



# Greentape Reduction – Reforming licensing under the *Environmental Protection Act 1994*

A ClimateQ initiative

## Discussion Paper and Regulatory Assessment Statement

**Greentape Reduction** Smarter greener together

Prepared by:

Environmental Policy and Legislation, Water and Ecosystem Outcomes

Department of Environment and Resource Management

© State of Queensland (Department of Environment and Resource Management) 2011

This document has been prepared with all due diligence and care, based on the best available information at the time of publication. The department holds no responsibility for any errors or omissions within this document. Any decisions made by other parties based on this document are solely the responsibility of those parties. Information contained in this document is from a number of sources and, as such, does not necessarily represent government or departmental policy.

If you need to access this document in a language other than English, please call the Translating and Interpreting Service (TIS National) on 131 450 and ask them to telephone Library Services on +61 7 3224 8412.

**This publication is available in alternative formats (including large print and audiotape) on request for people with a vision impairment. Contact (07) 322 48412 or email <[library@derm.qld.gov.au](mailto:library@derm.qld.gov.au)>**

May 2011

#29746

## Executive Summary

Environmental regulation has grown considerably in the past 15 years. While this is largely due to increased public awareness and scientific developments, a mere increase in regulation does not necessarily produce satisfactory environmental outcomes. In many cases, the increase in regulation has resulted in a patchwork regulatory system that is complex and difficult for all parties to navigate.

A complex regulatory system does not only impact industry. Resulting inefficiencies increase costs to all levels of government, as well as the consumer. While environmental regulation must always be stringent, it must be outcome focused and proportional to risk in order to effectively achieve strong environmental results. Besides creating inefficiencies, unnecessarily complex regulatory procedures can undermine industry will to comply with environmental standards.

The first component of the Greentape Reduction project was extensive consultation with industry, government and community organisations. Industry raised concern about excessively complex and rigid approval processes, often for activities that posed low environmental risk. Additionally, industry indicated that information requirements were both onerous and not clearly outlined. Government also indicated that regulation was complex and resulted in significant delays and cost increases. This discussion paper and regulatory assessment statement (RAS) process comprise the next phase of consultation.

The Greentape Reduction project will provide a streamlined regulatory process for environmental approvals, resulting in significant benefits to business, government and the community. The proposal comprises four broad initiatives aimed at reducing 'greentape'. These are:

- Developing a licensing model that is **proportionate to the risk of the activity**. Through extensive consultation and review, it has become apparent that the current system regulates lower risk activities to the same extent as those with a high environmental risk. This unnecessarily increases costs and effort, and does not focus on the environmental outcomes of the activity.
- Providing **flexible operational approvals** for environmentally relevant activities (ERAs). The current system is inconsistent with the needs of modern business. The flexible operational approvals initiative provides a framework which allows for multiple sites, multiple activities and complex and varying ownership structures.
- **Streamlining the process for resources approvals** will significantly reduce the complexity of the current approvals system. A simpler approvals system will reduce time delays and education and training costs for both business and government.
- Finally, **improving the quality of information** provided to both business and government will save time and money for both parties. The proposal will ensure only information that is necessary and relevant to making the decision will be required.

The Greentape Reduction process responds to business concerns, but does not sacrifice environmental standards. Reducing the drain on resources will allow increased government efficiency to facilitate a greater emphasis on activities with serious environmental consequences. Preliminary costings forecast significant savings, with the proportional licensing initiative alone saving an estimated \$12.1m for business.

This paper comprises two parts. Part A outlines the background, consultation process and proposed initiatives. Part B assesses the impact of the initiatives, including a cost-benefit analysis in compliance with the RAS requirements.

## Have your say

Submissions are open until 1 July 2011. Submissions must be made in writing, and can be made by email or post.

### Email

Email [epact.policy@derm.qld.gov.au](mailto:epact.policy@derm.qld.gov.au) with your comments.

### Post

Send your submission to:

Greentape Reduction Project  
Ecosystem Outcomes Division  
Department of Environment and Resource Management  
PO Box 2454  
Brisbane QLD 4001

### Inquiries

Inquiries can be directed to:

Greentape Reduction Project  
Ecosystem Outcomes Division  
Department of Environment and Resource Management  
Phone: (07) 3330 5899

# Contents

Executive Summary .....	1
Part A—Discussion paper.....	4
1. Introduction .....	4
Background .....	4
What does the Environmental Protection Act do? .....	4
The argument for change.....	5
2. Consultation .....	6
Consultation process.....	6
Current issues for industry .....	6
Current issues for government.....	8
Current issues for the community .....	9
Benchmarking .....	9
3. Key initiatives .....	10
1. Licensing model that is proportionate to the risk of the activity .....	10
2. Provide flexible operational approvals .....	16
3. Streamline the resources approvals process.....	21
4. Streamline and clarify information requirements.....	23
Part B—Regulatory assessment statement.....	26
1. Introduction .....	26
2. Impact assessment.....	26
Initiative 1: Establish a licensing model that is proportionate to environmental risk.....	28
Initiative 2: Provide flexible operational approvals.....	31
Initiative 3: Streamline the approvals process for environmental authorities.....	32
Initiative 4: Streamline the approvals processes in relation to information requirements.....	33
3. Consistency with other policies and regulation.....	35
4. Implementation, evaluation and compliance support strategy .....	35
Appendixes .....	36
Appendix 1—Stakeholders.....	36
Appendix 2—Benchmarking.....	39
Appendix 3—Principles of the National Strategy for Ecologically Sustainable Development .....	40
Glossary and Abbreviations .....	41
<b>List of Tables</b>	
Table 1 Benefits and costs of the Greentape Reduction initiatives .....	27
Table 2 Estimated savings from the statutory rules track.....	29
Table 3 Estimated savings from the standard approvals track.....	30
<b>List of Figures</b>	
Figure 1 Comparison of assessment tracks .....	15
Figure 2 Application and approval process where there is development.....	19
Figure 3 Application and approval process where there is no development.....	20
Figure 4 Mining approvals process.....	21

## Part A—Discussion paper

### 1. Introduction

#### Background

The **key aim** of the project is to reduce costs to industry and government of environmental regulation while upholding environmental standards for the community. The Greentape Reduction project has been established to streamline, integrate and coordinate regulatory requirements under the *Environmental Protection Act 1994* (EP Act). Besides a reduction of fees in some cases, administrative costs will be significantly reduced. Administrative costs include those incurred through preparing and lodging applications, assessment, monitoring, data collection, reporting and compliance. This is a key initiative of the Queensland Government's Smart Regulation Reform Agenda to reduce the compliance burden to business and the administrative burden to government by \$150 million each year by the end of 2013.

The project was initiated by **ClimateQ: toward a greener Queensland** under the name 'Reducing Greentape for Business'. Queensland businesses are critical to the maintenance of a strong economy in the state. Climate change will create both challenges and opportunities for business. For Queensland businesses to be able to adapt to the challenges of climate change and take advantage of the opportunities, the processes for assessing and approving changes to operations and new developments must be efficient, timely and provide certainty for investment decisions.

The regulatory options initially investigated as part of the Reducing Greentape for Business project were water efficiency management plans under the *Water Act 2000*, energy audits and energy savings plans under the *Clean Energy Act 2008* and licensing and approvals under the EP Act. Following consultation with industry stakeholders, it was determined that the greatest benefits in reducing green tape in the first instance could be found in focussing on licensing and approvals under the EP Act. Accordingly, this paper focuses on reform opportunities for the licensing and approvals regime.

The following principles have guided the development of the reform initiatives.

- Transparent—rules and processes should be clear to business and community
- Accountable—performance must be reported and explained
- Consistent—the approach must be consistent within and between sectors
- Proportionate—resources need to be allocated according to the risks involved and the outcomes that can be achieved
- Outcome focused—achieving good environmental outcomes should be central to our work and in assessing performance.

#### What does the Environmental Protection Act do?

The EP Act is one of Queensland's central pieces of environmental legislation. It commenced in March 1995 with the object to 'protect Queensland's environment while allowing for development that improves the total quality of life, both now and in the future, in a way that maintains the ecological processes on which life depends (ecologically sustainable development)'.

The Act has two central functions designed to protect Queensland's environment:

- (i) a general framework for protecting the environment, including offence provisions and enforcement tools
- (ii) a licensing and approvals regime for ERAs and contaminated land.

Activities are specifically subject to the licensing and approvals regime if they have the potential to release contaminants into the environment which could cause environmental harm. They include:

- (i) resources ERAs—mining, petroleum, gas extraction (including coal seam gas (CSG)), greenhouse gas storage and geothermal activities
- (ii) Chapter 4 ERAs—a broad range of industrial, agricultural and municipal activities including sewage treatment plants, metal processing, waste storage, intensive animal production and extraction. The full list is contained in Schedule 2 of the *Environmental Protection Regulation 2008* (EP Reg). These are referred to as Chapter 4 ERAs because they are contained in Chapter 4 of the EP Act.
- (iii) agricultural ERAs—cattle and cane farming in specified Great Barrier Reef catchments
- (iv) activities relating to contaminated land—remediation and land use on contaminated or potentially contaminated sites.

The EP Act has different regulatory approval processes, depending on the nature of the activity. They are:

- (i) environmental authorities for mining, petroleum, gas (including CSG), greenhouse gas storage and geothermal ERAs
- (ii) development approvals under the *Sustainable Planning Act 2009* (SP Act) and registration certificates for Chapter 4 ERAs
- (iii) environmental risk management plans (ERMPs) for agricultural ERAs in certain Great Barrier Reef catchments
- (iv) Contaminated land notification and site certification processes

Responsibility for administering licensing under the EP Act is split between the Department of Environment and Resource Management (DERM); local governments, who regulate lower risk ERAs; and the Department of Employment, Economic Development and Innovation (DEEDI), who regulate intensive livestock ERAs.

## **The argument for change**

The environmental protection framework set up by the EP Act has been largely successful. The State of the Environment Report 2007 noted that the legislative framework had achieved the EP Act's 'ecologically sustainable development' objective, specifically noting that "[t]he EP Act has assisted in protecting, rehabilitating and reducing the pressures on the condition of the environment through compliance and enforcement activities". The EP Act and its surrounding legislative framework have achieved a significant change in public expectations of industry. Many businesses now discharge their environmental obligations not through fear of legislative penalty, but through understanding the public expectation that they meet their environmental responsibility and commitment to good environmental performance.

Since its commencement, the EP Act has grown considerably. New regulatory tools have been added through time as a result of new environmental issues and changing community expectations. This has increased the complexity

of the Act and increased the number of provisions that government and business must navigate in order to process or obtain an approval. At the same time, many of the outcomes the Act sought to achieve in 1994 for environmental management have become standard business practice and the tools to administer these requirements can be adjusted accordingly.

The Council of Australian Government's (COAG) principles for best practice regulation highlight the need to review legislation periodically to ensure continued relevance and effectiveness. This is particularly relevant in the environmental context, where science and the understanding of human impacts on the environment are constantly developing. The COAG best practice regulation guideline specifically states the need to avoid unnecessary compliance costs by recognising the effect of the cumulative burden of regulation on business and individuals. It is timely for Queensland (as has been the case in other jurisdictions) to consider the effect of the current regulatory framework, and determine whether business requirements should be consolidated and/or whether a new approach is needed to address these issues.

