Policy Paper No. 01/ January 2025

A complex, costly web: the regulatory burden on Australia's regional businesses

Stronger Regions for a Stronger Australia

Contents

Glossary

ABLIS	Australian Business Licence and Information Services
ABS	Australian Bureau of Statistics
AMR	Automatic Mutual Recognition
ASBFEO	Australian Small Business and Family Enterprise Ombudsman
BCARR	Bureau of Communications, Arts and Regional Research
BMA	BHP Mitsubishi Alliance
EPBC Act	Environment Protection and Biodiversity Conservation Act
EDO	Environmental Defenders Office
ESG	Environmental, Social and Governance
GBF	Kunming-Montreal Global Biodiversity Framework
IPA	Institute of Public Affairs
IR	Industrial Relations
NGO	Non-government Organisation
PLIDA	Person Level Integrated Data Asset
QRC	Queensland Resources Council
QPC	Queensland Productivity Commission
RDA	Regional Development Australia
SAPC	South Australian Productivity Commission
WET	Wine Equalisation Tax
WHS	Workplace, Health and Safety

Executive Summary

Regulatory and policy barriers are impeding economic development in regional Australia. Barriers include overlapping federal, state, and local regulations, as well as stringent Environmental, Social, and Governance (ESG) mandates and excessive taxation policies. The consequences are delays, increased costs, and reduced competitiveness across key sectors such as agriculture, mining, and tourism, with the Australian economy losing billions of dollars in value-added and exports as well as thousands of potential jobs.

This report calls for an urgent overhaul of Australia's regulatory frameworks, focusing on simplifying and streamlining regulations, reassessing ESG mandates, and revising taxation policies. Reducing these bureaucratic burdens would create a more favourable business environment, encourage investment and innovation, protect jobs, and enable sustainable economic development across regional Australia.

Key Findings

1. **Overlapping Regulatory Frameworks** Businesses in regional Australia must navigate a complex regulatory landscape that often causes inefficiencies, delays, and high compliance costs. An example is an agricultural business in Victoria that must comply with 90 state and 37 federal regulations. Environmental-related regulations compound these costs, and are particularly extensive in Queensland, where 42 acts addressing environmental norms contain 2.73 million words. New South Wales has 41 acts containing 1.49 million words, and Victoria has 32 acts with 2.21 million words.
2. **Delays in Critical Projects** Regulatory constraints on regional businesses often delay or even cancel key projects. The McPhillamys Gold Project in central-west New South Wales has been delayed by more than two years due to environmental and Indigenous heritage concerns. Despite its potential to contribute $492 million in annual turnover and generate 788 jobs, it faces possible delays of up to 10 years due to newly imposed heritage protections. Legal challenges tied to environmental concerns ('green lawfare') have stalled several projects, such as the Santos Barossa gas project, costing Australia $1 million per day during litigation.
3. **Impact of ESG Mandates** Australia's stringent ESG mandates, particularly in relation to carbon emissions reporting, are increasingly out of sync with global trends. As other major economies like the United States have begun to relax ESG requirements, Australia maintains a fragmented and complex ESG regulatory environment that directly affects international competitiveness. Several major Australian banks, including ANZ and Westpac, have limited or ceased lending to thermal coal projects, comprising 89% of NSW coal production.
4. **Taxation and Lost Competitiveness** Australia's wine industry faces one of the highest tax burdens globally. The Wine Equalisation Tax (WET), set at 29% of wholesale value, plus GST, makes Australia the highest-taxed wine-producing country. Additionally, Queensland has

imposed a 14-cent recycling charge per bottle, further increasing costs for wine producers. In the coal sector, Queensland's 2022 coal royalty hike, which raised royalty rates to as high as 40% for coal priced above $300/tonne, led to the cancellation of Glencore's $2 billion Valeria coal project. This decision halted the creation of 1,250 operational jobs and highlighted concerns about Queensland's competitiveness in global coal markets.

Recommendations

High-level recommendations include the following.

Streamline regulations

- Reduce the overlap between federal, state, and local regulations to simplify compliance and reduce costs.

Reassess ESG mandates

- Align Australia's ESG policies with the emerging trend away from strict ESG mandates in order to avoid making the country uncompetitive.

Revise tax and royalty structures

- Ensure that taxation policies provide incentive for investment and economic growth.

