

Mackay Conservation Group
156 Wood St., Mackay
P.O. Box 826 Mackay 4740
tel: (07) 4953 0808
e: mcgmail@bigpond.com
web: www.mackayconservationgroup.org.au
ABN: 41 123 973 975

Agriculture, Resources and Environment Committee

Ph: 3406 7908

Fax: 3406 7070

Email: arec@parliament.qld.gov.au

17 August 2012

Inquiry into Queensland Agriculture and Resource Industries

Mackay Conservation Group is a regional environmental NGO that consists primarily of volunteers. It covers northern Central Queensland and has completed many submissions on planning schemes, coastal developments and the impacts of the growing mining industry on the environment and communities.

Terms of Reference

That the Agriculture, Resources and Environment Committee investigate and report on methods to:

- i) reduce regulatory requirements impacting on agriculture and resource industries in Queensland; and
- ii) to further promote economic development while balancing environmental protections.

The committee will focus on '**methods**' to reduce regulatory requirements having regard to the need to promote economic development whilst balancing environmental protections.

Estimates of the costs of regulatory burdens in Queensland

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

MCG Comment: There is a lack of data on many costs of government, not just regulation. There is also a lack of data on the costs of business and industry to the environment and communities from their actions. This lack of data is adversely affecting the quality of regulatory requirements and development outcomes.

Methods to reduce regulatory requirements

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

Better policy development

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

MCG Comment: This is a chicken and egg approach. If everyone self-regulated their behaviour and practices there would be no need for regulations and their costs. The burden to address reduction of the need for regulations therefore falls on businesses and industry. The approach outlined above shifts the economic burden in the failure of self-regulation to government departments and therefore taxpayers.

The fundamental question is what is the role of businesses to reduce regulation costs? Businesses should identify where policy development growth has been greatest and see what they can do to reduce the need for those policies in their industry via their recommendations and research of their industry associations e.g. voluntary adoption of best management practices and best quality equipment to improve energy efficiency and lower pollutant emissions. The mining industry has a long way to go in implementing such practices. Government's role is to be clear in guiding businesses and industries as to what standards are acceptable (subject to timely reviews and revisions) and where those practices can occur with least impacts and harm to communities and the environment. They also have a role in notifying businesses and industries of where policy growth is occurring and fostering communication between communities and other interested stakeholders and business and industries to address the need for that policy growth and how it might be reduced without causing unacceptable social and environmental impacts.

COST/BENEFIT ANALYSIS: SHORT-TERM OR LONG-TERM?

The concept of cost/benefit analysis while useful must be carefully designed. For example it must consider long-term as well as short term costs and benefits and the primary objective should be whether or not the final outcomes are sustainable in the long-term. The enormous increase in fossil fuel mining projects for coal and gas will bring in short-term profits but will leave a legacy of long-term costs to communities and the environment as rehabilitation to former uses is still a pipe dream. Massive voids will be left in the landscape, a hazard for all. Former industries and communities will not be rebuilt

The full costs of environmental and social losses and impacts are rarely considered, partly because they are more difficult to quantify. The end result is that short-term economic costs and benefits dominate at the expense of those of communities and the environment.

SAVE COSTS BY IDENTIFYING AREAS OFF LIMITS TO MINING & DEVELOPMENT

Mining companies are rarely required to do more than minimal ecological and biodiversity surveys to look for threatened species that may be within the mining company's impact areas. This may amount to desktop studies, identification of areas likely to provide suitable habitat for certain threatened species and one or two targeted biodiversity surveys within those habitats to see if the species is found.

This approach is expensive and entirely inadequate to ascertain if a threatened species is present or not. Most mining in Australia takes place in semi-arid areas with extremely high variability in rainfall. That variability determines year to year what flora and fauna species may be present. If surveys take place in a dry year they will be very likely to miss species. Eminent ecologist Hugh Possingham has stated that ideally there should be ten years of seasonal surveys (total of 40) to capture the full abundance of flora and fauna found in a site. There are few places in Queensland where baseline monitoring seasonal surveys have been done for ten years, judging by the Birdlife Australia map below (Fig.1).