## **2. Consultation**

During the consultation process, Department of Environment and Resource Management (DERM) representatives met with and invited comment from key stakeholders from three broad areas—industry, community and government. DERM officers met with several industry representatives and peak bodies to discuss the current regulatory system. These included representatives of business and commerce, primary producers, petroleum, mining and resources, as well as representatives from the waste and recycling areas. Community consultation included environment and conservation bodies, as well as community legal representatives. DERM representatives also consulted with several state and local government departments and representatives. The outcomes of the consultation process are detailed below, and for a complete list of stakeholders see Appendix 1. Queensland's approval system was also benchmarked against those in other states and internationally, and a summary of this process is outlined below.

### **Consultation process**

The consultation process began in April 2010, with DERM gathering information about the regulatory burden on business of the current environmental licensing framework. This included the production of a project outline and invitation to participate, which was sent out to an extensive list of stakeholders. Officers from DERM also began meeting with various industry representatives, and a project outline was sent to a range of relevant industry bodies to gauge relevant issues affecting business. In May 2010, DERM engaged Synergies Economic Consulting to prepare a report on the costs to business of environmental regulation.

DERM consultation with local government and peak body representatives began in April 2010, continuing through to the start of 2011. Extensive discussions with relevant state government departments began in June 2010, also continuing through to 2011. A discussion paper was sent out in December, with community organisations and environment groups among the respondents. This document represents the next stage of the process.

### **Current issues for industry**

There is significant opportunity to reform the licensing process. While industry surveys indicate that Queensland businesses are primarily concerned with the regulatory burden imposed by occupational health and safety and taxation, environmental regulation still incurs compliance costs. Several representatives from the mining, timber,

power generation and beverage manufacturing sectors commented that Queensland regulation compares favourably to other states, such as New South Wales and Western Australia, as it is often less complex than the other states, does not have as many reporting requirements and Queensland staff generally foster a sense of goodwill and collaboration. These 'good' aspects of Queensland regulation must be maintained with any proposed legislative improvements. The following general issues were commonly raised by industry stakeholders.

### **Simple projects go through a higher level of assessment**

Industry raised concerns about inefficiencies with environmental regulation in Queensland. A number of industry associations expressed concern that the assessment and approval process was not always proportionate to the risk of the activity and that some lower risk activities were subject to the same assessment processes as higher risk projects.

This regulation of lower risk activities results in Queensland licensing significantly more industry types than other states. For example, for the ERA-equivalent approvals in other states, there are approximately 2500 licenses in NSW, 2100 in South Australia, 900 in Western Australia and 500 in Victoria. By comparison, Queensland administers approximately 12,700<sup>1</sup> registration certificates. This does not include figures for mining and petroleum approvals (EAs), as most states' environment departments do not administer these activities. Additionally, there are currently 5247 EAs for mining activities, and 341 for petroleum and gas activities. These approvals are held by 2208 companies and individuals.

### **Improved information and advice on regulatory requirements**

Licensed businesses indicated that they require improved information and advice on the regulatory requirements to make it easier for them to meet their obligations. The information required by government in the approval process is not always obvious from the outset. This makes it more challenging to prepare a good application and/or know what is required. Often, the proponent only gets clarity after an application is submitted, generating further information requests and leading to further delays. A number of sectors suggested that a central portal for businesses to access government information, as well as lodging and tracking applications would be helpful. Additionally, information about regulatory requirements should be made more easily available and comprehensible through increased use of electronic media.

### **Inflexible process for operational approvals**

The structure of licences and development approvals is unnecessarily and excessively complex and difficult to navigate. The system is too rigid and is not compatible with the demands of modern business. Other states' systems provide more flexible operating approvals that allow for innovation and improvements. The current system in Queensland does not allow the flexibility for advances such as a corporate licensing system, which can significantly reduce administrative cost and ensure consistency of processes and conditions, and therefore environmental outcomes.

### **Time delays and uncertainty**

Businesses raised concern about the significant uncertainty surrounding approval timeframes, especially when there are overlaps between the different levels of governments and multiple pieces of legislation. The inability to effectively estimate project approval times can cause delay costs and lost opportunity costs for business. This may also affect the ability of a proponent to attract investment or gain finance approval.

---

<sup>1</sup> 2,526 directly regulated by DERM [projected 2010/2011], 9,577 by local government and 589 by DEEDI

### **Regulatory complexity**

Multiple and complex legislative requirements for environmental licensing, and their administration, involves compliance costs for business operators as well as administrative costs for government. Businesses are concerned about incremental add-ons to the regulation (at a state, local and federal level) which result in requirements that are not well integrated and lead to regulatory complexity. The end result may be confusing or create conflicting requirements or duplication, especially when local governments consider and regulate issues which are also subject to state regulation, such as air and nuisance emissions.

### **Inconsistent legislative requirements for like businesses**

Businesses that operate across state and territory borders are subject to different legislative requirements. This adds to the regulatory burden by requiring businesses to navigate multiple processes and requirements, and limits their ability to implement processes and controls efficiently across all of their operations. Businesses allege that inconsistencies similarly arise between like operations within Queensland, which are administered by different DERM regions or different local governments. Some industry sectors are also concerned that competitors with like operations are operating under different licensing requirements which may have impacts on competitiveness.

### **Process to amend approvals and conditions**

The process to amend approvals and conditions can be costly and onerous and can inhibit innovation. This is partly due to the current provisions in the *Sustainable Planning Act 2009* (SP Act) for a material change of use (MCU). Currently, an application to modify or change the operation can result in the whole operation being re-assessed (not just that part subject to the change), even if the proposed change has no impact on the environment or improves environmental outcomes. Industry has indicated that the MCU trigger is too sensitive, discouraging plans for value adding and/or limiting investment in technologies.

### **Current issues for government**

Consultation with operational staff within DERM, DEEDI and local governments raised the following issues:

#### **Simple projects go through a high level of assessment**

Government stakeholders raised similar concerns as industry regarding proportionality, with even standard low-risk projects going through a detailed assessment process. This is occurring in the face of increasing resource constraints and limited officer time. Relatively low-risk activities can require a full assessment despite only needing standard conditions, or can be delayed as they are subject to a licensing process that is designed to assess higher risks. The resources consumed in assessment effort are a barrier to a business model that focuses on actual operational performance, and results in less resources being available for activities that pose a greater environmental risk.

#### **Regulatory Complexity**

The EP Act has grown considerably over time and the legislation and processes within it are very complex. This is particularly the case where the EP Act interacts with other pieces of legislation like the SP Act. The consequence can be confusing or conflicting requirements, or duplication of process and information requirements. This makes it challenging and time consuming for staff to maintain current detailed knowledge of all necessary regulatory requirements.

### **Quality of information received from applicants**

DERM staff members have expressed concern that the quality of information provided by proponents (as part of an application) is sometimes inadequate and can lack the detail necessary to make an informed decision. This can lead to project delays due to the need to make additional information requests.

### **Current issues for the community**

Consultation with community groups, including the Environmental Defenders Office (EDO) and the Queensland Law Society (QLS), raised the following issues:

#### **Community participation and access to information**

Community groups highlighted the need for public participation, both in the discussion stage and once the reforms had taken place, arguing this would avoid environmentally and financially negative outcomes in the long term. Efforts also need to be made to improve the quality of the information provided by operators and the amount of information DERM makes available to the public.

#### **Need government to maintain appropriate oversight of industries**

Concerns were raised about industry self regulation. Community groups argued that DERM are best placed to set and maintain environmental standards, and any attempt to allow industry to self-regulate would be out of step with community expectations. Self regulation should only be permitted where industry is going beyond the minimum regulatory requirements, and even then DERM's 'watchdog' role should not be negated.

Community groups were supportive of the use of independent third party certifiers. It was submitted that this would increase the consistency of the assessment process. The process would also remove the perceptions of bias that exist in the current system where the proponent funds and supplies the information upon which the decision is made. Finally, it was also noted that DERM is under-resourced and should be better funded.

#### **The reduction of 'greentape' may have negative environmental consequences**

The removal of regulation in pursuit of efficiency could result in the cutting of opportunities for public comment and environmental protection. All ERAs are potentially harmful to the environment and any changes should not sacrifice environmental standards currently being achieved. The licensing framework should be refined to reflect risk, but any financial savings as a result of the project should be invested back into protecting Queensland's environment.

### **Benchmarking**

The current approval system has been benchmarked against those in other states, as well as internationally. Relevant Queensland legislation was also examined. Several specific areas were analysed as part of the benchmarking process, including: the proportionality between environmental risk and the level of regulation of an activity; the relationship between land use and operating approvals; and information requirements. For more information on the benchmarking process see Appendix 2.

### 3. Key initiatives

In response to the concerns outlined above, DERM has developed a series of reforms aimed to improve the operation of the EP Act. The reforms are clustered into four groups:

- establish a licensing model that is proportionate to environmental risk
- provide flexible operational approvals
- streamline the approvals process for mining and petroleum
- streamline and clarify information requirements.

#### 1. Licensing model that is proportionate to the risk of the activity

The first cluster of initiatives aims to align the licensing framework to reflect the principle of proportionality. These initiatives are directed at addressing the following issues identified by stakeholders:

- the structure of the approvals process results in simple projects going through a high level of assessment
- the information required for an application is not clearly indicated
- applications are often plagued by delays and uncertainty about timeframes.

#### Proposal

There are two key elements to the proposal: the introduction of 'general conditions', and the development of additional assessment tracks that are proportionate to the environmental risk of the proposals.

#### General conditions

A review of existing approvals has indicated that there are a range of requirements that are applied across most approvals. These include conditions that address general management requirements, reporting and notification and requirements not to cause nuisance. The proposal will remove some of these standard requirements from the approval assessment process and replace them with general conditions that apply across all approved activities. The approval document will only deal with the issues where a variation or exemption from the general condition is necessary for a particular operation. The benefits of general conditions include:

- shorter and simpler approval documents
- approval conditions focussed on the key environmental issues of an activity
- contributing to a level playing field with all operators having the same requirements.

General conditions replace conditions that the chief executive may place on a project through the approval process and would be approved by the chief executive administering the EP Act.

#### Assessment tracks

The review provides significant opportunity to move toward a system that more closely reflects the principle of proportionality. To achieve this, it is proposed to develop four 'tracks' of assessment. These are:

- statutory rules
- standard approvals
- site specific assessments
- environmental impact statements.

These tracks are not entirely new—in many respects they clarify and build on existing processes. All ERAs will be assigned to a specific assessment track during the implementation stage of the project. When finalised, the list of applicable tracks will be published, ensuring certainty for proponents.

Figure 1 shows the proposed structure of the four assessment tracks (see below).

### **Track 1—Statutory rules**

Statutory rules will apply to activities where the risks to the environment can be safely managed with a common set of accepted practices. The statutory rules could be developed for individual activities, or to more broadly deal with general environmental issues that apply to a range of activities (for example, appropriate storage of chemicals).

Statutory rules would apply where:

- risks to the environment from the activity are well understood
- risks to the environment are relatively independent of location
- risks of serious environmental harm are low
- management of the environmental risks is known and practised.

Examples of activities that might suit this type of approach are concrete batching plants, tyre regulated waste storage and small fuel storages.