Specific recommendations for immediate action include the following.

1. **Remove public funding for Environmental Defenders Offices which engage in lawfare and unreasonably delay economically beneficial projects in regional Australia.**

2. **Commit to specific maximum timeframes for project approvals (e.g. no more than 18 months from initial application to final approvals) and the removal of barriers causing project delays.**

3. **Introduce strategies to restore Australia's reputation for reliable policy settings and as a safe investment destination, including the abolition of additional tiers of coal royalties introduced in 2022 by the Queensland Government.**

4. **Repeal the live sheep export ban.**

5. **Revise the Wine Equalisation Tax to ensure a fair and equitable taxation regime for beverage producers, especially in relation to the frequency and rates of taxation applicable to producers of premium wines.**

Endorsed by

A lack of urgency and accountability in the bureaucracy, combined with mountains of red and green tape, are choking our communities and stifling opportunities in regional areas.

We need to create a culture where business and industry can invest with confidence and not face the risk of government-imposed bans and activists who have no interest in the long-term future of our communities.

Darren Chester
Federal Member for Gippsland

The findings and recommendations of this paper are endorsed by:

Senator the Hon Matthew Canavan
Senator for Queensland

Chair of Rural and Regional Affairs and Transport References Committee

Deputy Chair of Rural and Regional Affairs and Transport Legislation Committee

Dr Anne Webster MP

Member for Mallee, Victoria

Deputy Chair of Joint Standing Committee on Migration

Shadow Assistant Minister for Regional Health

Hon Dr David Gillespie MP

Member for Lyne, New South Wales

Deputy Chair of Standing Committee on Climate Change, Energy, Environment and Water

Hon Mark Coulton MP

Member for Parkes, New South Wales

Chief Nationals Whip

Deputy Chair of Standing Committee on Appropriations and Administration

Hon Michael McCormack MP

Member for Riverina, New South Wales

Hon Darren Chester MP

Member for Gippsland, Victoria

Mr Andrew Willcox MP

Member for Dawson, Queensland

Introduction

A regulatory burden threatens Australia's economic future. A bureaucratic maze of inconsistent, expensive and time-consuming regulations, combined with high taxes, is making Australian industry less competitive, less innovative and less productive.

Productivity – the measure and driver of economic growth, incomes and the overall standard of living – is dropping to alarming lows. Wage growth has slowed, and investment in new ventures is dwindling. While thousands of jobs have been created, many have come from mergers and acquisitions rather than from genuine growth in new industries. Too many jobs simply add to already bloated federal and state bureaucracies.

We have already lost major pillars of our economy, and various sectors and industries are under pressure. The aluminium industry has crumbled under energy costs and regulatory barriers. Car manufacturing has vanished, driven out by an uncompetitive market and the high cost of doing business. Fertiliser and crop protection production has moved offshore, weakening our agricultural sector. Most worryingly, we have lost our fuel reserves and refinery capacity, leaving Australia vulnerable in times of great geo-political uncertainty.

Now, we are at risk of losing the industries that have long sustained our way of life: coal, iron ore, and agriculture. These industries, once the backbone of our economy, are under siege. Coal is burdened with some of the highest royalty rates in the world, making it uncompetitive. Agriculture faces increasing attacks in the name of climate policy, undermining its ability to innovate and expand. Meanwhile, iron ore, which once fuelled our prosperity, is now struggling with falling global prices and an uncompetitive domestic market.

The burdens on these industries are becoming unsustainable. Without a rapid turnaround, we risk a sustained systemic decline. Capital is fluid, and unless conditions improve, businesses and investment will head elsewhere, leaving Australia behind.

This report details the complex web of regulation and bureaucracy that modern business leaders must navigate to invest and produce in Australia. It provides a comprehensive analysis of the red tape, green tape, and ESG mandates that are strangling key sectors of the economy. The report also highlights how excessive taxation, particularly in industries like coal and wine, is pushing companies to reconsider their place in the Australian market.

At the high points of Australia's economic fortune, we did not have the complex web of regulations that we face today. Our economic success was built on a simpler, more flexible framework that allowed industries to grow and innovate. Today, however, that flexibility has been replaced by a bureaucratic maze that is stifling our ability to compete on the global stage.

