

11 March 2005

Regional Inquiry
Victorian Competition & Efficiency Commission
GPO Box 4379

MELBOURNE VIC 3001

By email to: contact@vcec.vic.gov.au

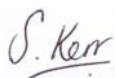
**RE: INQUIRY INTO REGULATORY BARRIERS TO REGIONAL ECONOMIC
DEVELOPMENT**

To whom it may concern:

Thank you both for providing the opportunity to comment and for granting the CMPA an extension until today. It is greatly appreciated.

Following this cover letter is the CMPA's submission. If you would like any details on the ideas or comments contained within the submission, please do not hesitate in contacting Mr Ron Kerr, CMPA Honorary CEO.

Yours sincerely



Sarah Kerr
CMPA Project Manager

Encl 1

Regulation & Regional Vic. Challenges & Opportunities

Planning Regulation

Precision & Understanding of Policy (p65)

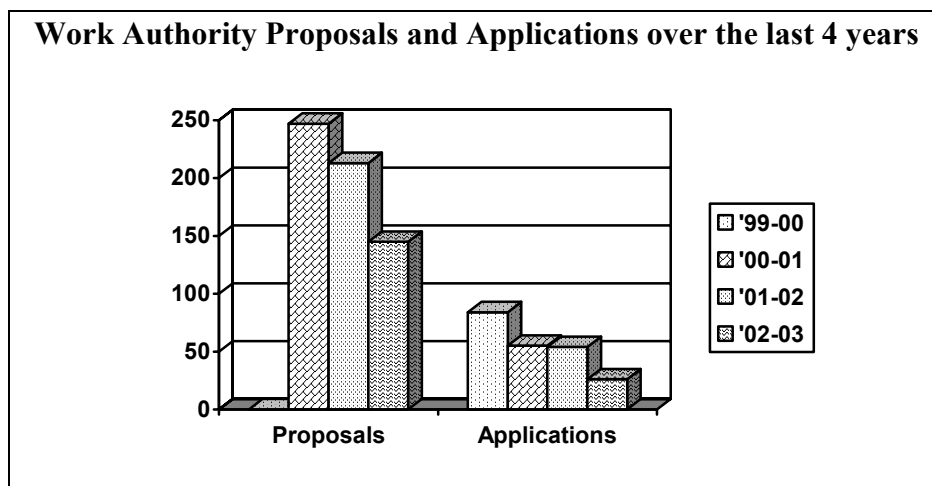
Draft Recommendation 5.1:

That the Victorian State Planning Policy Framework be subjected to review every five years

The CMPA strongly supports this recommendation.

Integration of Approvals Processes and Different Authorities (p75)

The CMPA agrees with the Commission's view that the potential of a responsible authority to stall a project is still great. On many occasions our members have reported difficulties with one or more responsible authorities stalling a project. Authorities who are notorious for this kind of behaviour include Aboriginal Affairs Victoria, the EPA, various water authorities, and many others. The fact that this occurs and is known throughout the industry is further highlighted through the lack of new industry participants over recent times.



Poorly Conceived Applications (p79)

It is important that the Commission recognises that the quality of an application does not necessarily reflect the quality of the proposed works and should not be used as the sole or primary justification for criticism or stalling of an application at any stage. It may be more appropriate in this instance that the Commission considers the simplification of the application process particularly in the extractive industries. This view is supported by the following complications commonly seen in the extractive industries:

1. The quality of applications are particularly limited by the availability of competent consultants (2) within Victoria who are capable to completing high quality applications. This has led to the situation whereby applicants are either required to wait for the consultant to be available to write an application (which in many instances takes months) or alternatively attempt to complete an application by themselves. It must be noted that the original intent of an application was that a proponent could do it themselves.
2. A second complication to the application process with our referral Authority (the DPI) is the lack of templates and the frequency at which the existing ones are changed. It is essential for the industry that the DPI's templates remain the same for a set minimum timeframe to further simplify the process. In other words, more and more information is being requested as the state of common knowledge improves, to a point at which finite detail is being required of the daily operations of the business. The CMPA questions the acceptability of this approach

Regulation & Regional Vic. Challenges & Opportunities

3. Finally, work is required to ensure that acceptable criteria remain consistent between one applicant and the next. An instance of this is seen in batter requirement – in some instances it is approved at three in one and another, five in one. Industry requires this information so that it is both simpler and clearer. Variation in such requirements can also sterilise massive resources and render the applicant invalid before the process can even commence.