This assessment track requires the least resources at the application/assessment stage. Under this track:

- (a) the operator would not need to apply for approval
- (b) the administering authority would not assess the proposed activity
- (c) businesses would only be required to supply their details for a public register
- (d) there would be no application or annual fees.

The statutory rules will be standardised and structured as a list of 'performance outcomes' and 'acceptable solutions' to be achieved and approved by the chief executive. The operator of an activity would be required to design and operate an activity to achieve the performance outcomes. The acceptable solutions provide one way to achieve the performance outcome and respond to feedback from small and medium sized enterprises that greater direction on how to comply is needed. Compliance with the acceptable outcomes is, however, not mandatory. An operator may choose another way to achieve the performance outcome, allowing for the adoption of innovative approaches to sustainability and environmental protection.

### **Track 2—Standard approval**

A standard approval is a form of self assessment where standard codes are developed for well established activities. Unlike the statutory rules, the standard approval would be developed for individual activities. The operation of standard approvals will be similar to how codes of environmental compliance operate for mining activities.

A standard approval will consist of two parts. The first part states the criteria for activities to be eligible for the approval, taking into account the inherent characteristics of the activity and the location factors such as location in identified industrial areas or setback from a sensitive receptor. The second will be a set of operating conditions that must be complied while undertaking the activity.

Standard approvals would apply where:

- risks to the environment from the activity are well understood
- management of the environmental risks is known and practised
- risks to the environment from the activity may vary with the location
- a risk of material or serious environmental harm exists if incorrectly managed.

Examples of activities that might suit this track are quarry material screening, chemically treating timber and abrasive blasting.

In obtaining a standard approval, the onus would be on the applicant to show it meets the eligibility criteria. The administering authority will have 10 business days after an application is made in which to review the application and assess compliance with the eligibility criteria. This process will run parallel with the existing approval requirements for applicant suitability.

This assessment track requires fewer resources at the application/assessment stage than a site-specific assessment. Under this track:

- (a) the choice of using this track or a site-specific assessment remains with the applicant
- (b) the applicant would need to apply for approval
- (c) the applicant is required to self assess against the requirements of the standard approval
- (d) assessment, if any, by the administering authority is limited to checking conformance with the eligibility criteria
- (e) the typical approval period would be 10 business days or less
- (f) there would be a basic application fee and an annual fee.

This process is linked with the site-specific assessment process. If the applicant wishes to work according to a different set of conditions to the standard conditions, the operator may apply for a site-specific (non-standard) approval. Where the applicant wishes to vary only a few of the standard conditions, the assessment will be limited to an assessment of the impact of the conditions being varied only.

Limiting the assessment to only the conditions being varied (rather than the whole application) will avoid unnecessary expenditure of resources by both the applicant and the administering authority. Also, the applicant will be provided with more certainty about the requirements that will apply where the standard conditions have been selected.

### **Track 3—Site specific assessment**

Site-specific assessment is a more in-depth form of assessment, and is the method currently used for 99% of Chapter 4 ERAs and all level 1 resources ERAs. An application for an approval must be supported by a suite of information about the proposal, and assessment is made against the regulatory requirements and standard criteria of the EP Act. The site-specific assessment track would apply in these circumstances:

- risks to the environment from the activity may not be well known
- risks to the environment from the activity varies with the location

- a risk of material or serious environmental harm is likely if incorrectly managed
- management of the environmental risks varies depending on the location or technology employed in the activity.

Examples of activities that might suit this track are activities that discharge waste to a natural water, chemical manufacturing plants and incineration of medical waste.

Under this track:

- (a) the applicant would need to apply for approval
- (b) the operator needs to provide sufficient information to allow assessment of the application
- (c) the administering authority is required to undertake a full assessment of the merits of the application unless it is a standard approval with varied conditions
- (d) the typical approval period would be 50 business days or less plus any time required for the applicant to supply additional information
- (e) there would be an application fee adequate to cover the cost of assessment and an annual fee.

#### **Track 4—Environmental impact statements**

Environmental impact statements (EIS) are currently used to assess a range of Chapter 4 ERAs (the determination of whether an EIS is required for these ERAs is made outside of the EP Act).<sup>2</sup> Additionally, resources ERAs may require assessment through the EIS process under the EP Act. This process will be maintained for activities that require assessment through this track. The period to complete an assessment through this track is generally longer than other assessment tracks, and this process includes several public consultation phases.

Examples of activities that have been assessed through the EIS track in recent years include liquid natural gas plants, a nickel ore processing plant and the major coal mines.

Under this track:

- (a) the applicant would need to apply for approval
- (b) the operator needs to undertake an assessment of the impacts on the proposal
- (c) the assessment of impacts is published and there is an opportunity for community comment
- (d) the administering authority assesses the application and provides advice on conditions to the Co-ordinator General or the chief executive under the SP Act or EP Act
- (e) the typical period for government processes is greater than sixteen months
- (f) there is a significant fee to assess the proposal and an annual fee for the ERA.

For a flowchart showing the proposed structure of the assessment tracks process, see Figure 1.

---

<sup>2</sup> See either the *State Development and Public Works Organisation Act 1971*, or the *Sustainable Planning Act 2009*.

### **Assigning the assessment track for activities**

A critical step in the implementation of the model is assigning ERAs to the appropriate assessment tracks. To provide direction in this task, DERM is forming two panels—one for local government ERAs and one for DERM ERAs. Specifically, the panels will be responsible for providing advice about the most appropriate assessment track to manage the environmental risk of each type of activity.

To ensure stakeholder needs are considered, each panel will have members from:

- business and industry
- local government and / or DERM (depending on the panel)
- scientific or technical experts.

### **Compliance and enforcement**

The existing offences and enforcement provisions relating to licences for ERAs under the EP Act will continue to apply. In addition, 'show cause' notices will be provided for activities under the statutory rules track (in a manner similar to that under the SP Act). Where the administering authority is concerned about compliance with the rules, the show cause notice can be used to provide a formal opportunity for the operator to demonstrate how compliance is achieved. If the required outcome in the statutory rules is not being achieved, the administering authority may use the existing enforcement tools (for example, environmental protection orders and transitional environmental programs) to ensure compliance with the statutory rules.

### **Administration by local government**

Local governments set conditions to suit the requirements of the local environment and the communities that they serve. This will be reflected in the operation of the rules for activities administered by local government. To ensure that local governments have the capacity to maintain local conditions, it is proposed that the statutory rules and standard conditions would form default requirements for all activities administered by local government across the state (in a similar way to the default noise standards). A local government would then be able to override the statutory rules and standard conditions by developing a local law (as per the prescribed transparent public process).

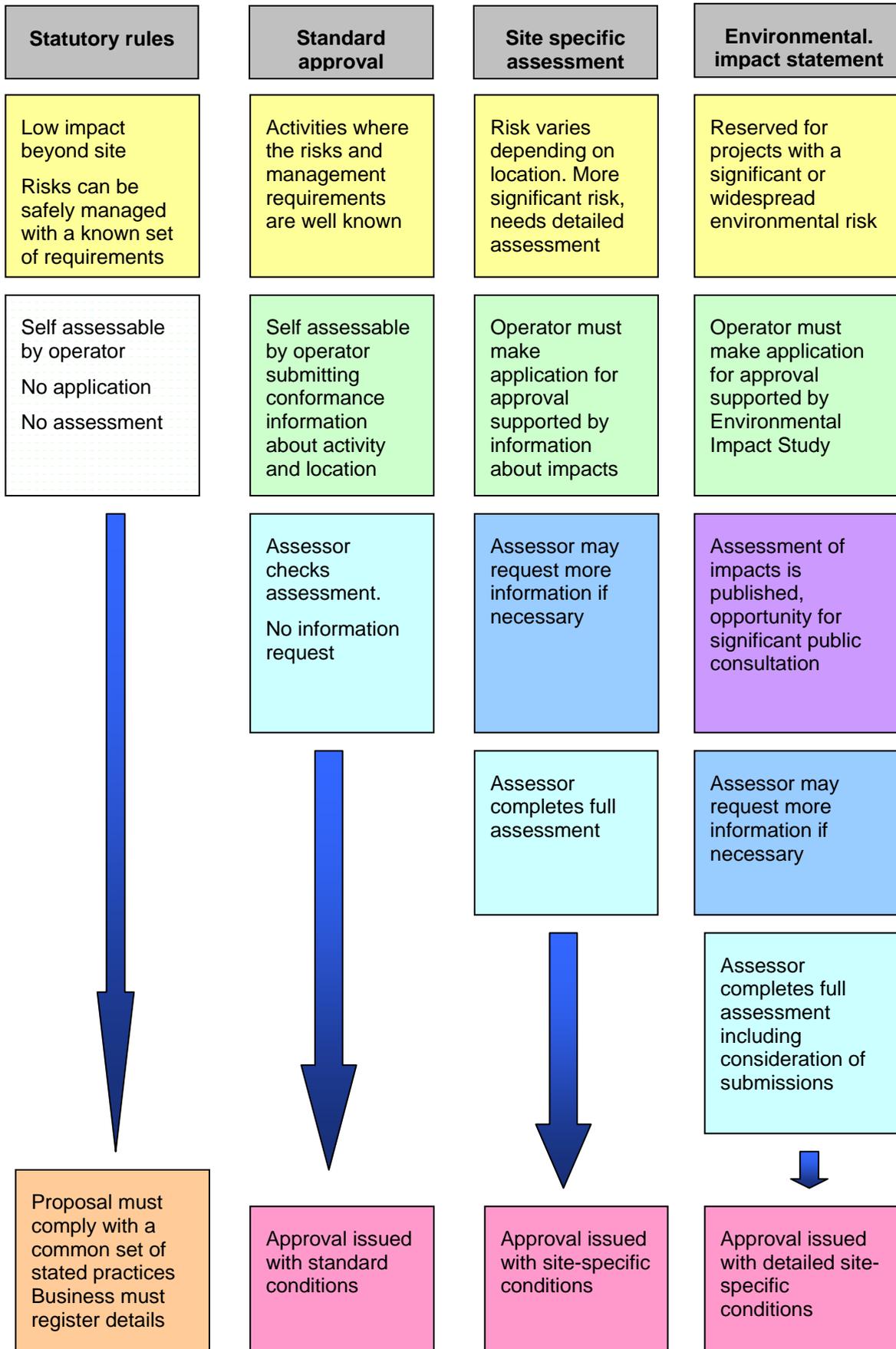


Figure 1 Comparison of assessment tracks

## 2. Provide flexible operational approvals

The second cluster of initiatives aims to facilitate more flexibility in the operational approvals process. The proposal aims to address the following issues identified by stakeholders:

- Operational changes, which do not materially change the use of the land, are captured as land use approval changes and can result in the whole project being re-assessed.
- Navigating the regulatory framework has become increasingly complex due to different environmental requirements accumulating on premises over time.
- The current approvals process does not reflect contemporary management standards, for instance, there is a limited capacity for a company to consolidate its operational approvals across multiple sites.
- The permits regulate activities on individual sites and there is no flexibility for emissions from multiple sites to be managed as an integrated project.

### Proposal

The initiatives cover two main areas, firstly looking at the relationship between development approvals and operator licences, and secondly amending the trigger for a MCU for ERAs. The object of these initiatives is to implement a system that supports the integration of development assessment while providing a streamlined and flexible process for dealing with the operating conditions relating to ERAs.