This report is a rallying cry for those who care about Australia's future — who want to protect and create jobs, safeguard our industries, and work towards a more prosperous nation.

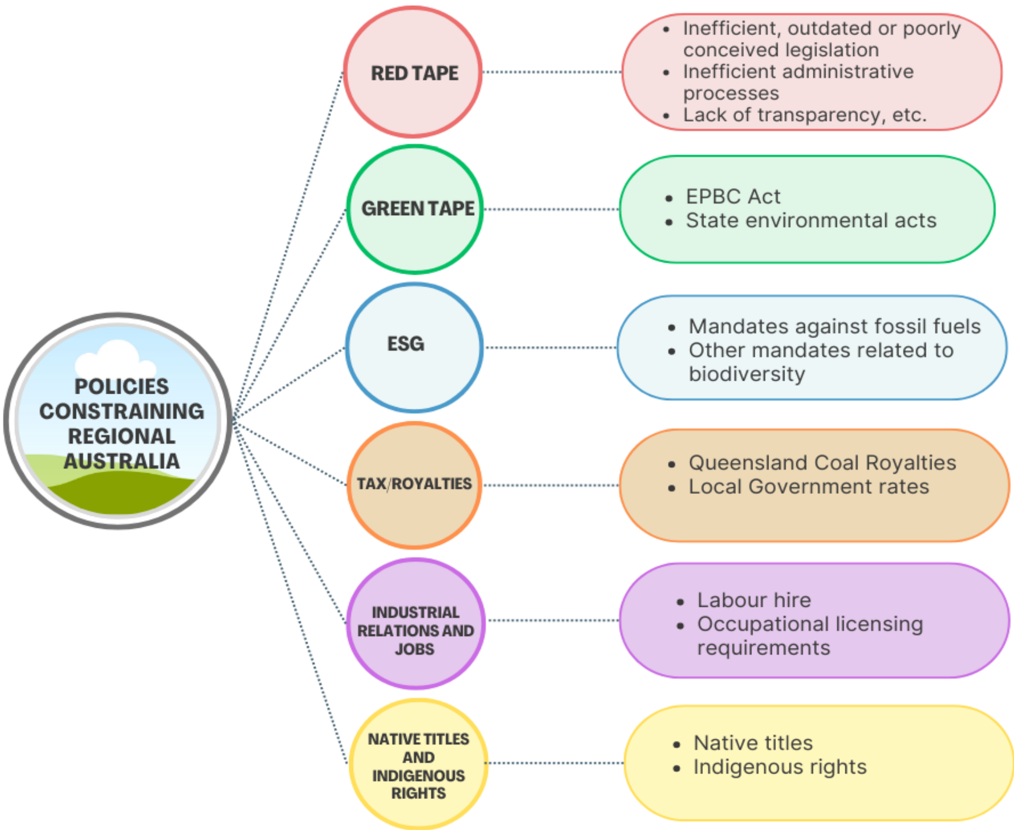
If we fail to address these challenges now, Australia may cease to be the lucky country.

Overview

Australia has an unfortunate but well-documented reputation for overregulation, and this has particular implications for the nation's diverse regions. This report describes the complex, costly and often duplicative regulatory requirements affecting regional economic activities. Across Australia, delayed and cancelled projects result in the loss of billions of dollars of economic value-added and exports, in addition to a negative socio-economic impact on communities that includes thousands of lost jobs. Case studies demonstrate the adverse impacts of recent coal royalty changes in Queensland and taxation settings that apply to Australia's wine industry. Examples include the live sheep export trade and the McPhillamys Gold Project in central-west NSW.

The impact of Australia's regulatory burden must be considered in relation to the settings required to improve productivity, competitiveness and innovation. Six major regulatory themes are identified in this report (Figure 1.1).

Figure 1.1 Policies constraining regional Australia by theme.



Source: Adept Economics.

The economic contribution of regional Australia

Regional Australia's huge contribution to the national economy is underpinned by nearly 800,000 businesses, of which 97.5% are small enterprises. Nine of Australia's top ten exports are produced in regional areas (Australian Government, 2024). However, new and existing businesses and private and public investments in regional areas face significant regulatory burdens that hinder economic growth and development (see Appendix 1 for a detailed federal regulator stocktake).

