

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 304
Hearing: Budget Estimates
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Programme: Environment Assessment and Compliance Division
Topic: EPBC ENVIRONMENTAL ASSESSMENTS AND APPROVALS
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Senator Ruston, Anne asked:

Senator RUSTON: So the lion's share of the \$120 million you are referring to is going to NOPSEMA?

Dr de Brouwer: That is for NOPSEMA—the \$120 million. There is more on top of that that will come.

Senator RUSTON: Just generally in that area, one of the things that I noticed was that there seemed to be a lot of complaints about backlogs and the like for projects that were already seeking environmental approvals prior to the election. Have we seen any improvement of that backlog? Have some of the changes that you have been able to make already assisted in trying to clear the backlog of projects?

Mr Knudson: I commented earlier on about the approvals since September. There would have been a certain number of approvals of a value of about \$500 billion. I can also indicate that in 2011-12 we had 42 projects with late approval decisions; that is down to 32. It is still not an inconsequential amount, but, nonetheless, we are getting the number of late approvals down. As our understanding of the environment and how to manage it improves and companies are giving us better information at the front end, it is allowing us to use assessments on the basis of preliminary documentation. We make those types of decisions when we have a good grasp of the risks and also the information provided by the proponents is very strong. I do not have specific figures at hand, unfortunately, but I could take it on notice to give you an idea of the increase in those preliminary documentation types of assessments versus full-blown environmental impact statements which place a larger impost on companies in general.

Senator RUSTON: I suppose it would be interesting to see what your projected increase in efficiency in dealing with future projects might be after you have had the opportunity to further implement your deregulation program across agencies.

Mr Knudson: Yes, absolutely.

Answer:

Clarification is provided relating to approval decisions since 18 September 2013. From the 18 September 2013 to 3 June 2014, 205 referral decisions and 75 final approval decisions have been made under the EPBC Act.

- Of the 205 referral decisions:
 - 65 projects were determined to be 'Controlled Actions' (CA), requiring further assessment under the EPBC Act.
 - A further 34 projects were determined 'Not Controlled Actions if undertaken in a particular manner' (NCA-PM);

- And a further 106 projects were determined to be 'Not Controlled Actions' (NCA), and do not require further assessment under the EPBC Act.

The 74 approval decisions (one now withdrawn) represent greater than \$500 billion of economic value.

In 2013, 76 per cent of all new referrals determined 'Controlled Actions' are to be assessed using preliminary documentation types of assessments versus environmental impact statements. This represents an increase from 2011, where only 65 per cent of referrals were to be assessed using preliminary documentation - types of assessments.

The One-Stop Shop will streamline environmental assessment and approval processes by removing duplication between the Australian Government and states and territories.

The One-Stop Shop increases the sharing of environmental information and data between business, governments and the community which will improve our ability to understand and manage our environment.

Increased use of strategic assessments will also improve environmental outcomes. Unlike project-by-project assessments, strategic assessments examine much larger areas or a much larger set of actions or 'classes of actions'. Once approved, future individual projects taken within the class of actions do not need any further approval by the Australian Government.

A simpler, faster assessment and approval process will increase certainty for investors, reduce costs for business, boost productivity and create jobs. Business will only need to deal with one regulator and undertake one assessment and approval process.

In the past there have been delays between granting state and territory government approvals and the Australian Government approval. There are a number of points of delay that can occur under the current regulatory arrangements.

Under the current system there could be a gap of, for example, 110 days between the state and Australian Government approval decisions. With the One-Stop Shop, this type of delay would be avoided or minimised because the Australian Government would not need to assess information on matters of national environmental significance separately. Instead, the state would have all relevant information to make the decision for both the State and Commonwealth matters through the one application.

In this scenario, if the project had a net present value of \$130 million, it is estimated that there would be a benefit to business of up to \$1 million under the One-Stop Shop from the streamlined approval process.