### Operator licences and land use approvals

General land use approvals in Queensland are currently given the form of a development permit. A development permit attaches to the land, authorising development to the extent stated in the permit and subject to the conditions of the permit. However, conditions for ongoing use are generally sourced elsewhere through legislative or other means (for example, noise standards under the EP Act as they relate to residential use). This is not the case with ERA related approvals. Currently, while ongoing licences are required for ERAs, the development permit includes the operating conditions.

One of the many benefits of introducing an operator licence is flexibility, as an operator licence is not restricted to a particular parcel of land. This better facilitates different operating structures, for example, allowing multiple sites with similar activities to be managed as a single project under one operator. Operator licences also differ from legislative provisions (such as noise standards) as they are issued to specified individuals rather than applying to all persons. This enables an application to be assessed against personal aspects such as the environmental record, skills and experience of the applicant.

It is proposed to introduce an operator licence that sets out the conditions that apply to the operation of an activity that complements the development approval. The operator licence will address post-construction and site decommissioning while the development permit will address issues associated with changing the use of the land and the associated construction activities.

The proposed model will provide a more flexible operational instrument for business that will allow:

- multiple sites to be considered and dealt with through a single approval document
- consolidation of approvals given for a site at different times
- greater flexibility to modify the approval without triggering a new MCU approval.

This initiative also proposes amendment to the definition of ‘material change of use’ (MCU) under the SP Act to exclude those parts of the definition which currently refer to an ERA as being development. This will be supported by amendments to the Sustainable Planning Regulation 2009 (SP Regulation) to ensure only those aspects of an ERA that relate to a change of ‘land use’ will require a development permit under the SP Act. This will ensure that changes to the operation of an activity will not trigger a new development permit.

In this model an operator licence would continue in effect unless specific grounds existed to cancel or suspend the licence—similar to an environmental authority for mining. Under the proposal, the conditions on a licence could only be amended on limited grounds, similar to those that currently exist for development conditions in the EP Act. These limitations on cancellation and amendment of the operational licence provide certainty to operators investing in a business.

See Box 1 below for a breakdown of flexible operational approvals.

### **Transfer of an operator licence**

The operator licence will also include the ability for a simple and straightforward transfer process from one operator to another. This will ensure that businesses have certainty about their operational capacity. The transfer of an operator licence will be managed via a register of ‘suitable operators’. If an operator is on the register, a direct transfer from one operator to another will occur (the registration of an operator will not be site based). New operators will be required to undergo a simple ‘suitable operator’ test, which will mirror the provisions currently in the EP Act.

### **Distinguishing development and operational conditions**

A clear distinction between the conditions on the development permit and operator licence is essential.

The development permit will state:

- the activity that is approved by the permit
- the scale of the activity that is permitted
- any requirements regarding the location of the activity on the site
- any critical design characteristics for the construction of facilities for the activity.

The operator licence will primarily deal with post-construction matters and will state:

- the environmental protection standards to be achieved by the operator
- any management systems or plans that the operator must implement
- any monitoring and reporting requirements.

The conditions on the development permit will make clear the nature and scale of the activity that is permitted on the site. This provides certainty to the owner of the land on what the lawful uses are and when a MCU, due to an increase in scale or intensity, is likely to be required. The conditions also specify fixed conditions about where and how a facility may be constructed on the site.

The conditions on the operational permit place obligations on the person operating the activity to manage the activity to minimise environmental harm. Conditions may include requirements about the environmental protection standards, for example, designating emission standards or the use of pollution control technologies. Other conditions may relate to monitoring requirements and the environmental management system, including requirements for operational control, training and contingency planning.

**Box 1. Breakdown of flexible operational approvals**

Example:

If an application was made for an aquaculture development for up to 150 hectares of ponds for growing prawns, the development permit (concurrence response) might state that ERA 1(c) was approved, the scale of the approved activity was 150 hectares of growing ponds, the ponds must be located at least 50 metres from the coastal wetland and that the ponds must be constructed to a standard to prevent the ingress of water from the ponds into the groundwater.

The operator licence would include conditions relating to environmental protection standards (for example, maximum dissolved nitrogen in discharge water is 4mg/L, and the water must be treated in a settling pond), the requirements of a system to manage the risks (including, for example, a training program for operators) and the program for monitoring discharges or impacts (discharge must be monitored for nitrogen weekly).

**Material change of use**

The proposal aims to change the activities that will trigger a MCU under the SP Act. The proposal will do two specific things. Firstly, any regulated activity which is incidental to and associated with an ERA will be included as part of the initial approval. A regulated activity will generally be considered to be incidental to an existing ERA if it has a lower aggregate environmental score (AES). Secondly, the assessable development trigger for the SP Act will be based on the proximity of the development to an environmentally sensitive site or location.

An application only requires assessment through integrated development assessment system (IDAS) if it is development as defined in the SP Act, which with the proposed changes will be a less sensitive test than the current trigger. Unless made assessable by the planning scheme or another trigger in the SP Act, the following will not be development:

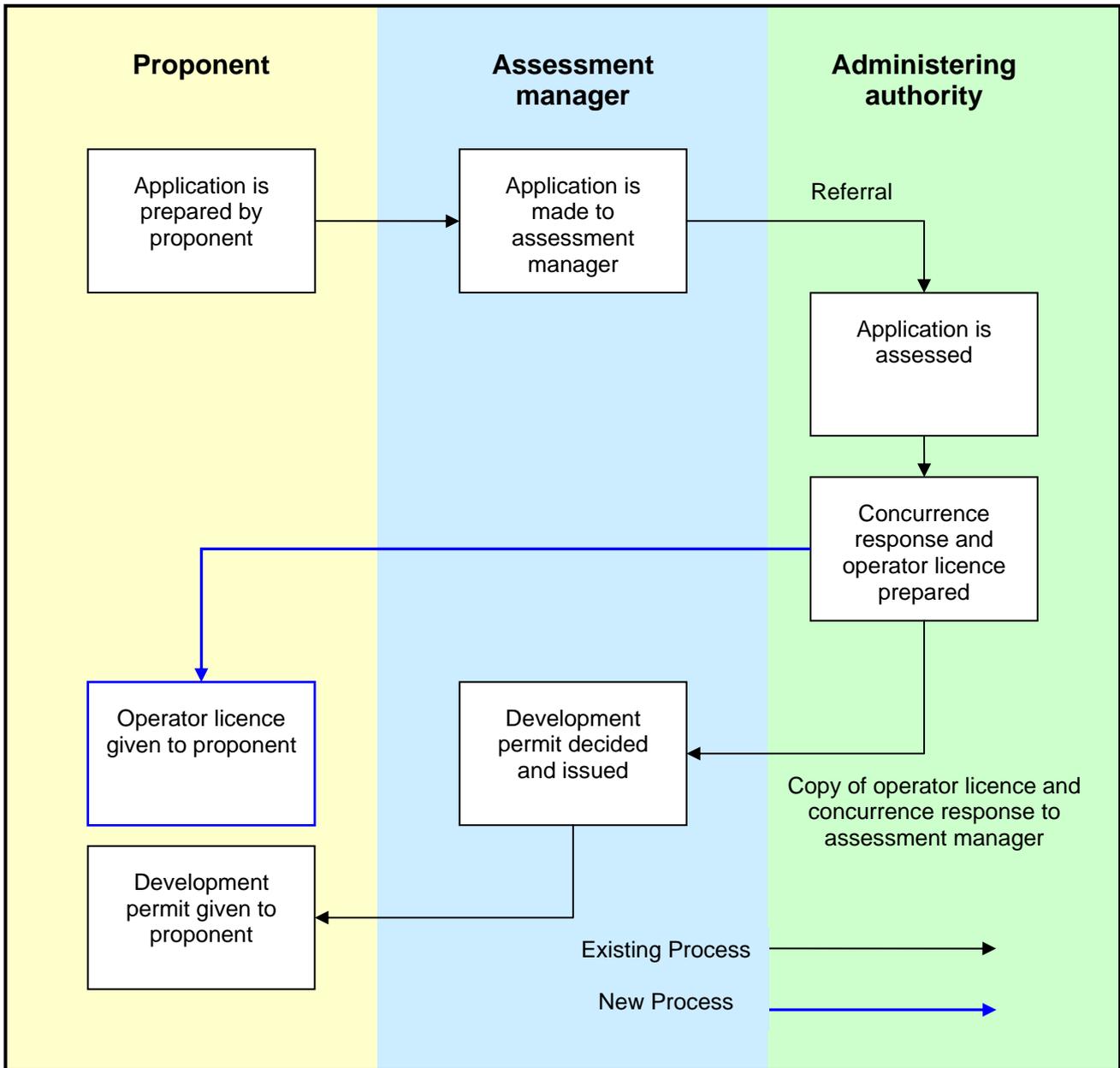
- a change to the operation of an activity
- a new activity that is incidental to and associated with the use of land for an approved ERA
- the continuation of an existing lawful use under the planning scheme for which the ERA approval has lapsed.

The model will ensure that where a proposal is otherwise assessable as an MCU under the SP Act, the assessment of that activity continues in an integrated way through IDAS.

**Making an application for development**

An application for development will continue to be made to the assessment manager for IDAS. When the application is referred to the administering authority, it will be taken to be an application for both a concurrence response and an operator licence. The assessment of the operator licence application is integrated with the IDAS assessment and will be completed within the IDAS timeframes. From the applicant's perspective, the process will look the same at this stage.

The application will continue to be assessed according to the standard criteria and regulatory requirements of the EP Act within the timeframes set in IDAS. The administering authority will produce a concurrence response and an operator licence. A copy of the operator licence will be provided to the assessment manager along with the concurrence response, making the assessment manager aware of the operating conditions. There will be a requirement that the assessment manager does not impose duplicate or inconsistent conditions.



