



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA

NEW STUDY OF MINERALS REGULATION UNDERSCORES COAG REFORM IMPERATIVE

The Minerals Council of Australia (MCA) wants Friday's Council of Australian Government's (CoAG) meeting to agree a platform of reform to Australia's regulatory system – the laws, regulations, standards and codes, and their implementation – as the third wave of economy-wide reforms pivotal to Australia's global competitive standing.

The Minerals Council of Australia today released a report, by consultants URS, commissioned to audit the regulatory project approval processes for exploration and mining.¹

MCA Chief Executive Mitchell H. Hooke said: "The Report concluded that the minerals industry is dogged by excessively complex, conflicting and/or overlapping regulatory requirements across governments and regulatory agencies, which increase costs or restrict or delay exploration and mining project approvals. There is too great a reliance on prescriptive rather than performance based regulation and in the breadth of administrative discretion.

"The two waves of economy-wide reforms of the last two and a half decades vastly improved Australia's competitiveness and productivity. Opening up the economy and deregulating financial and labour markets exposes the weaknesses and constraints of Australia's regulatory system. This is brought into even sharper focus by the relentless pursuit of competitive advantage by our trading partners."

"Australia's regulatory systems governing the minerals industry are now so excessive and complex, so inconsistent across and within jurisdictions, and so disaggregated from government policy and modern operations, that Australia's regulatory systems have become a capacity constraint in themselves."

URS identified significant opportunities for improving government regulatory processes, citing that the costs of current inefficiencies were greater during a resources boom because of the significantly increased foregone value of production.

Mr Hooke said: "The imperative for reform is arguably never greater and the opportunities never better.

"The minerals industry is striving for every ounce of capacity to meet the increasing global demands for Australia's minerals products and to optimise its contribution to sustainable development and Australia's social and economic welfare."

And he said: "Improving the efficiency and effectiveness of regulatory processes need not compromise the minimum performance standards expected by the community. These standards provide a solid platform for companies to exceed these standards, which is in their interests and those of the community in which they operate."

Specific to the interest of the minerals industry, key among those constraints are:

- lack of efficient and effective, nationally consistent project **approval processes for exploration and mining** - companies have to contend with 7 different State and Territory regulatory systems overlain with Commonwealth regulations;
- a complex and inefficient **native title** system impeding companies and Indigenous Australians reaching mutually beneficial outcomes on land use;
- lack of nationally consistent **occupational health and safety** regulation based on a preventative systems approach - companies have to contend with different State and Territory regimes and with differing accents on "after the fact" retribution rather than "before the fact" prevention;
- regulatory rigidity and incapacity of existing **vocational training and education arrangements**;
- remaining areas of competition policy requiring further reform, particularly in **water, electricity and the economic regulatory framework for export infrastructure access and pricing**;

¹ "National Audit of Regulations Influencing Mining Exploration and Project Approval Processes," February 2006 – Report prepared for Minerals Council of Australia by URS – available at www.minerals.org.au



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The MCA is advocating:

- **exploration and mining approvals:** a project approval system that delivers efficient and nationally consistent exploration and mining developments without relaxing environmental, safety and social standards;
- **the native title system:** practical reforms to improve the efficiency and effectiveness of the system without diminishing the rights of Indigenous Australians;
- **occupational health and safety:** a nationally consistent regulatory system consistent in both legislation and application of non-prescriptive, risk management based systems;
- **vocational training and education arrangements:** reforms that deliver an employment (demand) rather than training (supply) driven system to address key barriers to attaining the full potential of the nation's human capital;
- **water:** implementation of the National Water Initiative for a secure, national, market-based system for water rights and trading;
- **electricity:** completion of the establishment of a National Electricity Market by resolving outstanding issues concerning economic regulation, energy access, transmission planning and consumer advocacy;
- **export infrastructure:** a whole of government approach marked by seamless cooperation between federal and state government agencies and simplifying and streamlining the regulatory process:
 - providing a presumption that the first choice should be the market;
 - where regulation is warranted, provide in the first instance a light-handed approach; and
 - limit more intrusive approaches to instances where a light-handed approach has clearly failed.