

When Federal coffers are again overflowing with company tax generated from Australia's minerals sector, it's timely to note that this revenue bonanza hasn't happened by accident.

Without mining, the Budget would not be returning to surplus, tax cuts would remain a distant mirage and services and infrastructure would suffer.

The success of Australia's mining companies is the result of decades of risk-taking, huge capital investment and the considerable endeavour required to meet complex and multi-layered regulatory regimes.

Mining projects are required to jump through multiple legislative and regulatory hoops before being allowed to proceed.

In particular, environmental approvals take many years. Delays and uncertainty in project approval processes caused by unnecessarily complex and duplicative processes pose a significant risk to the mining industry's global competitiveness.

The delay costs for projects can be substantial. A one year delay can reduce the net present value of a major mining project (of between \$3 billion and \$4 billion in project value) by up to 13 per cent and cost up to \$1 million every day.

The Productivity Commission has concluded that overlap and duplication between federal and state processes can be greatly reduced without lowering the quality of environmental outcomes.

A more efficient process would help the industry create more jobs quicker. Previous analysis by the Department of the Environment concluded streamlining federal and state environmental approval processes would save Australian businesses \$426 million annually.

The need to streamline environmental approvals has been recognised by numerous reviews over many years.

Most recently, the Senate Select Committee on Red Tape found in its interim report that 'delays in environmental assessment and approval processes are having adverse economic outcomes'.

So it's clear that there is much to gain from a sensible review of the Environment Protection and Biodiversity Conservation (EPBC) Act, which is due in 2019.

As well as the EPBC Act, other layers of environmental regulation include the Independent Scientific Committee on coal seam gas and coal mining projects and a Federal Department of the Environment.

Yet rather than making existing environmental regulation more effective and efficient, Labor's proposed Federal Environment Protection Authority will add another layer of green bureaucracy.

This will cost jobs, discourage investment and make it easier for activists to disrupt and delay projects.

Labor will even establish a "high powered working group of experts including scientists, environmental lawyers and public policy thinkers" to inform its EPA – an echo of Kevin Rudd's 2020 Summit.

In addition to not making the case for why a new layer of green bureaucracy is required, Labor appears to have based its decision on lobbying by inner-urban activists, whose daily lives including the infrastructure and services on which they depend are supported by the prosperity created by mining.

As we have seen with Adani's Carmichael project, another big hurdle to minerals development in Australia is the misuse of judicial review processes by these same activists to halt or delay projects.

The mining industry supports the rule of law and the right of affected individuals to have their say. However, industry opponents – who are often not from the local community – are deliberately misusing the appeals process to halt or delay projects.

Appeals through the Federal Court do not need to be successful in order to delay a project, and in fact most cases are not successful. The Productivity Commission found that the time between approval and legal judgement for coal projects ranged from seven months to more than 24 months.

Such challenges provide little environmental benefit, yet cost the project proponent time and money.

There are weaknesses in the EPBC Act that allow the minister's approval to be challenged on a technicality which has no bearing on the substance of the decision. This problem can be addressed without reducing environmental protection.

A process whereby only challenges which have merit proceed to legal judgement would also reduce unnecessary delays.

Sadly, there is no mention of potential reforms to this critical area in Labor's policy announced over the weekend.

Mining is a globally competitive business.

A survey in April this year by the independent Fraser Institute showed that Australian states are declining in attractiveness as potential mining investment destinations.

This survey was based in part on the views of mining companies towards environmental regulations, including the duplication of environmental law between State and Federal jurisdictions. And all Australian states had gone backwards since 2016.

So reform of our existing environmental laws is long overdue if our minerals companies are to create jobs and support regional communities.

The answer to poor regulation is not to create more regulation.

Labor should rethink its approach if it wants to show that it is supporting our minerals companies and the regional communities in which it operates.