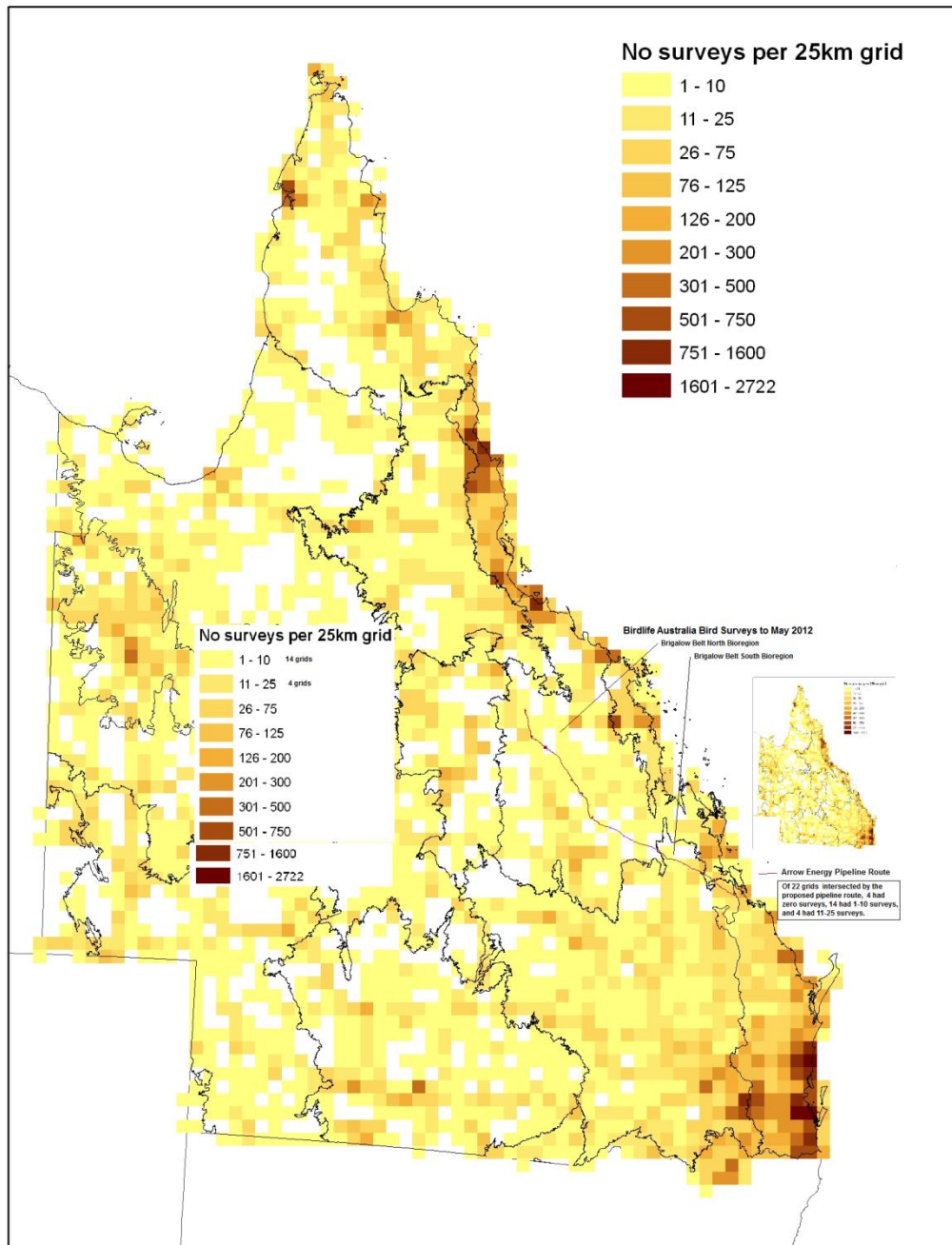


Fig. 1 Number of bird surveys conducted by Birdlife Australia bird observers by 25 sq. km grids.
Source: Birds Australia Atlas data to April 2012. Birds Australia now called Birdlife Australia.

Mining companies cannot be expected to be responsible for gathering ten years of seasonal biodiversity monitoring data for all of Queensland so how does society meet that need to identify where mining could proceed without harm or minimal harm to flora and fauna? A monitoring program is expensive and government will have to lead the way and build a comprehensive seasonal biodiversity monitoring program for Queensland. They already have information but much of it has not been gathered and recorded in a systematic way.