**Figure 2 Application and approval process where there is development**

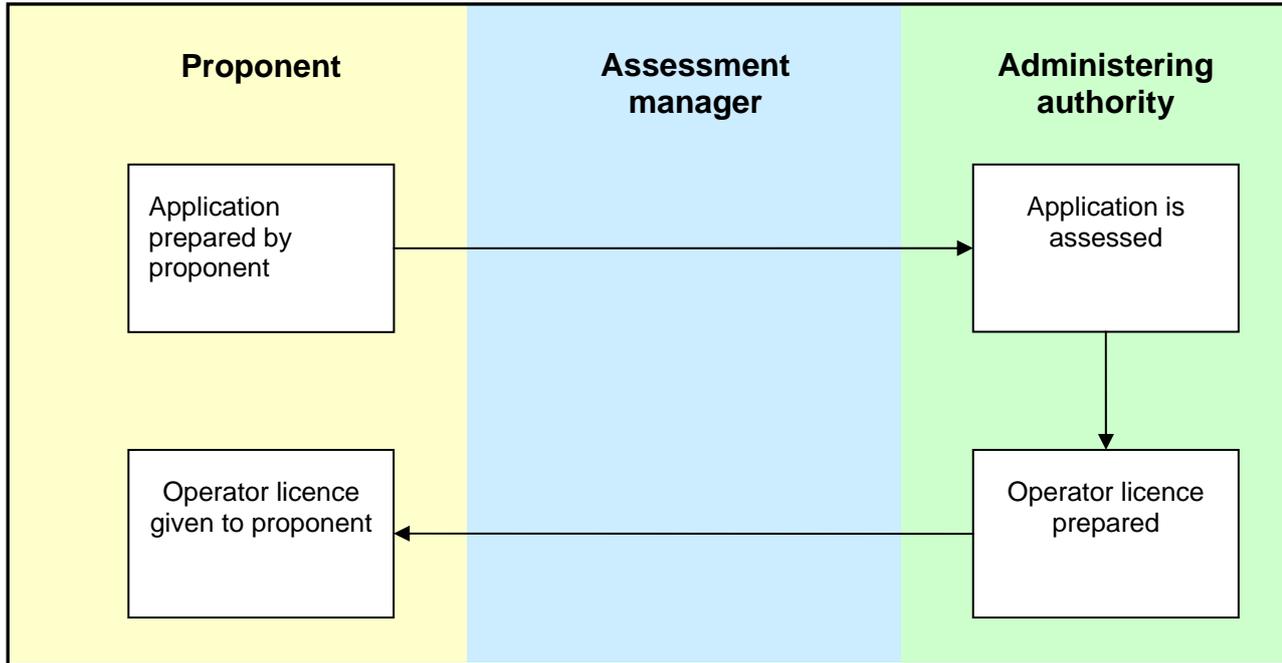
It is proposed that the operator will be required to notify the administering authority prior to the commencement of the activity. The operator licence will take effect from the date given for commencement in the notification, rather than the date associated with the development permit. By allowing the operator to set the take effect date, the operator will not be required to pay an annual fee for the period prior to commencing the activity.

**Making an application for a new or amended operator licence**

There will be occasions where an operator needs to obtain a new licence for a site when no development is proposed. This may occur in these situations:

- a mobile or temporary activity
- the continuation of an existing activity where only the ERA approval has lapsed
- the continuation of an activity that becomes an ERA due to regulatory changes
- new owner seeks a change to the licence
- change to the installed plant or the product range occurs within the existing use of the premises.

For either a new licence or an amendment to a licence, the operator will apply directly to the administering authority. As development is not involved, there will be no need to make an application through the SP Act. The amended licence will replace any earlier operator licence for the site.



**Figure 3 Application and approval process where there is no development  
Corporate licences and bubble licences**

This proposal would allow companies who hold one or more ERA (resources and or Chapter 4) approval on different sites to obtain a single ‘corporate licence’. Corporate licensing provides a number of advantages for industry and government, including:

- the ability to make a single annual return in relation to multiple sites
- having common conditions applying to all sites under the same management
- allowing for monitoring and reporting to be integrated into a single report
- potential to significantly reduce the overall number of licences/registrations.

While the corporate licensing scheme will not change the fees payable, the corporate licence will save business and government considerable administration costs. Also, an operator having only one licence for all activities allows the operator to ensure consistency of environmental compliance across all sites, saving money and producing more environmentally desirable outcomes.

Provision will also be made for ‘bubble licences’. Where applicable, bubble licences will allow for all emissions under that licence to be considered as a whole, allowing emissions to be traded from different sites. This system has the potential to provide cost savings when an upgrade to treatment is required, but only under the proviso that the environmental standards are maintained.

### 3. Streamline the resources approvals process

The third cluster of initiatives have been developed to clarify and simplify the process for approvals for all resources activities. 'Resources activities' refers to all ERAs outlined in Chapters 5 and 5A of the EP Act concerning mining, petroleum, geothermal and greenhouse gas storage activities. The initiatives address the following issues identified by stakeholders:

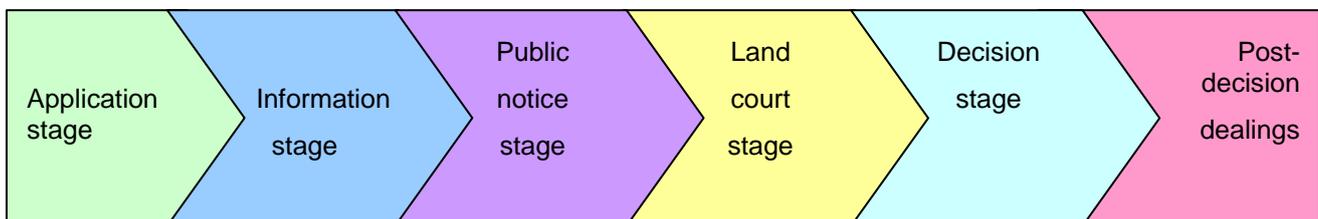
- Navigating the regulatory framework has become increasingly difficult—the resources chapters are difficult to understand and some of the process sections are located outside these chapters.
- The integration between the EP Act and the *Mineral Resources Act 1989* (MR Act) is complex and excessive, making the legislative requirements and timeframes difficult to understand.
- The application process is costly and onerous, and there are duplications in some instances. For example, the same information must be provided twice, once as part of the EIS process, and again as part of the EA application.
- Plans of Operations apply consistently across all Level 1 and 2 mining leases, irrespective of size. This creates a larger administrative workload for smaller mines despite sometimes providing little day-to-day usefulness.

#### Proposal

##### Single Approvals Process

This initiative looks to replace a number of different approval processes with a single process for all environmental approvals. This process would include the operational approvals for Chapter 4 activities (as discussed in the previous initiative) and resources ERAs. The single process for approvals would be organised by the stages of the assessment process, similar to the *Sustainable Planning Act 2009* (i.e. application, information, public notice, land court and decision stages). For resources activities, this does not involve major changes to the process, but primarily simplifies the legislation itself.

The process for resources activities already operates in a manner similar to the assessment tracks process, outlined above as part of the Proportionate Licensing initiative. Therefore, applicants need to work through only the stages relevant to their application. Simpler applications (such as those which are not attached to a mining claim or mining lease) would still avoid the more comprehensive stages of the procedure, such as the public notice and land court stages.



**Figure 4 Mining approvals process**

Amendments will be made so that all ERAs on tenure can be approved in the EA (i.e. whether they are mining, petroleum, or Chapter 4 activities). Under current arrangements for the mining chapter, a chapter 4 ERA can only be included on an EA if it falls within the definition of mining activity. This has led to situations where, for example, a mine may have an EA to extract a mineral but also needs a development permit over the same site to extract non-mineral products such as construction sand. Additionally, the proposal for operational approvals and corporate licensing discussed above would enable off tenure ERAs to be included in an EA for a mining or petroleum project.

### **Information Requirements**

The information requirements for applications will be updated, removing the replication of EIS documents for the application, the need for an environmental management plan and incorporating an information request stage into the assessment process.

Detailed information provided as part of an EIS is usually replicated as the supporting information for the subsequent application. This practice will be formally recognised so that the information does not need to be submitted twice, saving time and money for applicants, as well as streamlining the application process.

Over time, the environmental management plan has evolved so that it is simply an application document. The requirement for environmental management plans will be removed and replaced with a straight forward application document process.

Currently there is no information request stage in the assessment process where the administering authority may require more detail about an application. Accordingly, information requests may come at any time and have no timelines associated with them. It is proposed to introduce a formal information stage, similar to the information stage in IDAS, to ensure a clear and transparent process.

### **Streamlined decision-making criteria**

The application to decision process will be streamlined. Under the proposal, the criteria for deciding whether to grant, grant with conditions, or refuse an EA will be contained in one section. This will make the process clearer for applicants and decision makers.

### **Clarify plan of operations process**

Content requirements for Plans of Operations will be reviewed, updated and clarified. Currently, Plans of Operations are required on all mining leases. They provide day-to-day guidance to larger, Level 1 mines, but may be of little use to smaller operators. Under the proposal, requirements for Level 1 and Level 2 mining leases will be reviewed to minimise the requirements for Level 2 operators.

### **Consistency of dates**

The new proposal will ensure that all annual notices/returns/fees commence from the date tenure is granted. Currently, different definitions apply to determining the date for resource activities and operational activities, causing confusion and unnecessary complication to both business and government.

### **Streamlining transfer of EAs**

The process for transfer of EAs has been identified as lengthy and complex, especially when no further assessment is required. Since there is already a requirement that the holders of the tenure be the same as the holders of the EA, it is proposed to attach the environmental approval for resources to the tenure itself, removing unnecessary duplication in the process and allowing for integration of the different information keeping systems.

### **Benefits**

The major advantage of streamlining the approvals for resource ERAs is that it reduces the complexity of the assessment process in granting approvals, regardless of the underlying tenure type. This enables greater crossover of DERM staff between different approval types. Education and training, both within DERM and for industry, can then concentrate on the on-ground environmental management rather than the complexities of the legislation. The current problem of relevant sections being located outside the logical process for that particular EA type will also be resolved by having the modular step-by-step process in the legislation.

In addition, the particular initiatives relevant to the mining sector will help to avoid duplication in documentation and streamline post-approval dealings. Corporate licences and bubble licences will not be compulsory, allowing each eligible operator to tailor their licensing to suit their needs.

#### **4. Streamline and clarify information requirements**

The fourth cluster of initiatives has been developed to clarify and simplify the information requirements when applying for a licence. The following issues have been identified through consultation with stakeholders:

- advice as to the information required for an application needs to be improved, and some information required does not materially change the decision or conditions
- the cost of supplying information to support an application is higher than necessary, and requests for further information delay project approvals and increase costs
- there is inconsistency in the information required in different locations and for like-businesses
- information requested with the application may not be needed until a later stage, rather than at the start of the process, and will be costly to prepare, especially if the project does not proceed.

#### **Proposal**

The proposal outlined below is designed to reduce the overall costs of providing information to support applications while seeking to ensure that the information provided meets the requirements necessary for assessment. To achieve this outcome a package of measures are proposed including the following elements:

- recognise certification by third parties in the assessment process
- reduce the number of applications that require supporting information
- reduce the information to be assessed
- improve guidance on the information required
- prioritise the information required with the application.

#### **Third party certification**

It is proposed to incorporate independent and appropriately qualified third party certification into the approvals process. An independent third party certifier would determine whether an application complies with the relevant environmental standards, and if so, provide accreditation to a proposed project. This process will increase the transparency and completeness of the approvals process, as well as reducing assessment delays to government and industry. The process would also provide more consistent implementation of environmental standards, which would guarantee a high level of certainty to industry, government and the community.

Third party certification may be incorporated into the approval and assessment of environmental authorities for both Chapter 4 and resources activities, as well as for development approvals. Specifically, third party certification would introduce a two step process involving both a suitably qualified person and a third party reviewer. Under the proposed changes, a proponent would be able to work with a suitably qualified person to ensure the relevant plan or construction met the regulated environmental standards. This document would then be assessed by a third party certifier, who would provide certification if the standards are met. As a result of this certification, further assessment by the administering authority would not be required.

The proposed approach allows the rules and standards to be customised for the individual matter. DERM would not administer a list of auditors, but would impose minimum requirements and standards on a case-by-case basis. The proponent would have the flexibility to choose a suitably qualified person or auditor so long as they are fulfilling the requirements set out in an operational policy. This is similar to the existing process for contaminated land but would be strengthened by adding legislative provisions and penalties to manage auditor conduct, and by improving the process through streamlining definitions and terminology.

