



114 Boundary Street
Railway Estate, Townsville
Qld, 4810
PO Box 364, Townsville
Ph: 61 07 47716226
office@nqcc.org.au
www.nqcc.org.au

Committee Secretary
Senate Environment & Communications Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Email: ec.sen@aph.gov.au

**RE: Inquiry into the Environment Protection and Biodiversity Conservation Amendment
(Bilateral Implementation) Bill 2014**

North Queensland Conservation Council (NQCC) is the regional conservation council covering the vast area from Bowen to Caldwell and from the Reef to the Queensland border with the Northern Territory. Its role is to act as the voice for the environment in the region in order to help protect the important but fragile natural ecosystems on which we depend.

NQCC was established in 1974 and incorporated in 1984.

NQCC understands that the move to bilateral assessment and approval is regarded in government circles as a means of making things 'quicker, easier and safer' for business, of increasing economic efficiency and providing 'certainty' to businesses operating in the market place.

NQCC would like to make it clear from the outset that it is not opposed to efficiency; indeed, given the size of its mandate compared with the size of its budget and with the rigid daily limit of 24 hours, it is a staunch advocate of efficiency.

However, NQCC is aware that speed is not the equivalent of efficiency; neither is the ideological cutting of corners or 'red tape', the laws and systems that have often been created and modified over years in order to deal with complex interactions in an increasingly complex world.

Furthermore, NQCC recognises that in a complex and organic world, 'certainty' cannot be guaranteed. It proposes that market certainty is also something that cannot be relied upon. Indeed, uncertainty could be said to be the entrepreneurial basis of business, that which separates the successful business from the unsuccessful. For business to demand certainty calls into question the market-based system itself.

The introduction of bilateral assessment and approval of development proposals that have impacts on our natural environment is, unfortunately, based on a number of false premises.

The first is the misconception, referred to above, that speed equals efficiency. However, there are numerous other reasons why devolving responsibility for major environmental decisions from the Federal government to the states will, in the longer term, be found to work counter to the health and wellbeing and, yes, economic strength of the states. These are listed and very briefly discussed below.

I would be happy to expand on any of these matters at a later date if that would be helpful.

1. Many of the states, especially Queensland, are currently driven by governments so enthralled by market-based economic rhetoric that they fail to recognize the fundamental and unbreakable links between the economy, the environment and the community.

In Queensland we have a premier who has stated publicly that the Queensland government is in the coal business. Furthermore, power for many environmental decisions has been wrested from the Department for Environment and Heritage Protection and handed over to the Department of State Development, Infrastructure and Development. Even within DSDIP, projects are largely the responsibility of the Coordinator General, a government appointee with the responsibility of encouraging development. There is, patently, a bias toward development within the approvals process in Queensland. And in Queensland, there is no system of checks and balances; there is no Upper House. Vesting additional powers in the Queensland government will only increase this bias.

2. A second concern lies with the lack of proof that so-called 'unnecessary regulation' results in undue delay for business. The Productivity Commission's review of this in its Major Projects report is a case in point. Nowhere in its lengthy report did it actually compare the demand for assessment with the supply of assessors. While identifying a large increase in the number, scale and complexity of development applications, it made no attempt to identify whether or not the level of resources needed to assess these applications had similarly increased. We know that there have been major cuts to the public service at a time when demand for increased assessment has risen; this should be addressed before regulations are removed in order to speed things up.

Developers frequently provide examples of supposed delays caused by 'unnecessary regulation'. In practice many of these examples fail the test of scrutiny. For example, claims by ports organisations that delays caused by assessment processes threaten viability, look odd when seen in the light of excess (and even increasingly excess) demand for existing facilities and decreasing future demand.

For example, North Queensland Bulk Ports has claimed that the action by concerned conservationists (backed by hundreds of scientists) in relation to Abbot Point has caused unnecessary delays which threaten the viability of the proposed development. In truth, Abbot Point operates at about 40% capacity,

and around half of the annual throughput will disappear with the closure in 2015 of Newlands mine. It is hard to accept that the concerns of conservationists are slowly down any necessary development.

Similarly, NQCC is a party to a challenge to the development by coal mining company Hancock Galilee P/L of the Kevin's Corner mine. This week, we received an email from Hancock Galilee proposing 'an adjournment of the next directions hearing for a short period of 3 months'. Just who is slowing things down here?

3. Removing regulations is often done in such a way as to demolish the science on which decisions need to be based if the desired outcomes are to be achieved. The development of the new offset policy in Queensland is a case in point.

In an effort to make things easier and quicker for business, the impact:offset ratio was set at a standardised level (1:4). This means that any species for which the required impact:offset ratio is higher than this arbitrarily identified (according to the Department) ratio, will not survive in specific development areas. This could well be the tipping point for the species as a whole. Things might be easier and quicker for the developer (although that has also been disputed), but the allegedly desired environmental outcomes become unachievable.

4. Finally, there is no in-built incentive for state governments to address Matters of National Environmental Significance, especially when the 'cost' of any impacts can be externalised to other states and other levels of government. As is the case with all 'public goods', moral hazard often prevents optimal usage, and the bilateral assessment/approval system will, by distancing the costs from the beneficiary, creates such a system of market failure.

Examples in Queensland are manifold; but the stand-out example is the Great Barrier Reef, not only an MNES but a matter of international importance. Where is the incentive for the Queensland government to take full responsibility for this international icon if by so doing it imposes costs on its state budget?

As mentioned at the beginning of this submission, we have been able to address what may only be the tip of the iceberg. However, what is more important than multiple examples, is recognition that the problem is yet to be confirmed and the 'solution' offered by the bilateral system may cause more problems than it was, erroneously, designed to address.

By removing protection from our natural environment, we could well be inadvertently bringing on environmental collapse – with disastrous consequences for our economies and our lifestyles.

On behalf of NQCC, I commend this submission to you.

Wendy Tubman
Coordinator