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11 April 2014

Mr Alex Hawke  
Committee Chair  
House of Representatives Standing Committee on the Environment  
PO BOX 6021  
CANBERRA, ACT 5001

Dear Mr Hawke,

We write to you in relation to the House of Representatives Environment Committee (House Committee) Inquiry into streamlining environmental regulation, 'green tape' and one stop shops.

**Executive Summary:**

Business SA consistently argues for changes to support sustainable economic growth, and that mantra includes consideration of environmental impacts. There is little doubt Australia's economy will need to keep evolving to further reduce its environmental footprint and that Australian exporters will be increasingly competing on environmental credentials. Businesses are also motivated to think about environmental matters because that often involves consideration of money saving initiatives relating to issues such as energy or recycling.

While Business SA supports regulation to maintain a healthy environment, our members regularly vent frustration at the nature of environmental regulation in Australia and the practical impact regulation has on their businesses. Although there are various arguments about the extent of regulation, there are also many grievances about the manner in which regulation is implemented which adds unnecessary costs to businesses. There is considerable scope to streamline environmental regulation in Australia to reduce the touch points with business and that should be a focus of the House Committee. There are also considerable costs in both enforcing and complying with environmental regulations and the House Committee should be considering where risk based compliance is appropriate and how regulation can be structured such that Australian businesses are not disadvantaged in comparison with their international competitors.

**Background:**

We provide further comment to the House Committee as follows:

1. We support bi-lateral approval processes relating to environmental impacts falling within both State and Federal jurisdictions. It is important that major project proponents only need deal with one tier of Government when progressing through any environmental impact assessment process. Feedback from Business SA members indicates situations have arisen where Federal and State Governments become trapped in a first mover scenario and neither tier will grant approval with the other's commitment. Furthermore, delays in approval processes within Government are not uncommon due to issues of staff continuity which can be at least partially resolved if the private sector only needs to deal with one tier of Government.

2. Although there may be sound reasons to extend more environmental regulation management to a Local Government level, both the State and Federal Governments need to be cognisant of funding and resourcing issues at a Local Government level which may restrict their practical ability to manage additional environmental regulation. If Local Government does not have either the expertise or other resources in which to effectively and efficiently manage environmental regulation, the costs on businesses may actually be exacerbated.

However, Business SA reminds the House Committee that the ability of many South Australian Councils to manage additional responsibilities would be significantly enhanced through additional resources attained by way of a rationalisation of Local Government. With 68 metropolitan and regional councils for a population of 1.6 million, the South Australian Local Government sector is ripe for reform. Queensland, with almost triple our population has 73 councils while Victoria, with approximately three and half times our population, has only 79 councils. In Business SA's State pre-election survey, 68% of respondents agreed that the number of councils should be reduced through amalgamation.

3. We support continued use of National Greenhouse and Energy Reporting (NGER) under the proposed Emissions Reduction Fund (ERF) but we have stressed in recent submissions to the Federal Government that there should be no additional regulatory burden placed on companies wishing to continue business as usual and not participate in the ERF. Although the ERF should be used to incentivise industry to transform to lower carbon emitting practices, it should not impose an additional burden on all companies in order to achieve that goal.

Notwithstanding our comments above, while NGER may be able to offer methodologies to measure greenhouse gas emissions for the ERF, data quality standards for specific calculations within the boundaries of a site may not always be able to be met as internal measurements lack system and meter integrity. Consequently, the ERF may require some 'allowance' for the delivery of quantifiable greenhouse gas emissions reductions using NGER rather than the Government trying to impose a more exhaustive process for measuring greenhouse gas emissions.

4. Business SA has long called for the abolition of the carbon tax and we reiterate that call. During the global transition to a carbon commitment, Australia should strive for greenhouse gas efficiency in preparation for a low carbon economy. However, it is premature to apply a price to carbon without Australian businesses being on a level playing field with international competitors.
5. Business SA has called for a mature debate on a nuclear energy industry in South Australia to take advantage of the State's significant uranium resources (which amount to approximately 24% of the world's supply). South Australia must have an informed debate on the costs, benefits and risks associated with establishing each component of the nuclear industry ranging from uranium enrichment and fuel rod manufacturing through to energy generation and waste storage.

Business SA has long advocated for South Australia to value add to its vast uranium reserves but the current economic climate and the risks ahead posed by the exit of Holden's manufacturing operations in 2017 put real pressure on the State to explore all opportunities for future economic growth and job creation. South Australia can no longer ignore the significant economic potential of uranium and we should be mature enough to have an informed public debate on the pros and cons of developing a nuclear industry.

Intermittent discussion about the potential for a nuclear industry in South Australia has occurred for some time, but there has never been the political will to seriously consider the opportunities publically, largely due to contention about nuclear power following high profile incidents at Chernobyl and more recently Fukushima. This is despite nuclear power operating across 31 countries and providing 11% of the world's electricity. The generation of nuclear power is also greenhouse friendly given that it does not produce any carbon dioxide, notwithstanding greenhouse gas emissions to convert uranium into nuclear fuel rods are relatively minor and still result in nuclear being second only to renewable energy in terms of environmental impact.

