulation reform governance and oversight

The discussion paper seeks comments on how regulatory governance and oversight can be improved.

Given that Parliament delegates its powers to make and administer regulations to Ministers and regulatory agencies, it is essential that it ensures only essential regulations are made and that all regulations are developed and administered in a way that is timely, transparent and cost-effective.

The AusIMM is not in a position to recommend specific initiatives, but notes that the Victorian Competition and Efficiency Commission (VCEC) completed an [inquiry into a state based reform agenda](#) earlier this year, and that the Victorian Government response to that inquiry should be released in the near future.

It is notable that as part of that inquiry, the VCEC prepared a [Benchmarking information paper](#) that suggests that Queensland is ranked seventh out of the eight Australian States and Territories in terms of the efficiency of its regulatory regime. This suggests that Queensland has considerable opportunity for improvement.

One issue that the Queensland Parliament might consider is making more use of independent reviews. The recent initiative to expand the remit of the Queensland Competition Council is encouraging, as is its inquiry into Measuring and Reducing the Burden of Regulation.

Commissioning the Queensland Competition Council or another independent body to review regulatory schemes could lead to improved reform outcomes. There are obvious challenges with the 'base case' model of the responsible Government Department or regulator reviewing its own regulatory scheme. An independent perspective and lack of 'ownership' of the existing regulatory approaches will mean that regulatory innovations are more likely to be identified and recommended.

In an environment of reducing resources available to the public sector, there is a real need to ensure that regulation reform is undertaken to remove redundant and low-value regulatory processes. If steps are not taken to simplify and streamline regulatory requirements and compliance processes, then regulators may struggle with their workloads and this would then impose additional delay costs on the business community. It is in the interests of Parliament, the regulators and the mining sector that low-value regulatory processes are removed or reformed.

The significant reform packages recently introduced to the Parliament in the *Mines Legislation (Streamlining) Amendment Bill 2012* and the *Environmental Protection (Greentape Reduction) and Other Legislation Amendment Act 2012* are acknowledged. The AusIMM has not yet had the opportunity to review these proposals in detail; however the regulatory streamlining and clarification intent of the Bill is strongly supported.

## Recognising industry good practice and the role of markets in regulating good industry performance

In Australia there is considerable opportunity to update regulatory practice to reflect the significant advances in industry performance and capability that have occurred in recent decades. Without commenting on any specific Queensland regulations, businesses are often required to seek regulatory approval or report to regulators on their steps to manage environmental, product quality or OHS risks that are now well understood and are competently managed by the companies on a day to day basis with or without regulatory oversight.

Regulators have considerable scope to change their regulatory oversight practices when it is clear that market forces (for example when the company purchasing the minerals requires that they are produced using high environmental standards that meet or exceed regulatory requirements) or voluntary company commitments (for example a commitment to operate in accordance with the International Council on Mining and Metals' [principles for sustainable development](#)) are effectively controlling the risk which the regulatory requirement is designed to address. Where there are external processes for ensuring a business is performing to a high standard, they should be

recognised and supported by regulators who will then be able to divert their scarce resources to higher risk issues.

One specific suggestion is the need to rectify the current situation in which fairly minor changes on a mine site require regulatory approval for modifications to both the Environmental Agreements and Plan of Operations. The regulatory practice appears to have been designed to control the risks at small and un-sophisticated businesses. It is not geared towards mining and it therefore requires regulatory approvals to implement common and low risk variations in site management practices. The need for regulatory approval imposes a process that is resource and time hungry both for the mining business and for the regulators.

The recent amendments made in the *Environmental Protection (Greentape Reduction) and Other Legislation Amendment Act 2012* could be used as a trigger to now review the relevant administrative practice and make requirements for changes in Environmental Agreements and Plan of Operations more focussed on managing significant risks.

## **Inter-governmental co-operation, role clarity and regulatory best practice**

An issue that needs to remain firmly on the COAG reform agenda is improving the clarity of State and Commonwealth decision making responsibility. The relationship between Queensland's development approvals system and the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* is a key element of this.

Another issue of concern to mining sector professionals is the potential for duplication between the existing Queensland Board of Professional Engineers process, and the proposed National Engineers Registration scheme. The AusIMM is keen to work with all parties to ensure that a positive outcome is achieved in terms of recognition of and assurance about the skills and qualifications of engineers working in the minerals sector.

In addition, further effort to achieve consistency in best practice regulatory approaches via COAG is encouraged. It is acknowledged that this is a challenging issue, but further investment in consistent, efficient and effective regulation across Australia have the potential to deliver large benefits to Governments, the minerals sector and to the community at large.

## **Encouraging minerals exploration and land development**

The recently released [Report of the Land Access Review Panel](#) makes a number of positive reform suggestions, and is supported by [The AusIMM](#). We encourage the Committee to examine those issues and support implementation of the recommended reforms.

A related recent analysis of these issues by a Victorian Parliamentary Committee has also recommended many positive reforms. The report of the [Inquiry into greenfields mineral exploration and project development in Victoria](#) is also a recommended resource that might assist the Committee in identifying positive reforms that can be pursued in Queensland. Some of the recommendations of that inquiry, for example establishing a one-stop-shop 'to provide a single point of entry into Victoria's regulatory system for the full range of resource sector activities...'<sup>3</sup>, are highly relevant to Queensland.

## **Education, workforce participation and innovation**

Queensland is very fortunate to be a centre of education and innovation for the minerals sector. Multiple Queensland based University and TAFE institutions are making a major contribution to the future of Queensland's minerals sector, including through specialist research centres and schools.

These education institutions are an enormous asset to the State of Queensland, and we encourage the Parliament and the Government to continue to actively support their development and growth

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<sup>3</sup> Parliament of Victoria, Economic Development and Infrastructure Committee, Inquiry into greenfields mineral exploration and project development in Victoria, May 2012, p. xviii. Sourced from [www.parliament.vic.gov.au](http://www.parliament.vic.gov.au).

as part of investing in the State's future. With long term and significant skills shortages in the minerals sector<sup>4</sup>, this investment in training and education facilities is essential for the industry's future health and future contribution to the Queensland economy and will continue to build the industry's capacity to operate at and above regulatory compliance.

The Queensland Parliament also has many options to improve workforce participation. These include supporting access to affordable and high quality childcare facilities to support improved participation in the sector by women and encouraging businesses operating in Queensland to have effective strategies for gender equity in employment.

## Conclusion

The Queensland Government's and Parliament's support for the development of the minerals sector in Queensland is acknowledged and strongly supported.

The Parliament's attention to better regulation making processes and reducing the burden of regulation is extremely important.

The AusIMM also encourages the Parliament to focus on ensuring that its delegated regulatory functions are administered efficiently, effectively and transparently. Without a focus on best practice in regulatory administration, we could find that improved regulation is being poorly administered and the potential benefits do not flow through to businesses or the community.

Clause 1 of The AusIMM Code of Ethics states "*The safety, health and welfare of the community shall be the prime responsibility of members of The AusIMM in the conduct of their professional activities*", and this clearly involves our members effectively implementing legislation and regulation designed to ensure the safety, health and welfare of the community. Regulators should be encouraged to support and recognise professionals in any industry who are working to go above and beyond regulatory compliance for the benefit of their business and the community.

The AusIMM would be pleased to support the Parliamentary Committee by reviewing any specific reform recommendations that might be considered as part of this important Inquiry.

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<sup>4</sup> Skills shortages in the minerals sector are well documented. See, for example: PricewaterhouseCoopers, *Mind the Gap – Solving the skills shortages in resources*, June 2012. Sourced from [www.pwc.com.au](http://www.pwc.com.au).