In addition to adding legislative provisions and penalties, DERM will consider making auditors/assessors subject to broad requirements such as a code of conduct or principles. This may include powers such as spot audits on auditors, review of work and other checks and balances which will ensure high standards are maintained within the auditor pool. Potentially, the process could be subject to statutory guidelines providing detailed selection information and a list of approved certifiers. The guidelines would be approved by the Minister or chief executive and published online.

### **Reducing the number of applications with supporting information requirements**

As mentioned above, the proposal to license activities in proportion to their environmental risk will provide four assessment tracks, including the statutory rules track and the standard approval track. A common feature of both of these assessment tracks is that no additional technical information needs to be prepared to support the assessment of a proposed activity, reducing costs and delays. Also, the introduction of 'general conditions' (see above) will reduce information requirements, as extensive supporting information will not be required.

### **Reducing the information to be assessed**

An approval currently requires a comprehensive assessment against the 12 standard criteria in the legislation. Several of these have the potential to be ambiguous and create uncertainty.

The proposal ensures that an application only needs to be assessed against the relevant criteria, by:

- (a) reviewing the standard criteria
- (b) limiting the assessment criteria for applications that are a variation on a standard approval
- (c) introducing 'general conditions'.

It is proposed to amend these criteria to clarify the considerations and limit their interpretation. The criteria to be amended are:

- the principles of ecologically sustainable development as set out in the National Strategy for Ecologically Sustainable Development
- any applicable environmental protection policy
- any applicable Commonwealth, State or local government plans, standards, agreements or requirements/

There are seven guiding principles set out in the National Strategy for Ecologically Sustainable Development (Appendix 3). While the principles continue to have an important role in development of policies and plans, given their strategic nature they do not necessarily all belong at the individual decision level. It is proposed to review the seven principles and only retain those applicable to the decision process.

The requirement to consider any environmental protection policy no longer has the relevance that it had when the EP Act commenced. The assessment considerations in subordinate legislation have subsequently been consolidated in the EP Reg, providing a single point of reference. If further review confirms that consideration of the EPPs is adequately required elsewhere, it is proposed to delete this requirement.

The consideration of any applicable Commonwealth, State or local government plans, standards, agreements or requirements encompasses a very wide range of documents, leading to uncertainty about the specific documents required and their relevance to decision making. The inclusion of this consideration in the EP Act predates the development of the SP Act and IDAS, which has incorporated local planning schemes into its assessment framework. It is proposed to remove the requirement to consider local plans and to more precisely define which state and national plans or standards should apply.

### **Improved guidance**

Clear, specific, and transparent assessment guidance ensures that both the applicant and the decision maker are clear as to what is the necessary information for a development application. This will reduce extra costs and time delays, and negate the need for the decision maker to request more information. The process will be more transparent for business and industry, and will facilitate more consistency in decision making.

Under the SP Act, each properly made development application must be submitted with any required mandatory supporting information. The forms outlining the mandatory supporting information under the SP Act will be reviewed for ERAs. In addition, further guidance material may be developed which will be general about the application of the legislated assessment requirements, and specific about particular activities or aspects of activities.

Statutory guidelines within the EP Act have been identified as a tool that could be beneficial in improving the guidance material. The primary role of statutory guidelines would be to transparently set out assessment or certification processes. Statutory guidelines are less useful for assessment matters where a decision maker must balance a number of considerations. In these cases, administrative guidance is preferred.

### **Prioritise information required with the application**

Development applications for ERAs are often supported by technical information that is an important component of the approval, but not critical at that particular stage of the decision making process. This information can be costly for businesses to produce, especially when there is no guarantee that the project will proceed.

It is proposed to make a compliance assessment stage available in the approval framework. This would allow for the prioritisation of the information that is necessary for the initial approval. Once approval is given, other technical aspects which are not material to determining the approval would be considered at a later stage by the applicant demonstrating compliance with relevant codes. Examples of activities subject to compliance codes include technical engineering reports for liners of landfills and containment structures for regulated waste storage.

Compliance codes will be developed, and compliance must be demonstrated prior to commencement of the ERA. Compliance assessment will provide a quick process for purely technical issues. This also simplifies the information requirements, and delays the costs of the technical assessment until needed, as well as ensuring that money and effort are not wasted if the proposal does not proceed.

## Part B—Regulatory assessment statement

### 1. Introduction

This regulatory assessment statement is the next stage of the consultation process and submissions are invited in response to this paper. This section includes a detailed impact assessment of each of the four major initiatives. Where possible the costs and benefits have been quantified. The proportional licensing initiative has been costed using assumptions based on the current number and type of regulated activities. It is estimated that there will be net savings of \$11.82 million from this initiative alone which includes \$12.14 million in savings for business and a small cost to government of \$320 000. The other initiatives will provide further benefits for business and government but given that they will introduce new systems they are more difficult to quantify. It is expected that there will be savings in education and training costs, fee reductions, reduced delays and improved information from these other initiatives. Table 1 list the identified costs and benefits for each initiative. Inspection of the table clearly indicates that the number of benefits outweigh the costs.

### 2. Impact assessment

The aim of this first stage of the Greentape Reduction project is to establish the regulatory framework to enable the implementation of a number of streamlining initiatives. The initiatives address the complex array of issues identified by business and government on the operation of the *Environmental Protection Act 1994* (EP Act). The stakeholders impacted by the proposed initiatives include businesses which are required to obtain environmental approvals for their operations under the EP Act and the Department of Environment and Resource Management who is responsible for the administration of the approvals. For a full list of industry groups identified as part of the consultation process see Appendix 1.

The costs and benefits to business and government have been analysed below. The community will also benefit from these initiatives through increased government efficiency and a greater emphasis on ensuring all businesses maintain high environmental standards.

A baseline study has been conducted to understand the current compliance costs and compile industry profiles for each of the key industries subject to environmental regulation. Over 1400 surveys were distributed but only 27 were completed. This has limited the ability to understand the regulatory burden from the current system and to estimate the savings to business from the proposed initiatives. Where data has been provided by business it has been included in the cost estimates.

As the initiatives aim to change the current administration of environment approvals, the outcomes in terms of savings are not known. For example, the proposal to separate development approvals and operational licenses has been supported by business, but the benefits will not be known until the changes commence.

Similarly, the changes to government administration are difficult to forecast for some initiatives. For example, there is a large variation in the time it takes to assess an application for an ERA depending on the risk of the activity and the location. For example, a lower risk activity may take considerable time to assess due to it being located adjacent to a residential area. Alternatively, a higher risk activity that is suitably located with a good risk management plan may take a shorter time to assess.

A summary of the costs and benefits for all of the initiatives is provided in Table 1.

**Table 1 Benefits and costs of the Greentape Reduction initiatives**

Major Initiatives	Benefits	Costs
<p>1. Establish a licensing model that is proportionate to environmental risk</p>	<p>Business</p> <ul style="list-style-type: none"> <li>• Reducing the number of variable conditions will result in reduced application and assessment costs for all ERAs</li> <li>• Consistency in conditions will reduce education costs for operators with multiple approvals</li> <li>• Reduction in application and assessment costs</li> <li>• Removal of annual fees for statutory rules</li> <li>• Reduced delay cost for new low risk activities</li> <li>• Greater certainty about environmental requirements and investment planning</li> <li>• Greater consistency in conditions between businesses so there is a level playing field</li> <li>• Total Savings—\$12.14 million</li> </ul> <p>Government</p> <ul style="list-style-type: none"> <li>• Reduced administration of ERAs</li> <li>• Assessment effort redirected to highest risk</li> <li>• Total Savings—\$1.13 million</li> </ul>	<p>Business</p> <ul style="list-style-type: none"> <li>• Education costs to understand changes</li> </ul> <p>Government</p> <ul style="list-style-type: none"> <li>• Reduction in revenue from annual fees</li> <li>• Total costs—\$1.45 M</li> </ul>
<p>2. Provide flexible operational approvals</p>	<p>Business</p> <ul style="list-style-type: none"> <li>• Can amend operational approval without the need for amending the development approval</li> <li>• Reduction in application costs, assessment costs and time.</li> <li>• Reduced uncertainty</li> <li>• Allow an operator licence to cover multiple sites – reducing number of annual returns and annual payments resulting in reduced reporting and accounting costs</li> <li>• Savings on annual fees until operations commence</li> <li>• Reduced education costs for corporate licences</li> <li>• Savings on capital investment by optimising plant selection</li> <li>• Removal of need for registration certificate</li> <li>• Maintenance of single approval document</li> </ul> <p>Government</p> <ul style="list-style-type: none"> <li>• Reduction in assessment of development applications</li> <li>• Removal of need for registration certificate</li> <li>• Maintenance of single approval documents</li> <li>• Reduced unnecessary referrals to local government</li> </ul>	<p>Government</p> <ul style="list-style-type: none"> <li>• Reduction in annual fees equal to the time between approval of ERA and commencement of activity</li> </ul>
<p>3. Streamline the approvals process for environmental authorities</p>	<p>Business</p> <ul style="list-style-type: none"> <li>• Reduced training and education costs</li> <li>• Reduced time and assessment costs</li> <li>• Remove need for additional development approvals for ERAs</li> <li>• Savings in transfer fees</li> </ul> <p>Government</p> <ul style="list-style-type: none"> <li>• Reduced training and education costs</li> <li>• Reduced assessment cost</li> <li>• Reduction in administration of transfers</li> <li>• Reduced costs of maintaining administration systems</li> </ul>	<p>Government</p> <ul style="list-style-type: none"> <li>• Decreased revenue from transfer fees</li> </ul>
<p>4. Streamline the approvals processes particularly in relation to information requirements</p>	<p>Business</p> <ul style="list-style-type: none"> <li>• Reduced education and assessment costs</li> <li>• Reduced upfront assessment costs</li> </ul> <p>Government</p> <ul style="list-style-type: none"> <li>• Reduced education and assessment costs</li> <li>• Reduced systems costs</li> </ul>	<p>Government</p> <ul style="list-style-type: none"> <li>• Cost for assessment at compliance stage</li> </ul>

## **Initiative 1: Establish a licensing model that is proportionate to environmental risk**

### **Assessment tracks**

#### **Statutory rules track**

The statutory rules track will provide the greatest benefit as there will no longer be a requirement to submit an application for approval or pay an annual fee. It is estimated that about 28% or over 700 current approvals for environmentally relevant activities (ERAs) will be in this track. Examples of activities that might suit this type of approach are concrete batching plants; tyre regulated waste storage and small fuel storages.

Based on the current application rates it is estimated that there will be savings of \$120 000 per annum from no longer needing to lodge an application and pay a fee. Besides application fees, of potentially greater importance is the administrative costs to business in compiling and submitting the application information. For example, a business that requires approval for an ERA which is likely to fit within this track has reported the cost of each application is estimated to be \$20 000.

If this is considered a mid-point amount then an estimate of savings can be made by considering a lower limit of \$10 000 and an upper limit of \$30 000. With an estimated 235 applications per annum in this category the application preparation savings range from \$2 350 000 (lower bound), \$4 700 000 (mid point) and \$7 050 000 (upper bound).

As an application will no longer be required there will be no administrative delay to the commencement of the project. Delays in the approval process for activities that involve large capital investments can result in significant costs for business. Delays can mean a longer development phase, resulting in either payment of more interest on borrowed fund or loss of the opportunity to earn interest on capital, also adding to the regulatory burden.

