

13th July 2009

Mr Jeff Hole
Inquiry into Environmental Regulation in Victoria
Victorian Competition and Efficiency Commission
via email to environment@vcec.vic.gov.au

Dear Jeff

RE: INQUIRY INTO VICTORIAN ENVIRONMENTAL REGULATION

The Construction Material Processors Association (CMPA) welcomes the opportunity to provide comment on the draft report for the Inquiry into environmental regulation in Victoria, *A Sustainable Future for Victoria: Getting Environmental Regulation Right*. In addition to our initial submission to the Inquiry of October 2008, the following comments are provided for your consideration.

Case Study Attachment

A copy of the Appendix that accompanies the complete CMPA report *An Unsustainable Future: The Prohibitive Costs of Securing Extractive Industry Access in Victoria, 2009*, is attached for your information. Please note that the Case Study Appendix is provided to the Inquiry on a CONFIDENTIAL basis due to the commercial nature of the information provided. The complete report will be provided shortly when it has been finalised.

Approvals Process Costs

The CMPA also welcomes the Inquiry's focus on streamlining extractive industry regulations. As the Inquiry's Draft Report indicates, the Work Plan approval process for the extractive industry is still imposing unnecessary costs and delays which is a major concern for our members. The whole process involving endorsement of the work plan and obtaining a planning permit is lengthy and very expensive. If the regulatory authorities identify issues with the application these should be identified at an early stage in the endorsement of the work plan. There are many examples of the work plan being referred to regulatory bodies several times, with new issues being raised each time. In this situation, there is no certainty of process, time or costs for the proponent.

The high cost of the planning appeals process has been highlighted and quantified in the recently commissioned CMPA report, *An Unsustainable Future: The Prohibitive Costs of Securing Extractive Industry Access in Victoria, 2009*. The attached appendix from this report details a series of case studies from quarry operators of actual time and costs in establishing new, or extending existing quarry operations.

This report clearly demonstrates the high level of costs associated with establishing a new or extending an existing quarry. One example quoted in the study reveals costs of \$1.25 million to date, the application has been in the planning process for 5 years and the Work Authority is yet to be granted. Compounding the frustration of this application is the VCAT/Supreme Court appeals process which has taken over 3 years, equating to about \$1.8 million worth of lost production. This is not an isolated experience.

The CMPA is aware of the importance of environmental regulation and the community's expectation of industry to be environmentally sustainable; however the *An Unsustainable Future: The Prohibitive Costs of Securing Extractive Industry Access in Victoria, 2009* report provides an assessment of the cumulative impact and increasingly costly and restrictive nature of some regulatory tools. Whilst it is recognised that community expectations have changed over the last 10 years and the social license to operate is a key

aspect for any operator, the capacity for quarry operators to continue to absorb these additional costs whilst still being able to establish a new quarry, or extend the life of an existing operation to supply a cost effective product to the construction industry is limited.

Native Vegetation

The CMPA welcomes the Inquiry's findings that indicate that Victoria's native vegetation regulations remain unnecessarily complex and costly to comply with. The CMPA report, *An Unsustainable Future: The Prohibitive Costs of Securing Extractive Industry Access in Victoria, 2009*, provides several examples of the native vegetation obligations of the approvals process that have cost over \$400,000.

The CMPA supports in principle the recommendations that seek to simplify the application of native vegetation guidelines and improve consistency of decision making. The CMPA will be willing to discuss with agencies how this applies to the extractive industry in detail, as suggested in Draft Recommendation 7.1.

The CMPA welcomes the opportunity to provide input into the Inquiry and looks forward to Government implementing the outcomes of the Inquiry in a timely manner.

Yours sincerely

A handwritten signature in black ink, appearing to read "Roger Buckley". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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