Business SA is not advocating for nuclear power or any component of the nuclear industry to be progressed without proper consideration. However, the nuclear industry is diverse and South Australia does not necessarily have to initially jump to nuclear power in order to begin value adding to our uranium reserves. South Australia could start by investigating potential sites for nuclear waste storage in remote and geographically sound areas or examine the possibility of uranium enrichment, which is another form of value adding to our raw uranium. While some of the skills and expertise needed to develop a nuclear industry in South Australia may need to be sourced elsewhere, the future job opportunities for South Australians could be considerable.

From its State pre-election survey, Business SA found that 79% of respondents were in favour of a mature Government led debate on the costs and benefits of value adding to South Australia's vast uranium reserves.

In order to progress the possibility of a nuclear industry in Australia, the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999* should be amended to remove the following clause;

**"146M No approvals relating to nuclear actions**

The Minister must not approve the taking of an action or a class of actions in accordance with an endorsed policy, plan or program if the action, or an action in the class of actions, consists of, or involves the construction or operation of, any of the following nuclear installations:

- (a) a nuclear fuel fabrication plant;
- (b) a nuclear power plant;
- (c) an enrichment plant;
- (d) a reprocessing facility."

Consideration should also be given to thorium as an alternative option to uranium for nuclear power. Business SA understands a thorium reactor can use spent uranium rods as a fuel source, effectively mitigating the potential impacts of storing nuclear waste and thorium is plentiful, and low cost, both to purchase and in terms of mining costs.

Furthermore, it is cheaper to build a thorium reactor, partly due to the lower risks of radiation posed by thorium.

6. Considering each tier of Government (Local, State, Federal) is responsible for Natural Resource Management (NRM) operations, and primarily operate independently of one another, there may be some opportunity for regulatory streamlining.

The Federal Government's involvement focuses primarily on matters of national environmental significance and fulfilling Australia's international obligations. Responsibility for the legislative and administrative framework within which natural resources are managed lies with the State and Territory Governments, who in turn have traditionally devolved some responsibilities to Local Government. Each tier of Government develops its own NRM governance approach and policies and these disjointed initiatives can sometimes cause clashes with other objectives and interests. In summary, NRM governance is a complex arrangement of multiple decision-making bodies across all three tiers of Government.

Business SA is mindful that NRM needs to be driven at a local level, particularly given any impacts of operations need to be linked to the demands of local ecosystems. While principles may be set nationally, standards should be set locally to ensure local control of environmental management.

Accordingly, centralisation of NRM is not the answer, but the House Committee should consider how NRM Governance is functioning at all jurisdictional levels to ensure regulatory streamlining where possible.

7. Each State and the Commonwealth have different methods of applying marine parks as a protection to the marine environment.

Marine park legislation in South Australia constrains all future development both land based and marine based by adding a layer of regulation to both establishing new ventures and extending existing ventures. The purpose of marine parks is unclear making the legislation nothing but an obstacle, for example, with changing environmental conditions is the marine park protecting the ecology of the established ecosystem or the transforming one? Is a marine park environment to provide a static zone for study only or can it become a 'nursery' to provide harvesting to re-establish depleted areas of the marine environment?

The House Committee should be reviewing how State legislation of marine parks dovetails with Commonwealth legislation and address any opportunities for regulatory streamlining. This is of particular importance when the commercial fishing industry is being unfairly restricted in State marine parks but is not subject to the same no take zones in Commonwealth marine parks. South Australia cannot continue to grow its world renowned export fishing industries when such regulatory inconsistencies exist.

8. Business SA supports consideration of self regulation as a means of facilitating risk based compliance with environmental regulation.

For example, businesses which can demonstrate actions should receive recognition and support for environmental implementation plans (EIPs). 'Self-regulation actions' can be demonstrated through:

- Compliance with international standards such as ISO 14000 EMS;
- Company monitoring and management of impacted ecosystems through; modelling, best available technology (BAT) and practices, and minimising releases from industrial processes;
- Providing and reporting progress on EIP's;
- Following international sector sustainability programs with measureable progress.

**Who we are:**

As South Australia's peak Chamber of Commerce and Industry, Business SA is South Australia's leading business membership organisation. We represent thousands of businesses through direct membership and affiliated industry associations. These businesses come from all industry sectors, ranging in size from micro-business to multi-national companies. Business SA advocates on behalf of business to propose legislative, regulatory and policy reforms and programs for sustainable economic growth in South Australia.

Should you require any further information or have any questions, please contact Rick Cairney, Director of Policy, Business SA on

Yours sincerely

**Rick Cairney**  
Director of Policy