Table 1.1 Main economic indicators by regional and greater capital areas in Australia

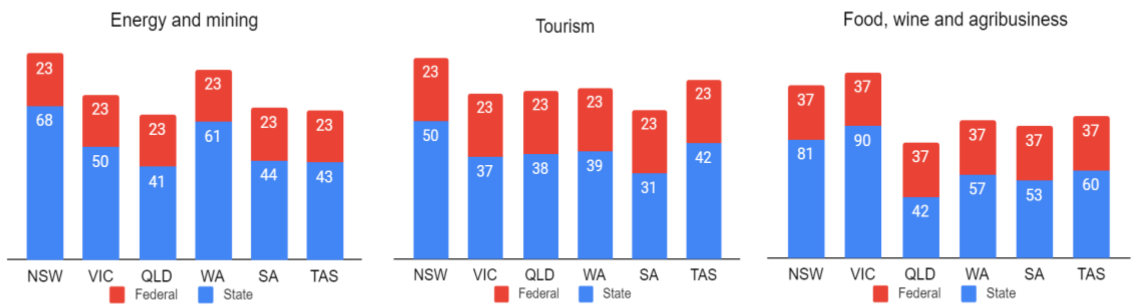
Indicator	Unit	Year ended 30 June	Regional areas	Greater capital city areas	Regional share
GRP (*)	$ million	2021	642,936	1,445,967	31%
GRP per capita (*)	$	2021	76,300	83,800	-
Population	Persons	2023	8,652,627	17,991,281	32%
Employment (**)(***)	Persons	Apr 2024	4,335,942	9,669,665	31%
Unemployment (**)(***)	Persons	Apr 2024	155,600	444,322	26%
Businesses	Number	2023	787,757	1,786,147	31%
Small businesses	Number	2023	768,251	1,740,176	31%

Source: ABS, BCARR and ASBFEO. Notes: Regional areas are defined as locations outside the greater capital city areas, small businesses are companies employing less than 20 employees, and other territories (e.g. Christmas Island, Cocos Islands, Jervis Bay, Norfolk Island) are excluded. (*) According to BCARR, these estimates indicate a region's economic activity and should be used with caution. (**) These figures were calculated using 12-month average values from ABS Labour Force, April 2024. (***) Information on the greater capital cities and the rest of the states is available for all the states, excluding the Northern Territory. ACT is considered a greater capital city.

Federal, State, and Local Regulations

Overlapping federal, state, and local regulations are a major source of inefficiency (Figure 1.2).

Figure 1.2 Number of regulatory requirements by selected industries by jurisdiction



Source: South Australian Productivity Commission (2021, p. 38) based on ABLIS data. Prepared by Adept Economics.

In terms of the number of words included in environmental-related regulations (without considering subordinated regulation), Queensland has around 42 acts, involving 2.73 million words. In comparison, New South Wales registers 41 acts, containing 1.49 million words, and Victoria has about 32 acts, consisting of 2.21 million words (see Appendices 2A, 2B and 2C).

Regulatory costs in regional Australia

Regulatory costs affecting regional Australia's businesses and investments include direct costs (licensing fees, compliance costs) and indirect costs (delays in approvals, uncertainty in investment). The three main reasons for these costs are:

- time and effort dedicated to understanding regulatory compliance,
- poor regulatory design, and
- inefficient administration of regulations

So far, a few studies have estimated regulatory costs incurred by businesses at the state and federal levels (Table 1.2).

Table 1.2 Administrative and compliance costs of regulation incurred by businesses

Source	Scope	Methodology	Estimate
ACCI (2005)	Federal, state and local	Based on US study. Drawing on a range of cost components, data sources, and estimation procedures.	\$86 b (10% of GDP)
Productivity Commission (2006)	Federal, state and local	Business cost calculator, OECD 2001 survey.	\$35 b (4% of GDP)
Deloitte (2014)	Federal, state and local	Budget papers, ABS; Deloitte survey; Productivity Commission.	\$94 b (6% of GDP)
Department of Prime Minister and Cabinet (2014)	Federal	Aggregation of portfolio estimates. Extensive count of regulation followed by deregulation units and policy officers costing their own portfolio's regulation.	\$65 b (4% of GDP)
Australian Treasury (2014)	Commonwealth Treasury Portfolio	Aggregation of agency estimates. ATO uses a standard costing model.	\$47 b (3% of GDP)

Source: Queensland Productivity Commission (2021, p. 13). Notes: The estimates have not been adjusted to inflation, and the original table has been modified, deleting state-level estimates because those figures were extrapolated from other studies to reflect Queensland's cost of regulation.