General Comments

The CMPA would appreciate the Commission considering activities that would be better suited to an exemption or abridged application process that are of an everyday nature.

For instance, the CMPA is aware of a signage application which took approximately 4 months to be approved by the local council due to the overbearing requirement for areas zoned as extractive industries.

Native Vegetation Regulation

Since the introduction of the Native Vegetation Regulations, the CMPA has had little involvement in its implementation however finds it essential to report the concerns raised by its members.

The primary concern is that the cost of maintaining the required environmental standards is far exceeding the value of the resources and thereby is causing both new and existing sites to be removed from the market. Although the removal of resources may be of benefit to the immediate environment, the future potential damage to the ozone and general air quality from additional cartage far exceeds this benefit. As such, the CMPA sees it as essential for the Native Vegetation Regulations to be reviewed to ensure that it protects earth resources that in the long run will benefit the environment although in the short term may cause some disruption.

Another matter of concern that has been raised by members is that the regulations poorly identify what is required, do not take into account the resources value, and require a form of offset to take into account what is being expended. This has caused many Work Authorities to become tied down in the approval process for what otherwise would be a relatively simple project and leave little imprint. The CMPA would see it is appropriate to further expand upon Draft Recommendation 6.3 to insist upon greater clarity throughout the regulation thereby giving participants clear and justified outcomes that will be expected.

Draft Recommendation 6.3:

That the Victorian government more clearly define landholder responsibilities to retain native vegetation against the benefits to landholders and the broader communities. This definition should form the basis for determining the appropriate allocation of the costs of achieving net gain.

Regulation & Regional Vic. Challenges & Opportunities

Environmental Regulation

Assessment of the Policy Impact Assessment (PIA) Process (p 119)

Draft Recommendation 7.1

That the PIA process be modified to require EPA Victoria or the Minister for the Environment to seek an independent review of the draft PIAs.

The CMPA supports this recommendation however stresses the importance of industry being addressed involved and listened to at all stages of a PIA.

Historically, the association has seen decisions being made without due consideration being given to new and existing sites alike, or little consideration being given to industry's concerns. In future projects, the CMPA sees it as essential for the industry to be listened to and their concerns being addressed. If however, their concerns are rejected it is essential that a full and clear explanation is provided to explain why they were not taken up so that the association can better understand and explain to its members the direction it is being taken by the government's officials.

Possible Features of a Revised EES Process (p 137)

Draft Recommendation 7.4

That the Victorian Government's response to the review of the Environmental Effects Act 1978 should address the need for 1) a staged EES process that is related to the complexity of projects and the nature of the environmental risks (2) clear criteria for determining the applicable level of assessment, (3) early identification of assessment timelines and reporting of compliance against these, and (4) streamlined and coordinated input into assessment processes by government agencies

The CMPA supports this recommendation for the larger sites, however would like to see completion possible at earlier stages for relatively small sites due to the exceptionally high costs associated with the EES.

Industry-specific Regulation - Mining

Whether should be a one-stop shop

Draft Recommendation 9.1

That the DSE and the DPI negotiate a memorandum of understanding to facilitate streamlined and consistent decisions on applications for exploration licences.

The CMPA supports this recommendation due to the potential for greater clarity. Ideally, such an MOU could be negotiated across more government agencies to benefit the industry further or that it could be given recognition as a 'one-stop shop' for all of industries needs.

To further this concept, the CMPA would like to see the DPI (Minerals & Petroleum Regulation Branch) integrated more fully into the planning application and regulatory review processes in order to ensure that the state's earth resources are better protected from planning permit applications and new regulation.

This has not been happening over the last ten years and there is now evidence that this lack of management is affecting the access to and the cost of supply for the earth resources which in turn is negatively affecting the environment and economy of these areas.

There seems to be no person or body committed to the retention of our earth resources for future generations for which careful consideration is required. It may be appropriate to hand this responsibility over to the DPI to ensure that a body with knowledge of industry is managing it.

Regulation & Regional Vic. Challenges & Opportunities

Improving Regulatory Processes

Obtaining Feedback from Stakeholders

The CMPA strongly supports the views presented in the Commission's report by the CCF, AMPA, and PMAV in that the association is consistently finding that:

1. It is humanly impossible to comment upon all submissions that the association is requested to provide comment upon, and
2. When comment is provided, the regulating authority on occasion takes little notice of what was stated in the association's submission.

Together this has resulted in the association limiting comment to only those submissions that it is certain that its opinions will be taken into account.

This issue may be overcome by the other recommendations within section 11, however will require monitoring over time to ensure it is being achieved.