

Queensland Productivity Commission Bill 2024

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Mr Michael Crandon MP
Chair, Governance, Energy and Finance Committee
Parliament House
George Street
BRISBANE QLD 4000
Email: GEFC@parliament.qld.gov.au

Dear Mr Crandon

Re: Queensland Productivity Commission Bill 2024

Thank you for the opportunity to provide a submission on the *Queensland Productivity Commission Bill 2024* (the Bill). The Queensland Renewable Energy Council (QREC) is a not-for-profit member-based organisation, focused on providing policy leadership and advocacy on matters relating to the development and operation of large-scale renewable energy projects in Queensland. QREC acts in the best interests of our members and connecting stakeholders to build a clean, reliable and affordable energy future where Queensland communities prosper.

Firstly, I want to reaffirm QREC's support for the immediate steps of the Crisafulli Government to suspend the Best Practice Industrial Conditions (BPIC) on renewable energy projects and looks forward to participating in this first Queensland Productivity Commission inquiry.

QREC is supportive of the establishment of the Queensland Productivity Commission (QPC) with a view that it will play a pivotal role in ensuring that the regulatory landscape within Queensland remains efficient, productive, and conducive to both business and social development. With the growing complexity of regulatory frameworks, the need for independent, comprehensive research and review has never been more critical. In this context, the Bill offers a vital opportunity to enhance efficiency, foster productivity, and ensure that regulatory systems are properly evaluated and continuously improved.

This submission aims to highlight the importance of the Bill, focusing on the independent research it mandates, the efficiency it promotes, and the productivity outcomes it seeks to achieve. It will also address how the Bill's enactment can streamline regulatory practices, facilitate evidence-based decision-making, and support better policy outcomes for the state of Queensland.

Support for an Evidence-Based Approach to Regulatory Reform

One of the most compelling aspects of the Bill is its emphasis on evidence-based regulatory reform. In the absence of objective, rigorous analysis, regulatory decisions are often driven by political or short-term considerations rather than long-term strategic goals for productivity and efficiency. The Commission's work, underpinned by research and consultation with stakeholders, will provide a balanced, fact-driven approach to regulatory reform.

The Role of Independent Research in Improving Productivity and Efficiency

At the heart of the Productivity Commission Bill is a commitment to research that evaluates regulatory impact at arm's length of government through a new statutory body. While the Bill and explanatory notes are light on detail of the type of research it will undertake, QREC suggests a focus on three key areas is needed, and that the Bill should be amended accordingly to include these specific aspects:

1. **Identifying Regulatory Gaps and Overlaps:** By systematically evaluating regulations, the Commission will be able to pinpoint instances of regulatory overlap or gaps that may hinder business productivity or create unnecessary complexities for government departments and businesses alike. The removal of such barriers contributes directly to a more efficient regulatory environment.
2. **Encourage Evidence-Based Policymaking:** Independent research fosters a robust and transparent evidence base upon which regulatory changes and reforms are built. Policymakers and regulators can rely on clear data to assess the effectiveness of existing regulations and make informed decisions about necessary adjustments.
3. **Promote Innovation and Leading Practice:** Where appropriate, the Commission's research should seek to consider international leading practices, which can then be adapted to local needs. This cross-jurisdictional learning has the ability to enhance regulatory quality and drives continuous improvement in productivity.

Efficiency and Productivity Focus in Regulatory Matters

The Productivity Commission Bill offers an opportunity to recalibrate the relationship between regulation, efficiency, and productivity. Regulation, when designed properly, serves a critical role in protecting the public interest, managing risks, and ensuring there is a stable environment conducive to investor confidence and certainty. However, when it is too burdensome or misaligned with current market conditions, it becomes a barrier to economic growth and innovation.

QREC suggests the following could be core focus areas, and specifically included in the Bill:

1. **Better Regulation Policy:** Impact Analysis Statement (IAS) has become a practice of the past and the Bill explanatory material does not make clear whether one of the Commission's primary functions are to undertake IAS for new and significant regulatory requirements on industry. The Bill also does not indicate where the current Office of Best Practice Regulation will sit, along with the [Queensland Government Better Regulation Policy](#) as the governing construct for the QPC. QREC supports the re-introduction of IASs as a critical process to ensure regulation is appropriately balancing both the costs on business and the benefits of regulatory changes. QREC's view is the renewable energy industry is at times at risk of disproportionately applied red tape as stakeholders seek to apply the same frameworks across all large-scale industries, rather than fit for purpose regulation that is proportionate to the level of risk the activity poses (this is a leading practice model). In addition, IAS should be applied not just at the level of Acts, but also Regulations, other forms of subordinate instruments and key policy changes, which have also fallen by the wayside.
2. **Streamlining Regulatory Processes:** By identifying inefficient regulatory practices, the Commission can propose streamlining measures that reduce the time and cost of assessments and approvals, as

well as resources spent on compliance. A more efficient regulatory process allows businesses to focus on their core activities, boosting productivity.

3. **Reducing Regulatory Burdens on Innovation:** Innovation is often stifled by outdated or overly prescriptive regulatory frameworks and there are a number of examples QREC would be pleased to provide to a newly established Productivity Commission. Through targeted reviews and recommendations, the Productivity Commission can promote regulations that support rather than hinder innovation, ensuring that businesses can adapt quickly to emerging technologies, market trends, and consumer needs.
4. **Improving Transparency and Accountability:** A transparent regulatory environment enhances trust between businesses, government, and the public. By evaluating and making public the findings of its research, the Commission can hold regulators accountable for ensuring that regulations are justified, clear, and enforceable. QREC supports the relevant sections of the Bill (s.33 and s.37) which require public submissions and publication of research findings (where research is approved by the Minister). QREC would further add that any research the Commission is seeking approval from the Minister is made public, with the statement of reasons and final decision by the Minister also made public.

Skills required for the Commissioner

S.18 of the Bill creates the role of the Productivity Commissioner. QREC believes that it is essential the Legislation also stipulates minimum skills for that role eg a legal/legislative background.

The return of the Queensland Productivity Commission represents a critical step towards enhancing the productivity and efficiency of Queensland's regulatory framework. Independent research, with a focus on evaluating the effectiveness and impact of regulation, is key to identifying inefficiencies, reducing regulatory burdens, and ultimately fostering a more productive business environment. QREC is confident the Bill and establishment of the Commission will provide Queensland with the tools to enhance its regulatory systems, ensuring that they are not only efficient but also adaptable to the changing economic landscape.

Thank you again for the opportunity to provide a submission on the Bill. You can contact me at

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Sincerely,

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Katie-Anne Mulder
Chief Executive Officer
Queensland Renewable Energy Council