1. Regulations affecting businesses in regional Australia by theme

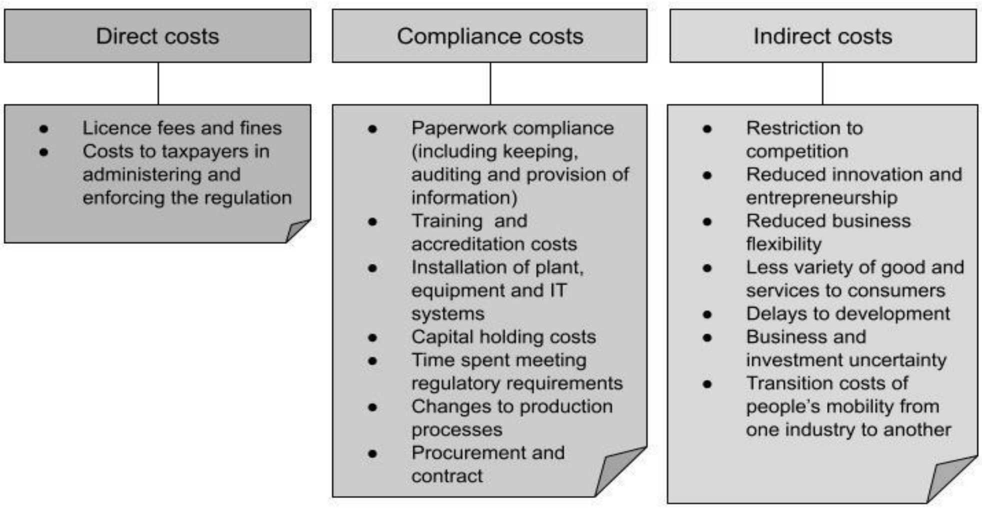
1.1. Red tape

Red tape refers to bureaucratic and administrative barriers. These include complex approval processes, excessive documentation requirements, and slow decision-making by regulators. Each issue can bring additional direct and/or indirect costs to business (Figure 1.3).

According to Synergies (2014), red tape issues can be classified into four categories:

- Inefficient, outdated or poorly conceived legislation
- Inefficient administrative processes
- Lack of transparency
- Inappropriate (e.g. unhelpful) culture within regulators

Figure 1.3 Red tape costs



Source: Synergies (2014). Prepared by Adept Economics.

Red tape costs imposed across regional industries affect:

- primarily small enterprises in the tourism sector;
- a mix of small to medium enterprises (including food processors, primary producers, food preparation establishments) in the food sector;
- large companies and corporations in the mining and resources sector, and
- various small enterprises and large corporations in the land and infrastructure development sector (Synergies, 2014).

Planning and zoning regulations generate additional costs and can stop prospective businesses and investments. These regulations are often inconsistent, overly prescriptive, and vary across local councils. Table 1.3 gives examples of how rules and regulations affect businesses and investments across regional industries in Australia.

Table 1.3. Examples of red tape issues in regional areas

Industry	Location	Company	Project	Main regulations barriers	Outcome
Telecom.	Across Australia	InfraCo	The rollout of 14,000 km of fibre cable	The project has been affected by local, state, territory and federal regulations as well as Indigenous land councils, national parks and private lands.	The company is dealing with different combinations of engagements, surveys, reports, applications, agreements, negotiations and approvals from landowners.
Food and beverage	Regional NSW	Unknown	A large feedlot development	During extensive consultation on the proposal, a dwelling was approved to be built within the exclusion zone around the proposed feedlot site. Therefore, the feedlot proponent assessed that the risk of future potential land use conflict with dwelling could negatively affect the operation of the feedlot.	The project was cancelled, resulting in a revenue loss of around $700 million over 10 years.

Source: Various. Prepared by Adept Economics.

Multiple regulatory arrangements oversee the live sheep export trade (Box 3.1), including the Australian Standards for the Export of Livestock and the Exporter Supply Chain Assurance System (ESCAS).