The estimated administrative time for an ERA application is 78 days. This includes 10 days for an information request, 28 days for applicant to respond to the information request and 40 days for assessment of the application. The delay cost can be estimated by considering borrowed capital and the Australian small business lending rates from the Reserve Bank of Australia.

If it is assumed that each new business has borrowed \$250 000 and the small business lending rate is 8% p.a. then the delay cost per application is \$4 274. Assuming that there are 235 applications avoided per annum in this track then the total delay savings will be approximately \$1 million. In addition, there may be further savings as the opportunity cost of forgone production due to delays may be avoided.

There will be further ongoing savings as the annual return and annual fee will no longer be required. For the approximately 700 ERA approvals in this track, it is estimated there will be annual business savings of over \$1.3 million.

In summary, savings from moving to the statutory rules track are estimated to be **\$7.12 million** per annum as demonstrated in Table 2.

**Table 2 Estimated savings from the statutory rules track**

<b>Fees</b>	<b>Amount</b>
Application fee	\$120 000
Annual fee	\$1 300 000
Application preparation	\$4 700 000
Delay costs	\$1 000 000
<b>Total</b>	<b>\$7 120 000</b>

**Standard approvals**

The standard approval track will provide benefits through a simpler application process which will reduce delays. This track makes up an estimated 26% (or over 660) of the current approvals for environmentally relevant activities (ERAs). Examples of activities that might suit this track are screening of quarry materials, chemically treating timber and abrasive blasting.

It is proposed to keep the current fees for this track so there will be no change in application costs or annual fees.

It is anticipated that the application process for this track will be much simpler with the proponent providing details about the location of the ERA and affirming that they are able to meet the standard approval conditions. It is difficult to estimate the time it will take for applications prior to the detailed design of the application form and conditions. However, it is considered that it should take no longer than 10 hours. Assuming a total wage rate of \$100/hour the total cost is estimated to be \$1000.

It is currently estimated that it costs an average of \$20 000 to complete an application for an ERA. If this is considered a mid-point amount then a lower bound of \$10,000 and an upper bound of \$30 000 can be assumed. It is assumed that there are 221 applications per annum. If the cost of preparing the application is now reduced to \$19 000 (\$9 000 lower bound and \$29 000 upper bound) then there will be savings of \$1 989 000 for the lower bound, \$4.2 million for the mid point and \$6.4 million for the upper bound.

It is proposed that the assessment time for this track will be reduced from 78 days to 10 days which results in a delay saving of 68 days. This will provide savings resulting from the reduced time that borrowings need to be held prior to approval. If it is assumed that each new business has borrowed \$250 000 and the small business lending rate is 8%p.a. then the delay cost per application is \$3726. Assuming there will be 221 applications per annum in this track results in an estimated savings of approximately \$820 000 in delay costs. Again, there may be further savings from avoiding the opportunity costs of forgone production.

In summary, savings from moving to the standard approval track are estimated to be **\$5.02 million** per annum as demonstrated in Table 3.

**Table 3 Estimated savings from the standard approvals track**

<b>Savings Standard Approvals</b>	
Annual fee	Unchanged
Application fee	Unchanged
Application preparation	\$ 4 200 000
Delay costs	\$ 820 000
<b>Total</b>	<b>\$5 020 000</b>

### Government

Moving to the proportional licensing system will also have costs and benefits for government. By directing effort towards activities which have the highest environmental risk, staff can focus on compliance activity rather than assessing applications for low risk activities. This in turn should result in improved environmental outcomes.

There will be administrative savings for government as there will no longer be the need to assess applications in the statutory rules track and the assessment of standard approvals will be limited to checking that the standard conditions can be met and that the location is suitable for the activity. As these are currently estimated to cost \$2000 each, the estimated benefit to government will be \$470 000. There will also be a saving from the statutory approvals where the cost of assessment is expected to be reduced from \$3500 to \$515. The expected saving from the standard approval track is \$660 000. The total saving from government for the changes to the assessment of applications is **\$1.13 million**.

Business savings as a result of the removal of application fees and annual fees for the statutory rules track will result in a loss of revenue for government of \$1.45 million (estimated). The net cost to government is estimated to be \$320 000.

The costs to business and government presented above accord well with a recent report by the Productivity Commission<sup>3</sup> on the compliance costs for business imposed by the planning system. Development approvals differ from environmental approvals but follow a very similar process. For example, it is noted that the compliance costs imposed by planning systems involve the preparing, submitting and providing supporting material for development applications; paying fees and charges (including application and administrative fees) and holding costs associated with delays in obtaining planning approval.

Overall, the proportional licensing system creates substantial benefits for business. There will be a reduction in fees, and more importantly, reduced time and effort to complete the application process for environmental approvals. This in turn will reduce the delay in commencement of operation. The estimated overall benefits for the proportional licensing initiative is estimated to be \$11.82 million as demonstrated in Table 4.

<sup>3</sup> Productivity Commission 2011, *Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessment*, Draft Research Report, Canberra.

**Table 4 Overall Benefits and Costs for the Proportional Licensing Initiative**

	Benefits	Costs
<b>Industry</b>		
Statutory Rules	\$7 120 000	
Standard Approval	\$5 020 000	
Site-specific		
<b>Government</b>		
Statutory Rules	\$470 000	\$1 450 000
Standard Approval	\$660 000	\$0
Site-specific		
<b>Total</b>	<b>\$13 270 000</b>	<b>\$1 450 000</b>

Overall the proportional licensing initiative will provide a net saving of **\$11 820 000**.

## Initiative 2: Provide flexible operational approvals

### Industry

#### Benefits

This initiative will reduce application and assessment costs as well as delays in the approval process. Currently, operational approvals must be amended as development approvals, despite there being no change in land use. This can take a considerable amount of time and creates uncertainty. Under the new initiative, operational and development permits will be separated, allowing the operational approval to be specifically amended without disturbing the development approval.

It is difficult to estimate the savings from this initiative as data has not been collected on the number of ERAs which are amended when there is no concurrent land use change.

It is estimated that there were 359 Chapter 4 ERA approvals amended in 2009/10. If 25% of these also required an assessment of the development approval then there would be approximately 90 instances when the benefit of moving to an operators licence would be realised. If it is assumed the total average savings in application development, time and reduction in uncertainty was \$5000 then this initiative would result in \$450 000 worth of savings.

A further benefit of this initiative is the added flexibility provided by operator permits. This system allows one operator's license to cover multiple sites (corporate licensing), and encompass multiple sites' emissions (bubble licensing). The corporate licensing system is consistent with the needs of contemporary business, and will significantly reduce the administrative burden of completing annual returns and remitting annual fees. Due to a lack of data it is not possible to quantitatively assess the value of this initiative.

The potential to use bubble licensing could also provide savings for businesses which have multiple discharges into a common waterway or air shed. For example, a scoping study on a bubble licensing scheme for water quality in Moreton Bay was undertaken in 2005. It was estimated there would be compliance cost savings of \$65 million by 2026 using a bubble license relative to traditional regulatory approaches to achieve the same nitrogen and phosphorous load reductions.

Where an operator licence is amended, the amended licence will replace any and all previous licences for the operator relating to the activity. This includes where a corporate licence is issued in respect of multiple sites. This will reduce confusion for all parties as to the conditions that apply at any point in time. This system ensures there is

consistency between conditions on different permits applying to the same operator at a site. One clear document with current conditions will provide clarity for both proponents and the regulator.

There will also be more certainty about relevant dates. Currently the application fee must be accompanied by the annual fee for the first year. The application date then becomes the anniversary date for future annual fees. However, many Chapter 4 approvals and environmental authorities for mining operations do not start immediately. To overcome this impost on industry it is proposed to change the anniversary day definition to refer to the day on which activities commence. The operator will need to notify the department when operations commence. As the average length of time between lodging an application and commencing operations is currently unknown it is not possible to assess the savings from this initiative, but the added certainty and the assurance that fees only accrue after commencing operations will be of considerable benefit.

Under this initiative, businesses will no longer be required to obtain a registration certificate. Currently, in certain circumstances an additional registration certificate fee (\$515 plus the highest annual fee) is payable – this money will be saved. This occurs when an application is made for a registration certificate either after commencing the activity, before the development permit takes effect, or more than 30 business days after the development permit has taken effect. There will also be a time saving as an application for a registration certificate cannot be made until the development has been approved. Removing the need for a registration certificate will remove this extra administrative step.

## **Government**

### **Benefits**

The separation of the development approval and the Chapter 4 ERA approval and the changes to the triggers for a MCU for an ERA should result in a reduced administrative burden for government. This arises from the reduction in unnecessary referrals and the administering authority only assessing the operational aspects rather than the operational and land use considerations. These benefits will accrue to both local and state government.

## **Initiative 3: Streamline the approvals process for environmental authorities**

### **Industry**

#### **Benefits**

The current structure of the legislation can be confusing for both proponents and administering authorities. Creating a single process for all environmental approvals should lead to significant savings as it reduces the complexity of the assessment process in granting approvals, regardless of the underlying tenure type. This should reduce the time it takes to complete the application and assessment process, which in turn reduces the delay before operations can commence.

A review of Queensland's exploration and development approval processes undertaken in 2010<sup>4</sup> noted the problems for industry arising from unnecessary delays and lack of transparency. The simplification of the legislation should reduce delay and improve transparency. The report cites an example where the delay in approval resulted in a decrease of the Net Present Value of a project of 21%. For large mining projects this decrease in value was estimated to be in the order of \$300 million.

---

<sup>4</sup> Industry Working Group Review of Queensland Exploration and Development Approval Processes, Supporting Resource Sector Growth, Industry Proposals for Streamlining Queensland's Approval Processes, April 2010

Currently if the ownership of a project for resource activities changes, the operator must go through a process to transfer the tenure in the resource legislation as well as a process in the *Environmental Protection Act 1994* to transfer the environmental authority. Where there is no financial assurance held by the Department of Environment and Resource Management there is no assessment of the transfer so the process is duplicated unnecessarily. It is estimated that there are on average 532 transfers per year. If these transfers no longer have to pay the transfer fee of \$103 there should be a savings of approximately \$55 000 per annum.

## **Government**

### **Benefits**

As the proposed process for assessing approvals is similar regardless of tenure and type it will enable government administrators to learn the process of making decisions on environmental approvals rapidly, enabling greater crossover of staff between different approval types. This will then allow staff to concentrate on the on-ground impacts of the proposals rather than the complexity of the legislation. This in turn should lead to faster approval times and approval conditions focussed on maintaining environmental integrity.

### **Costs**

The removal of the need to pay the tenure transfer fee will reduce revenue for government. However, it is estimated that the administrative cost of processing the fee is \$30 000, resulting in an overall savings of \$25 000.

## **Initiative 4: Streamline the approvals processes in relation to information requirements**

### **Industry**

#### **Benefits**

The benefits of providing improved and targeted information to applicants will be a reduction in the costs of collecting and documenting information. It is proposed that guidance documents will be produced which provide direction on the information that is necessary for an application and how that information will be assessed. This should result in a reduction in assessment time and costs which in turn will lead to a reduction in delays for approvals. The improved information should result in fewer information requests which will further reduce time and the costs of collating extra information.

