

31 October 2019

The Commissioner
Productivity Commission
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SUBMISSION: RESOURCES SECTOR REGULATION – ISSUES PAPER

The Hunter Business Chamber (the Chamber) is the largest regional chamber in Australia with an affiliation agreement with the NSW Business Chamber (NSWBC), one of Australia's largest business support groups. The Chamber works with thousands of businesses ranging in size from owner operators to large corporations and spanning all industry sectors from product-based manufacturers to service-provider enterprises.

The Chamber endorses the submission lodged by the NSWBC to the Commission in relation to this matter but submits the following additional comments to reinforce some key points in view of the relevance of resources sector to our regional economy.

The regulatory environment within the resources sector is of high interest to the Chamber because of the intrinsic link between the sector and our regional communities. The implications of planning decisions in relation to the mining sector affect not only the applicant but also the communities in which they operate, through economic, social and environmental outcomes.

The Chamber shares with industry stakeholders concerns about inconsistencies in the assessment process highlighted by several recent high-profile decisions on mining development proposals in New South Wales. As highlighted by the NSWBC, processes for obtaining approvals for resources sector proposals are unnecessarily long, lack clarity in respect to planning criteria against which applications to be assessed, and lack certainty for all participants about what stages an application will have to go through and what information requirements may need to be satisfied.

Of particular concern are recent decisions that have taken into account the environmental impacts of the resource in the country of export – or so-called 'Scope 3' emissions. This has been evident in this region in the rejection of the Rocky Hill and Bylong coalmine projects and in conditions imposed on the expansion of the United Wambo mine.

The Chamber's concern is that this consideration was not part of the original approval conditions but, rather, was introduced late in the process.

Processes that shift emphasis or modify the terms of consideration and matters to be addressed during the assessment process cause considerable difficulty not only for the applicant but also the community impacted by and interested in the outcomes of the application. The integrity of the process must be safeguarded and the issues to be

addressed made clear from the outset so both the applicant and the community are afforded the opportunity for consultation on all relevant matters.

In summary, the HBC believes the following aspects of the regulatory process hold scope for improvement:

1. A reduction in the time involved in the consideration of applications and the application process;
2. Greater certainty about process stages and requirements at the beginning of the process.
3. Clear criteria for decision at the outset of the process that avoid the imposition of late additional obligations on proponents, without opportunity for appropriate consideration and consultation.

The NSWBC submission sets out more detail on how these points can be addressed.

The Hunter Business Chamber appreciates the opportunity to contribute to this consultation and welcomes further engagement on these matters.

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