Box 3.1. Ending live sheep exports regulation

The Export Control Amendment (Ending Live Sheep Exports by Sea) Act 2024 was enacted on 10 July 2024. The act bans the export of live sheep by sea starting from 1 May 2028. This would negatively impact the sheep industry, especially in Western Australia. Live sheep exports by sea registered $77 million in 2022-23. Livestock farmers have pointed out that this ban will have 'enormous consequences' for local jobs and the Australian economy.

Source: Zhou (2024a) and the Australian Department of Agriculture, Fisheries and Forestry.

Case Study 1: Taxing wine in Australia

Excessive taxation places significant pressure on Australia's internationally renowned wine industry. This tax burden affects the ability of wine producers, who typically have low profit margins, to be financially viable. Like other industries, the wine industry has been affected by higher interest rates and Australia's cost-of-living increase, adversely affecting the demand for wine. It has also suffered from Chinese tariffs, imposed in 2020 and only lifted in 2024, reducing Australian wine exports into China, from USD 705.8 million in 2020 to USD 23.3 million in 2021.[1]

According to Mitchell Taylor, Taylor Wines managing director, Australia has the highest tax applicable to wine among the major wine-exporting countries.[2] Australia stands out with its Wine Equalisation Tax (WET), which is an *ad valorem* (by value) tax at 29% of the wholesale value, (see Table 1.5). Furthermore, Queensland has recently imposed a charge of about 14 cents per every bottle sold in the state (approximately a $100 million tax on wine drinkers); consumers will receive 10 cents per empty bottle returned for recycling. The Container Exchange (COEX) will invoice wine producers, who bear the scheme's cost, on reported sales (Patrick, 2024).

Table 1.5 Excise taxes on alcohol by type and VAT/GST, selected major wine producers (% *ad valorem* equivalent)

Major wine producers	Commercial wine excise tax (%)	Beer excise tax (%)	Spirits excise tax (%)	VAT/GST (%)
Australia	29	81	165	10
Chile*	20.5	20.5	31.5	19
France	1	19	52	20
Italy	0	19	31	22
New Zealand	28	46	100	15
Spain	0	6	27	21
United States	6	11	27	0

Source: Anderson (2024, p. 27) and OECD (2022). Prepared by Adept Economics.

Notes: (*) Chilean data were extracted from OECD (2022, p. 176). *Ad valorem* equivalent refers to expressing a non-percentage-based tariff or tax as an equivalent percentage of the value of the good or property being taxed.

[1] ITC - Trademap (2024) calculations based on UN Comtrade and Australian government data. https://www.trademap.org/

[2] See Patrick (2024); https://www.afr.com/policy/economy/sam-kennard-s-pub-shows-what-s-wrong-with-australia-20240613-p5jlgp, accessed 17 September 2024.

The WET and the capped rebate scheme are disincentives to consolidation of smaller wine producers, which could lead to more efficient and profitable production.[3]

Analysis of the effects of wine tax reform (Anderson 2024, pp. 75-76) concluded that the Australian alcohol tax regime 'ensures that commercial wine consumption is taxed lightly compared with beer and spirits, while the opposite is true for high-priced wines.' Anderson's 2014 study showed that for commercial premium wines, expressed in Australian cents per standard drink of alcohol, the Australian wholesale tax is one of the highest among major wine producers globally. At 22 cents, it was lower than New Zealand (26 cents), but substantially higher than the USA (5 cents), France (1 cent), South Africa (3 cents). This was also compared to a wholesale tax of zero for Argentina and other old-world wine-exporting countries. Anderson argues that reforming the wine tax would require empirical economic analysis of all the effects and issues embedded in the Australian wine market, such as domestic wine protection against other imported alcoholic drinks, wine producer rebates,[4] producer reaction and consumer preferences.

1.2 Green tape

Green tape refers to environmental regulations that are so stringent as to be burdensome. While environmental protection is essential, overly complex and rigid rules can stifle innovation and productivity. Many businesses must comply with environmental regulations such as:

- Vegetation management,
- habitat protection,
- biodiversity,
- heritage, and
- air and water quality, including regulations on fertiliser use, pesticides, etc.

