

5<sup>th</sup> October 2012

Robert Fitzgerald  
Presiding Commissioner  
RIA Benchmarking Study  
Productivity Commission  
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Dear Mr Fitzgerald

**Regulatory Impact Analysis: Benchmarking Draft Report, August 2012**

Thank you for the opportunity to comment on the Productivity Commission Draft Report on Regulatory Impact Analysis: Benchmarking.

As you may be aware, the Association of Mining and Exploration Companies (AMEC) is the peak national industry representative body for over 360 explorers, miners and the companies servicing them.

AMEC's strategic objective is to secure an environment that fosters mineral exploration and mining in Australia in a commercially, politically, socially and environmentally responsible manner.

A fundamental requirement for the minerals exploration and mining industry is the need for clarity and certainty for the investment and business decision making processes. This is particularly relevant to public policy settings, including the development and implementation of associated regulation and legislation.

Unfortunately, over the past few years the Australian Government and various State and Territory Governments have continued to analyse, review and amend the regulatory and legislative framework to such an extent that a significant amount of uncertainty has been created.

This uncertainty has permeated into investment and business decision making processes to such an extent that there are an increasing number of examples of planned mine expansions and new projects being deferred, cancelled or transferred to competitive overseas jurisdictions.

**Association of Mining and Exploration Companies**

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To compound this situation there have been many instances where industry has not been adequately or properly consulted before a policy related decision has been implemented.

The introduction of the Minerals Resource Rent Tax on iron ore and coal, the carbon tax and reduced fuel tax credit arrangements affecting the mining sector are significant examples where proper consultation has been completely inadequate or non-existent.

AMEC is also concerned with the processes surrounding apparent 'consultation', as in many cases governments appear to be only going through the 'process', where the decision has clearly already been made. It is also extremely rare to receive any form of feedback from submissions, or clarification on input or constructive recommendations, until the final exposure draft / explanatory memorandum or policy determinations are publicly released.

The Regulatory Impact Analysis (RIA) process is therefore a fundamental cornerstone to a more robust consultative and decision making framework for better national outcomes taking into consideration social, economic and financial impacts in close liaison with the industry or industry sectors likely to be affected by the proposed regulation.


AMEC particularly notes with concern and fully endorses the observation in the Draft Report that *'the number of proposals with highly significant impacts that are either exempted from RIA processes or not rigorously analysed is a major concern'*.<sup>1</sup>

In order to provide sound decision making and more effective regulatory outcomes, all levels of governments across Australia should therefore provide:

- a full commitment and standardised approach to the RIA process,
- proper collaborative, comprehensive and best practice consultative processes that measure social, economic and financial impacts and outcomes, without political interference, exemptions or post justification statements, and
- the publication of Regulatory Impact Statements to inform stakeholders and improve accountability and transparency.

If you have any queries in respect of this correspondence or submission please do not hesitate to contact me direct or Graham Short.

Yours sincerely,

 **Simon Bennison**  
Chief Executive Officer

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<sup>1</sup> Draft Report, Key Points - Page 2