

Fiona Norrie
Principal Policy Officer
Environmental Regulation Branch
Department of Environment and Resource Management

18 May 2010.

Cc: Andrew Doig, Omar Ameer

Dear Fiona,

I am responding as the Queensland State Manager of the Australian Sustainable Business Group (ASBG) to correspondence between you and Andrew Doig.

I have read through the outline of the *Reducing Green Tape for Business* project. I am interested in becoming involved in the baseline cost survey.

I would like to commend DERM, Qld Treasury and the Queensland State Government for these initiatives. Governments play a critical role in the ongoing development of environmental and climate change legislation and policy. A critical activity is the supply of information, case studies and business positions on draft legislation and policy. Feedback of high quality from a group representing businesses from the professional section within can play a vital role in improving the regulatory efficiency of the most rapidly growing section of laws in Australia.

I understand that DERM is seeking business group recommendations. I would like to propose to convene an half day workshop to discuss the reduction of Green tape as well as the Queensland Treasury's Smart Regulation Reform Agenda and the Queensland Regulation Simplification Plan 2009-13.

Environmental Reporting – Reducing the Burden, Improving the Efficiency

At a national Level ASBG would like to see more consistency in reporting requirements across levels of Government to reduce the amount of double handling and data collection by business including:

- Making the National Pollutant Inventory a one stop shop for emissions data
- Making OSCAR the one stop shop for greenhouse and energy data

DERM is the agency responsible for collecting NPI data and as such has the ability to manage the type of data required for NPI reports from companies. It is prudent action for DERM to ensure that the most accurate data is collected for the NPI and for other uses within its own agency scope, between other Queensland agencies and influence similar behaviour for other jurisdictions including the Federal agencies. An example of where duplication can occur is data required for Environmental Authority compliance is different

from what is required under NPI for a particular emission for a particular site. Naturally the most useful data is the most accurate.

Conflict can arise when one or more sections or agencies are involved with the collection of one type of environmental data. Each may independently defined the way in which the data can be measured and reported. Efficiency in this process is clearly available by the:

- Adoption of national or preferably international standards on such measurements for specific emissions
- Use of flexible regulatory arrangements where alternative measurement practices where the same or better quality data is available. [Examples of this include the NPI and NGERs where multiple level measurements are permitted and accuracy is encouraged]

Greenhouse gas emissions are another area where duplication is heavy across Australia. The report *A Streamlined National Reporting Framework for Greenhouse and Energy Data: Reducing the Burden (2006)* looked to streamlining, at the time, 15 different greenhouse and energy reporting requirements under 1 system - OSCAR. Unfortunately this document was not well acted upon. Slow or backward steps have continued to occur at both the Federal and State levels regarding the streamlining of greenhouse reporting. OSCAR is also behind in the preparation of its data upload function. This means companies and government agencies have to continue to manually enter the data into OSCAR.

ASBG congratulates the Queensland approach of permitting companies reporting under the Energy Efficiency Opportunities Act to be exempt from reporting under Queensland's Energy Audits and Energy Savings Plans. This is not the case for other jurisdictions who persist with their largely duplicative approach.

It is not only the duplication of data that is at issue, it is also the duplication of the reports. An example is the duplicative nature of NGER and EEO reporting for many companies. Added to this is other state based energy reporting. While they may permit the same data it has to be provided in different formats with different styles of reports to satisfy jurisdictional whims.

Lastly is the accessing the data. ASBG members are also approached by statistical agencies such as the Australian Bureau of Statistics (ABS) or ABARE. It appears there are various blockages to OSCAR and other emissions data bases due to confidentiality issues. However, ABS seems to have good systems in place to prevent confidentiality issues being breached, which could be used for OSCAR and other databases. It appears that a simple blanket ban on access to these data bases results in other agencies forced to collect it again from the companies involved. ASBG believes there is a flexible compromise available where confidentiality issue can be met and access to the data can satisfy other agencies and organisations to the use the data for their purposes.

Overall a more efficient environmental reporting system based on clear agreed national or international standards on environmental emissions, greenhouse, water and waste and collated in to centralised databases will improve the quality and efficiency of such data. As it is from good data that good more effective policy decisions can be made.

A Risk Approach to Compliance Monitoring

ASBG promotes a risk approach to environmental compliance, such as compliance with Environmental Authorities and other licences. An example of this approach is [Sydney Water's Risk Index](#) for industrial customers discharging to their sewers. Under this approach the frequency of inspections, monitoring and sample numbers is established by a risk index. A company with a poor history, high flow rates and more hazardous activity are assigned a higher risk than others. Calculation of the risk rank is publically available so the company can determine which areas it can improve on to lower its risk rank.

ASBG recommends using a similar approach for environmental licences. A well designed risk index rewards the better performing and lower risk sites and comes down harder on poorer performers. Efficient use of the agencies resources also result as the higher risk sites are better overseen.