The prioritisation of information is also addressed with this initiative. Technical and supporting information which is not critical to the decision to approve or refuse the application could be supplied after approval but prior to operation. This will save proponents from having to develop expensive technical information when the outcome of the application is uncertain so that the costs of technical assessment are not wasted if the proposal does not proceed for any reason. It will also save time in the assessment process. It is difficult to estimate the savings to industry from this initiative as the option to use this process will be voluntary.

It has been determined that where appropriate, independent and suitably qualified third parties should be utilised across the EP Act to provide an opinion or recommendation on the nature and extent of environmental harm caused by a proposed or existing activity. Additionally, approvals which may currently be delayed due to workloads within the department can be mitigated through the use and strengthening of these systems. For instance, the approval and assessment of Environmental Authorities and Development Approvals for Environmentally Relevant Activities may benefit from the inclusion of independent certifiers within current approval processes.

The benefit for business from using a third party certifier is an increase in certainty that activities will meet the required conditions and a reduction in delay time. This results from the fact that reports and audits to the department will be able to be processed quickly as they will already have been certified as correct.

## **Government**

### **Benefits**

Providing clear guidance and criteria to support officers in the assessment of applications should lead to reduced education and training costs, increased transparency and consistency in approvals and reduced delays for issuing approvals. This should also result in conditions on approvals being streamlined, fitting and consistent.

The prioritisation of information will assist departmental officers' focus on assessing the environmental approval rather than specific technical detail, thereby speeding up the approval process. The technical information provided prior to commencement of the activity will be assessed against the compliance codes. The activity would be able to commence operation once compliance with the relevant code was verified. The extra costs of assessment will be recovered through the introduction of the compliance stage assessment fee.

The benefit for the government from using third party certifiers is that they can assist with demand-side management in periods of high application or compliance activity. They can also value-add where there is a gap in industry specific expertise. This is especially pertinent for emerging technologies or highly technical matters. Further, they can provide an 'independent' opinion which adds credibility to the assessment and approval process, thereby facilitating faster approvals and providing greater flexibility for industry proponents.

### **Summary of costs and benefits**

From the above analysis it is clear that the estimated benefits of the proposed initiatives outweigh the costs. As information is available on the current costs of the administration of ERAs it has been possible to estimate the changes in costs to business and revenue to government from the proportional licensing initiatives. Overall it is estimated that there will be a net benefit to business of \$12.14 million from these initiatives. As a result of reduced fees there will be a cost to government of \$320 000.

Flexible operational approvals potentially provide many benefits to industry although it is difficult to fully quantify these benefits prior to introduction. For example, it is anticipated that there will be a reduction in administration and application costs when changing operational approvals. This will also reduce delays. Corporate licensing will benefit business by allowing for streamlined reporting requirements and operating conditions, while bubble licensing allows business to reduce pollution at least cost where environmental constraints allow. The changes to the anniversary date for annual fees mean that business will not have to pay for an operational licence prior to the commencement of operations.

Streamlining the approvals process for environmental authorities will reduce the complexity of the legislative requirements whilst maintaining environmental standards. This should result in a reduction in education and training costs for both business and government. A more efficient system should also reduce the delays experienced by the mining and petroleum industries encouraging investment in Queensland. The removal of the need to pay for tenure transfers will also provide savings to both business and government.

Providing improved and targeted information for proponents is a non-regulatory approach which responds to business concerns. The initiative should reduce information requests and provide a more consistent assessment of applications. The proposal to prioritise information also reduces application costs for business as the need to provide technical supporting information is not required at the start of the proposal. The use of third parties in certain circumstances will also reduce delays for business and help smooth the workflow for government.

### **3. Consistency with other policies and regulation**

#### **Competition Principles Agreement**

The Greentape Reduction proposal reforms existing regulation to the benefit of business as a whole, and has consistent application across industry. It is not DERM's intention that these reforms restrict competition in any way, and as such they are consistent with Clause 5 of the Commonwealth of Australian Governments' Competition Principles Agreement.

The proposed initiatives will not have a disproportional impact on any one business sector. By reducing the burden for lower risk, smaller businesses there should be an increase in business competition as environmental requirements will not present a barrier to entry. The ability to update operational licenses without reviewing development approvals should ensure more consistent conditions for environmental approvals and hence ensure a level playing field across similar businesses.

#### **Fundamental Legislative Principles**

The Fundamental Legislative Principles (FLPs) under the *Legislative Standards Act 1992* have been considered in the policy development for the Greentape Reduction project. The proposed policy reforms are a reformation of the existing environmental regulation framework. It is not intended to create inconsistencies with maintenance of 'the rights and liberties of individuals, and the institution of Parliament' as laid out in the Fundamental Legislative Principles. This will be considered in further detail during the drafting process.

### **4. Implementation, evaluation and compliance support strategy**

The regulatory framework to support the Greentape Reduction project initiatives is proposed to commence in July 2012. The aim is to then introduce a rolling program to develop the statutory rules and standard approval conditions over three years to June 2014. As each block of work is completed the rules and conditions will be introduced for the relevant activities. Work will commence in 2011 to develop the information materials to support the application process for proponents and the assessment of applications by the administering authority.

DERM will develop annual compliance plans to identify compliance activities for the coming year and inform the Queensland community. This allows the greatest risks to the environment and natural resources to be proactively addressed. It is proposed that future compliance plans will include a component to ensure that those activities that no longer require a site-specific assessment are still maintaining a high level of environmental compliance.

# Appendixes

## Appendix 1—Stakeholders

DERM identified the following key stakeholders for the project and met with and/or invited comment from them in the development of the initiatives.

### Industry

- Business Advisory Committee chaired by the Director-General of DERM comprising the Queensland Resources Council (QRC), Australian Petroleum Production and Exploration Association (APPEA), Australian Industry Group (AIG), Chamber of Commerce and Industry Queensland (CCIQ)
- AgForce Queensland
- Australian Aluminium Council
- Australian Council of Recyclers
- Australian Foundry Institute
- Australian Lot Feeders Association
- Australian Meat Industry Council
- Australian Oil Recyclers
- Australian Prawn Farmers
- Australian Pork Limited
- Australian Sugar Milling Council
- Australian Sustainable Business Group
- Biofuels Association of Australia
- Boating Industry Association of Queensland
- Cement, Concrete and Aggregates Australia (CCAA)
- Caravan Parks Association of Queensland
- Compost Queensland
- Cooper Grace Ward Lawyers
- Diatrema Resources Ltd
- Environmental and Licensing Professionals Pty Ltd
- Environment Institute of Australia and New Zealand
- Food Industries Association of Queensland
- Hotel, Motel and Accommodation Association
- Institute of Quarrying Australia
- Ison Environmental Planners
- Meat and Livestock Australia Metallica Minerals
- Motor Traders Association of Queensland
- North Queensland Miners Association
- Planning Institute of Australia

- Plastics and Chemicals Industries Association
- Printing Industries Association of Australia
- Property Council of Australia
- Q-Coal Pty Ltd
- Queensland Aquaculture Industries Federation
- Queensland Boulder Opal Association
- Queensland Dairyfarmers' Organisation
- Queensland Egg Farmers Queensland Energy Resources
- Queensland Farmers Federation (QFF)
- Queensland Hotels Association
- Queensland Opal Miners Association
- Queensland Pork Producers Inc
- Queensland Sapphire Producers Association
- Queensland Small Miners Association
- Queensland Trucking Association
- Rotomoulders Association
- Rio Tinto Alcan
- Timber Preservers Association of Australia
- Timber Queensland Ltd
- Urban Development Institute of Australia
- Urban Local Government
- Waste Contractors and Recyclers Association Queensland (WCRAQ)
- Waste Management Association of Queensland
- Yowah Opal Mining Community Association (YOMCA)

### **Community**

- Environmental Defenders Office
- Housing Industry Association
- Queensland Environmental Law Association
- Queensland Conservation Council
- Queensland Law Society

### **Government**

- DERM operational and policy officers
- DEEDI staff (Queensland Mines and Energy and Animal Industries officers)
- Officers from Government departments, including: the Department of Infrastructure and Planning (now the Department of Local Government and Planning); Queensland Treasury, Education and Training, Community Safety, Queensland Health, Public Works and Department of the Premier and Cabinet.

- Queensland Police Service
- Public Service Commission
- Local Government Association of Queensland (LGAQ)
- Local Government Working Group with representation from Brisbane, Balonne, Banana, Gladstone, Rockhampton, Ipswich, the Fraser Coast and LGAQ.

## **Appendix 2—Benchmarking**

### **Proportionality between risk and regulation**

The approvals systems in the United Kingdom, New South Wales, Victoria and Western Australia have either recently undergone, or are currently undergoing, reforms. The UK reforms sought a licensing system that was ‘outcome focussed and risk based’, and the subsequent Australian states’ reforms have also looked to ensure some form of proportionality between the environmental risk of the activity and the subsequent administrative load on both parties.

### **Relationship between land use and operating approvals**

The norm in all other Australian state jurisdictions (except Tasmania) is separate land use and operating approvals. This is in the form of an initial development permit and an ongoing registration/licence. In Tasmania all conditions are provided under the development permit—there is no licence. The system is effectively the same in Queensland: a licence is required, but all conditions are provided under the development approval.

### **Information requirements – standard assessment criteria and staged approvals**

Similar to Queensland, all other state jurisdictions have some form of assessment criteria which must be considered in approving an application. However, Queensland’s ‘standard criteria’ covers a broader scope, and has more specific requirements to comply with. Staged approvals were also examined. These have been implemented successfully in other jurisdictions and under other legislative systems to facilitate information being provided at the most appropriate stage of the application process, rather than all at the beginning.

## **Appendix 3—Principles of the National Strategy for Ecologically Sustainable Development**

The guiding principles are:

- Decision making processes should effectively integrate both long and short-term economic, environmental, social and equity considerations.
- Where there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.
- The global dimension of environmental impacts of actions and policies should be recognised and considered.
- The need to develop a strong, growing and diversified economy which can enhance the capacity for environmental protection should be recognised.
- The need to maintain and enhance international competitiveness in an environmentally sound manner should be recognised.
- Cost effective and flexible policy instruments should be adopted, such as improved valuation, pricing and incentive mechanisms.
- Decisions and actions should provide for broad community involvement on issues which affect them.

These guiding principles and core objectives need to be considered as a package. No objective or principle should predominate over the others. A balanced approach is required that takes into account all these objectives and principles to pursue the goal of ESD.

## Glossary and Abbreviations

Chapter 4 activities	ERAs in Schedule 2 of the Environmental Protection Regulation 2008 and are other than a mining or petroleum or gas ERA. They are integrated with the <i>Sustainable Planning Act 2009</i> and may be administered by DERM, DEEDI or a local government, depending on the activity.
DEEDI	Department of Employment, Economic Development and Innovation
DERM	Department of Environment and Resource Management
EA	Environmental authority
EIS	Environmental impact statement
EP Act	<i>Environmental Protection Act 1994</i>
ERA	Environmentally relevant activity
IDAS	Integrated development assessment system under the SP Act
MCU	Material change of use (refer s10 of the SP Act)
RAS	Regulatory assessment statement
Resources ERAs	All ERAs outlined in Chapter 5 and 5A of the EP Act, concerning mining, petroleum, geothermal and greenhouse gas activities.
SP Act	<i>Sustainable Planning Act 2009</i>