By partnering with state and local groups with the expertise in flora and fauna identification, and ensuring state staff are available to assist such groups and getting new groups started and resourced costs can be held down, and a state wide biodiversity database can be prepared. A state wide Master Naturalist extension agency could be built to oversee such a project in collaboration with Queensland Parks & Wildlife, universities and the Queensland Herbarium if adequate resourcing is provided.

Mining companies and other businesses and industries would then pay for access to biodiversity records for their areas of interest.

Similarly, there are areas of agricultural values and areas where water resources are essential to protect for agricultural and community uses. They should be identified and protected from pollution, loss of services and other sources of long-term or permanent harm from industrial and mining activities. The Queensland government has already identified areas likely to contain Good Quality Agricultural Land but there are still loopholes that will allow mining there and the entire area is only a few per cent of the State. Grazing lands are currently excluded. Much more land is suited to agriculture and that should be identified and protected as well. When calculating cost/benefits to society, the long term benefits must be considered. Long-term, agriculture brings much more revenue to Queensland than does mining.

There is a loss of good quality agricultural lands to urban development of towns that were originally sited in good farming lands next to rivers. It is another example of long-term costs not being considered.

The state of Queensland has to first decide what its short and long-term priorities are with regard to long-term sustainable community, environmental and business and industry outcomes before it can deal effectively and systematically with policy and regulatory reforms.

Benchmarking of regulatory costs

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

A small business next to ours was in despair after the former Queensland government introduced new charges for waste disposal via Councils. It was either switch to new more expensive operating equipment or go out of business.

But the approach of government was to see the problem as waste disposal rather than reduction of waste creation. By increasing the costs of waste disposal through regulation they believed that businesses would find ways to produce less waste. But the economic situation for small businesses is usually inelastic. Government had not surveyed them to see how they would fare.

If the issue was seen as a challenge to reduce waste creation it could have been a win for businesses and industry and for government.

A similar approach to energy use is also needed.

Regulatory reduction targets

Setting targets for reductions avoids the fundamental need to understand and deal with what is driving the growth in regulations. Once reduced the numbers will simply creep back up again over time.

Regulatory offsetting arrangements

This sounds useful in principle but what if the Minister chooses to remove policies that are needed in order to get through new regulations they see as a priority? Again an approach that identifies the driver for growth of regulations should be the priority. Then look at the whole system and see what needs to be changed to reduce that growth and if there are “old outdated” regulations that can be removed.

Before regulations are removed there should be demonstrated evidence they have outlived their usefulness and are not being removed to fill an arbitrary quota.

Cabinet gatekeepers

Governments may establish stricter requirements for proposals for new regulations that may be considered by their cabinets. This could include specific tests for impacts of regulatory proposals on affected small businesses.

This should be much more comprehensive a test than just for impacts on affected small businesses. It should include be a systems based approach that traces impacts also on communities, local government and the environment.

Regulatory review office/committee

Such an office would have great powers to discriminate against communities, local government and the environment and thus must be open, transparent and accountable to the public with very clear guidelines on how that will be effected. There must be an appeals process with good reason/s for appealing.

Harmonisation

Useful only so far as it addresses like for like e.g. similar regulations for similar circumstances and at the same scale of operation. Again the method for determining what regulations should be harmonized and why needs to be very clear and the process, open, transparent and accountable and there should be room for appeal with reasonable cause for such a process.

Tiering

How would the government prevent larger businesses from breaking up into smaller business units to fall into the less regulated smaller businesses to escape more

onerous and costly regulations? That is what some of the mining companies do now and the result is significant environmental and community damage at the local scale especially around mining towns such as Collinsville and Moranbah where mines surround the towns and are very close to such towns.

Electronic services

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

As long as those same electronic access services were provided to communities and stakeholders involved in environmental protection and there was no reduction in the length of time affected parties and the public had to comment on relevant permits and licenses.

One-stop shops

This should apply equally to communities and stakeholders for the environment. Wasn't that why the super departments of the previous government were established with central directory 1 800 information numbers?

Common commencement dates

This will probably not be very practical in a modern complex society where things change quickly. People now have the option of signing up to electronic notices for updates on new regulations and policies. Why wouldn't that suffice?

Consolidating the original act and subsequent amendments into one act

For understanding, clarification and historical reasons the original act and subsequent amendments should be available to the public as well as any consolidated act.

Sincerely,

Patricia Julien,

A handwritten signature in cursive script that reads "Patricia Julien".

Coordinator
Mackay Conservation Group