Administrative Issues

Victoria has recently undertaken a green tape review. A consequence of this is the generation of Corporate Environmental Licences. This allowed companies with multiple sites to have a single licence for their Environmentally Relevant activities. This especially assisted utilities and multi sited corporations. Having a tabular list of emissions, monitoring conditions and other controls is also more efficient for the company and the regulator.

Other issues raised

ASBG has provided some brief answers o the list of issues supplied to us which is below. We are still considering some of the issues and will be elaborating on these.

I would like to arrange a meeting with Wil Aker from Queensland Treasury, ASBG and DERM in a workshop to forum to engage industry representatives in a discussion of reducing green tape. It may be prudent to involve Omar Ameer from DERM's Compliance and Strategy Planning who has a great message on how to stay out of trouble with the regulator.

Regards,

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Attachment 1. Cost Elements for the Business Cost Calculator

Compliance cost elements	Example	ASBG Comments
<p>Notification: business face costs when they have to report certain events to a regulatory authority, either before or after the event has taken place.</p>	<p>S320 of the Environmental Protection Act places a requirement on persons including business to notify environmental harm</p> <p>Development permits may require notification of events e.g. sewage treatment overflows, commencement of an activity</p>	<p>Clarification of a trigger for reporting environmental harm provides a threshold which benefits both businesses and the department. A threshold weeds out trivial incidents and provides increased certainty of when the department wishes to inspect and take action if considered appropriate.</p>
<p>Education: businesses face costs when keeping up to date with regulatory requirements</p>	<p>There have been periodic amendments to the Environmental Protection Act as well as changes to subordinate legislation. A business needs to get the details of new legislation, update management systems and communicate requirements to staff.</p> <p>There may be a requirement for operators to be trained.</p>	<p>ASBG is in the educational business and we see information dissemination as a core need. Provision of short courses which focus on new or even draft legislation is an area which will benefit both government and business.</p> <p>Cutting edge seminars involving agency representatives provide clarity on how the new legislation /policies will be implemented, feedback from corporate environmental managers on where improvements can be made as well as the basics of the changes to environmental laws.</p> <p>These are best supplied by representative groups such as ASBG because we are in constant communication with our members who must implement such changes.</p>

<p>Permission: businesses face costs when applying for and maintaining permission to conduct an activity.</p>	<p>Environmentally Relevant Activities require an approval to operate. Depending on the complexity of the process there may be significant delay costs.</p> <p>There may be further costs when seeking permission to amend approvals.</p>	<p>ASBG agrees that delays in this area holds up production and increases costs.</p> <p>Use of skilled knowledgeable staff at agencies can improve this process. In many cases the delay is due to educating the inspector/approver of the environmental consequences of the change or development.</p> <p>Well educated and skilled inspectors can quickly cut to the real issues and not become bogged down in areas that are new to them. Newness can lead to excessive caution as checking with other sources is undertaken or the decision is avoided. Improved knowledge of industrial processes and how industry operates permits quicker and better decision making on the part of the inspector/ approver.</p> <p>As discussed in our letter the use of risk index can also assist in this area.</p>
<p>Purchasing: businesses face costs when having to purchase a service (advice) or a product (materials or equipment) to comply with a regulation.</p>	<p>Administrative Costs – A business may engage a consultant to prepare applications, prepare management plans or undertake monitoring.</p> <p>Policy Cost – A business may need to install a water treatment plant.</p>	<p>Use of consultants is driven for a number of reasons many of which are supported. In some cases the need for a consultant is to fill in the lack of knowledge an agency has in a particular area. Reducing such costs can be achieved by having such expertise in the agency and rely on their knowledge and respect their opinion.</p> <p>In other cases the need for a consultant is to satisfy the agency and other stakeholders the decision being taken is good. This use occurs when there is a lack of trust by the external stakeholders in the agencies expertise. Sometimes because the agency is not confident with its own knowledge in this area. In these circumstances it is more to do with a lack of trust between stakeholders, the agency and the company. Not an easy one to solve except to build community trust of the independence of the agency over time.</p>

Record keeping: businesses face costs to keep regulatory documents up to date.	A development permit or environmental authority may require a business to record the quantity and quality of releases and may require recording of specific events.	See our comments on environmental reporting.
Enforcement: businesses face costs when cooperating with audits, inspections and regulatory enforcement costs.	A business needs to escort and assist a compliance officer during a compliance inspection.	See our comments on the use of a risk based approach to inspection.
Publication: Publication and documentation costs when having to produce documents for third parties.	A development permit may require a business to display signs advising that treated water is being used for irrigation.	
Procedural: businesses face non-administrative costs imposed by regulations	A development permit may require an operator to test and validate the alarm system at least once each month.	