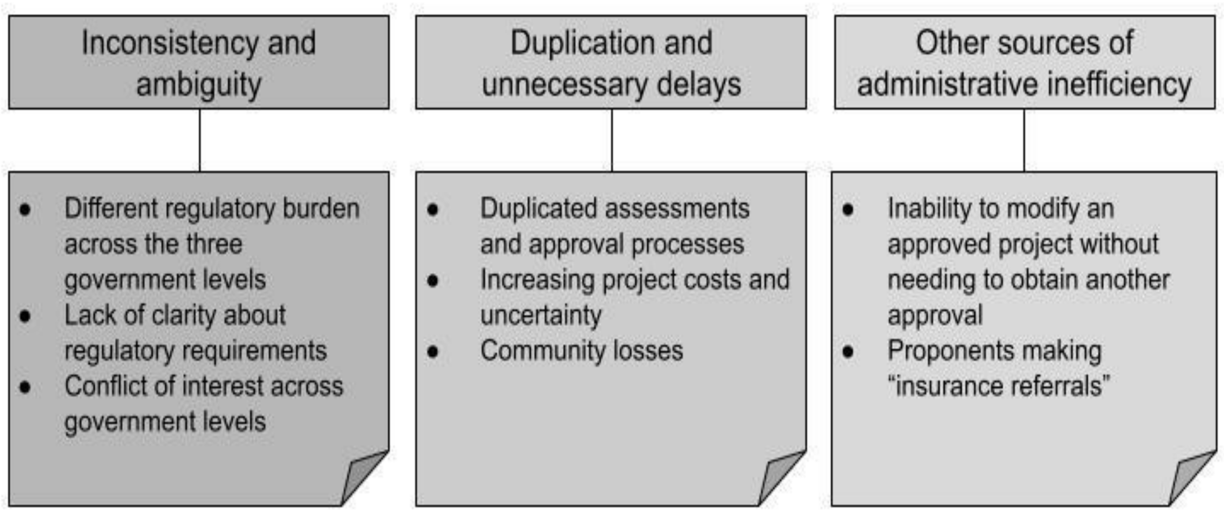
Although many of these regulations have legitimate objectives, it is important to assess their effectiveness and implications for businesses and individuals (QPC, 2018). Queensland has at least 42 acts associated with environmental-related norms, involving 2,730,318 words. In New South Wales, 41 acts containing 1,492,986 words are registered and Victoria has about 32 acts, including 2,207,161 words (see Appendixes 2A, 2B and 2C).

The Standing Committee on the Environment (Commonwealth of Australia, 2014) has concluded that stakeholders' concerns can be identified under three headings (Figure 1.4).

[3] IBISWorld (2024, p. 48).

[4] https://www.ato.gov.au/businesses-and-organisations/gst-excise-and-indirect-taxes/wine-equalisation-tax/producer-rebate

Figure 1.4 Green tape sources of inefficiency



Source: Commonwealth of Australia (2014). Prepared by Adept Economics.

1.2.1 Green lawfare

Project proponents refer to 'green lawfare' when a major project is disrupted or delayed by litigators, primarily non-government organisations (NGOs) such as the Environmental Defenders Office (EDO). In 2020, an Institute of Public Affairs (IPA) report asserted that legal activism has put $65 billion of investment at risk. Every year, on average, according to the Minerals Council of Australia, Australia misses out on around $68 billion worth of potential investment due to the challenging investment environment in Australia (Constable, 2024). Table 1.4 shows how environmental regulation can delay and even prevent business operations.

Table 1.4 Examples of green tape issues in regional areas

Location	Company	Project	Main regulations barriers	Outcome	Costs (or avoided benefits) and/or delays
Hunter Valley, NSW	Yancoal	The Mount Thorley Warkworth (mine extension)	Mainly environmental concerns such as increased dust, water supply issues and noise pollution. Disruption to natural wildlife habitats and local woodlands.	The Planning Assessment Commission (PAC) approved the mine's expansion after three and half years. The approval allowed the company to extract up to 18 million tonnes of coal a year over 21 years.	A proportion of 1,200 employees, $567 million in royalties and $1.34 billion in spending in the NSW economy. The mine was expected to contribute $11 million to local areas, with $6 million for constructing water and sewerage treatment facilities for Bulga, within the first five years.

