

Media Release

Wednesday, July 17, 2013

Environmental Approval Reform Lost in Translation

The peak industry body for the urban development industry today expressed concern that Prime Minister Rudd is stepping back from vital green reform.

UDIA is calling for significant improvements in the operation of the EPBC Act to achieve more effective environmental outcomes and combat the rising cost of housing.

The agreement fifteen years ago by the Council of Australian Governments (COAG) on Commonwealth/State Roles and Responsibilities for the Environment has failed to deliver the intended improvements.

The intent was to deliver a more effective framework for intergovernmental relations on the environment, but the outcome has been duplication that has cost Australian home buyers millions.

“It is clear that having separate environmental approvals processes for both State and Federal environmental matters is neither cost effective nor delivering optimal environmental outcomes,” said UDIA spokesperson, Debra Goostrey.

Under the EPBC Act if a developer has any Matter of National Environmental Significance (MNES) on their land, they need to seek approval by both the State and Federal Government.

This has led to a fragmented system where more and more projects are required to be referred to the Federal Government as agencies try to assess the cumulative impact.

“Strategic Assessments have been implemented in New South Wales and Victoria with one underway in Western Australia to overcome the fragmented approach but this is only possible for larger tranches of land,” said Ms Goostrey.

“Outside of those areas we revert to the proponent driven system.

“The cost of developing a Strategic Assessment between the State and Federal Government means that they are only progressed in high growth areas, usually after the system begins to buckle under the pressure.

“The cost implications for developers outside of the strategic assessment areas are enormous.

“The Federal Government has moved to a cost recovery process which means Federal consideration of an application, costing from \$90,000 to \$250,000.

“Even the process of determining whether you need go through the assessment process costs around \$7,000”.

Whilst the calculation of cost recovery is strictly controlled, UDIA believes that the costs have been grossly overestimated.

“The cost of considering the application can be higher than the cost of a consultant in preparing the application in the first place (not including field investigations)”.

Calculations, based on the cost of a senior environmental consultant in the private sector, means that the government will recoup 66 days of officer time to consider an application when the assessment needs to be undertaken in a 35 business day timeframe.

“Sadly, once you end up in the territory of cost recovery the drive towards efficiency is diminished unless there are objective measures used that are transparently, and regularly, reported to the industry with accountability mechanisms in place,” said Ms Goostrey.

The lack of transparency has been a recurring theme during industry consultation as has the failure of government to base their considerations on scientific evidence. Industry’s concerns about procedural fairness were upheld in court action in 2012.

In the lead up to the Federal election UDIA is calling for improvements with commitment to:

- Better cooperation between the State and Commonwealth governments with a move to devolving the environmental assessment and approvals process to the states on a risk management basis.
- Faster Assessments where the “stop clock” is not used to unnecessarily delay outcomes;
- Improvement to business certainty and environmental outcomes through the provision of technically sound guidelines and policies;
- Streamlined and more transparent assessments based on sound environmental science with the sharing of all available information between the Federal and State agencies and the proponent.
- Ensuring officers with relevant environmental qualifications are involved in the assessment of proposals to ensure science, not opinion, is the basis for the decision.

For further information please contact:

Debra Goostrey, UDIA Western Australia, 08 9215 3400