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UDIA Submission to the House of Representatives Inquiry into streamlining environmental regulation, 'green tape' and one stop shops

The Urban Development Institute of Australia (UDIA) welcomes the opportunity to provide this submission to the Inquiry into streamlining environmental regulation, 'green tape', and one stop shops. UDIA is the peak body representing the interests of the development industry around Australia, acting on behalf of over four thousand members across the country, from a wide variety of fields and professions.

UDIA believes that protecting Australia's natural environment is a critical part of creating liveable and sustainable communities, and as such, is fully supportive of the goals of the Environment Protection and Biodiversity Conservation Act (EPBC Act). Unfortunately it has too often been the case that environmental protection has meant burdensome regulation, with unnecessary duplication and delays increasing the cost of development, damaging jobs and decreasing housing affordability.

UDIA supports reform that reduces regulatory losses caused by administrative burden, inefficiencies, and delays, whilst continuing to maintain existing high environmental standards.

Reducing Unnecessary Environmental Regulation

Regulatory burden and inefficiency can have a marked impact on development activity by increasing risk and uncertainty, causing delays, and adding administrative cost to the development process. These additional costs and delays are ultimately built into the price of new housing, resulting in reduced housing supply, declining housing affordability, and an increased burden borne by new home buyers.

UDIA believes that there is considerable potential to reduce the regulatory burden and costs associated with the EPBC Act through greater utilisation of strategic assessments and bilateral agreements under the Act.

Bilateral Assessment and Approval Agreements

Currently, environmental assessment and approvals processes are duplicated between the Federal and state governments, creating an unnecessary additional layer of regulatory cost and delays, without necessarily improving environmental outcomes. UDIA believes that bilateral agreements, which allow the Federal Government to accredit state government assessment and approval processes, are an effective way to improve regulatory efficiency by eliminating duplication and streamlining assessment and approval processes.

Bilateral assessment agreements already exist in all states and territories, and have had a positive impact in reducing regulatory inefficiency. The Federal Government and state governments should strengthen existing bilateral assessment agreements and extend their scope to a greater number of regulatory processes.

Despite their potential to reduce duplication between state and federal environmental approvals processes, bilateral approval agreements are not widely used in any state or territory. UDIA strongly supports the Government's 'one stop shop' approach, which proposes greater use of bilateral approval agreements to achieve a single streamlined environmental assessment and approval system. This could greatly reduce regulatory costs whilst maintaining current environmental standards.

Any future bilateral agreements as part of the 'one stop shop' need to fully consider and accommodate the land use planning processes specific to each state, as well as ensure that in circumstances where assessment and approval is required, it can be done early in the process. Clear and transparent guidelines outlining the conditions that must be met by state systems for consideration in a bilateral agreement should be made available, in order to guide state government decisions and provide certainty for project proponents. Agreements must operate transparently, and be monitored and regularly reviewed to ensure that they are achieving their environmental and regulatory goals. The policy frameworks and expectations of different jurisdictions should also be aligned.

Strategic Assessments

Strategic assessments, whereby development is assessed at a landscape level rather than a project by project level, can provide both environmental and regulatory efficiency benefits. They allow improved certainty and reduced delays for developers, whilst creating better environmental outcomes through a more coordinated and holistic approach, addressing the cumulative impacts of development.

UDIA supports greater utilisation of strategic assessments where local processes are inadequate for the effective use of the 'one stop shop' for residential development. It is important that strategic assessments are undertaken in collaboration with other strategic planning processes, and that they are regularly reviewed by state and federal governments to ensure that they are achieving their environmental regulatory goals.

Cost Recovery under the EPBC Act

UDIA and the development industry continue to be concerned with proposals to introduce cost recovery measures for environmental impact assessments.

The property development industry is already one of the highest taxed industries in Australia, with government taxes and charges accounting for more than 40% of the cost of a new home in some areas, and both state and federal government receiving substantial tax revenues from development. Cost recovery on EIAs will only add to this burden, making the delivery of sufficient affordable new housing an even greater challenge, particularly for smaller development projects.

In principle, cost recovery should only be applied where there is a clearly identifiable beneficiary of an activity. UDIA maintains the view that residential, commercial, mixed use and tourism development, together with the associated roads and community infrastructure, offer wide community benefits to the broader public that extend far beyond the commercial benefits to the proponent, and are thus inappropriate targets for cost recovery.

Cost recovery is also unjustified given the likely reduced strain on the Department as a result of the implementation of additional bilateral agreements and strategic assessments, which will eliminate much of the Department's work load. The government should fund the administration and implementation of the EPBC Act from general tax revenue.

Conclusion

UDIA thanks the Standing Committee on the Environment for the opportunity to provide this submission to the Inquiry into streamlining environmental regulation, 'green tape', and one stop shops. UDIA would welcome the opportunity to discuss any aspect of this submission in greater detail. For further information, please contact UDIA National on 02 6230 0255 or at udia@udia.com.au.