Blayney, NSW	Regis Resources Limited	McPhillamys gold mine, including the construction of a 90 km pipeline to supply excess water	Environmental concerns about water contamination and dust, and Aboriginal cultural heritage. The project has been tied up for more than two years.	The company will extract up to 60 million tonnes of ore, and produce up to 2 million ounces of gold, during an estimated 11-year life span. Recently, the Environment Minister Tanya Plibersek has imposed heritage protections on this project that could delay the mine's development by up to 10 years.	The project operation was estimated to make up to the following contribution to the regional economy (annually): $492 million in direct and indirect business turnover (annually); $272 million in direct and indirect regional value-added (annually); $67 million in direct and indirect household income (annually); and 788 direct and indirect jobs (Gillespie Economics, 2020).
NSW's southern highlands	Sam Kennard	Craft pub project	Environmental rules require the owner to conduct studies on black cockatoos and grass growth.	Sam Kennard expected to finish the project in late 2025 or early 2026.	Regulations applying to this project have taken a year to prepare, costing $100,000. Sam Kennard will likely appeal to the Land and Environment Court of NSW without receiving a reply from the Council. This would speed up the approval at $150,000 extra cost.
Ningaloo Coast, WA	Z1Z Resorts	Ningaloo Lighthouse Eco-resort project	Environmental regulations related to threatened species and communities (e.g. turtle nesting) and Aboriginal heritage sites.	On 16 April 2024, the project was approved under the EPBC Act with controlling provisions.	The approval was granted after a three-year assessment process. This resort will create 120 local jobs during the construction phase and will generate more than $30 million for the town annually when it starts.

Source: Various. Prepared by Adept Economics.

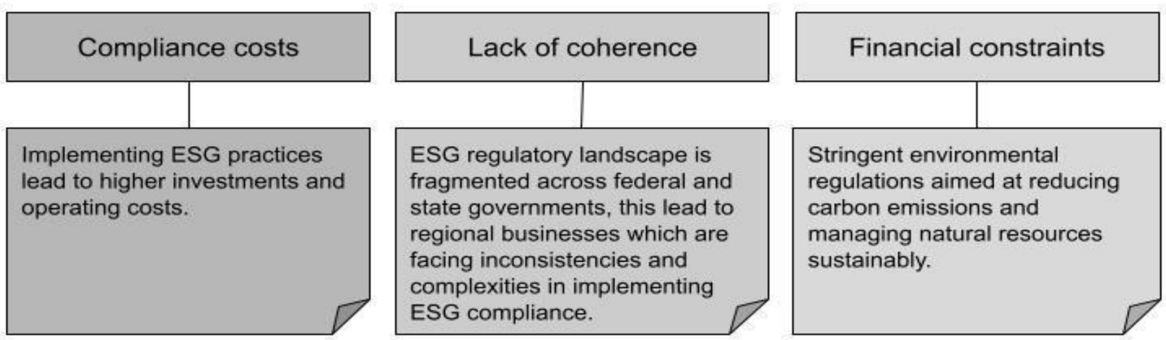
1.3. Environmental, Social, and Governance (ESG), 30x30 and other mandates

Environmental, Social, and Governance (ESG) and other mandates like the ‘30 by 30’ target influence Australia's regional development through various regulatory and policy initiatives.

Australia's ESG regulatory landscape is fragmented and has no uniform ‘ESG framework’ across federal and state jurisdictions (see Appendix 3 for more detail). This can lead to inconsistencies and complexities in compliance, which are difficult for companies to navigate and have the potential to stifle regional development. For example, the extractive sector, which includes mining and energy companies, is highly influenced by ESG reporting requirements and regulations. Stricter ESG mandates can lead to increased operational costs and potential restrictions on activities, which can negatively impact regional economic growth and employment.

The ESG mandates may affect regional development differently (Figure 1.5).

Figure 1.5 ESG mandates' sources of inefficiency



Source: Various. Prepared by Adept Economics.

Implementing ESG mandates can require significant financial investment (see Box 3.2).

Box 3.2 Mandatory climate-related financial disclosures

The Federal Government has promulgated new legislation requiring mandatory climate-related reporting for large and medium-sized companies. The requirements include disclosures on climate risks, opportunities, and greenhouse gas emissions across the value chain. The legislation aims to provide transparency and clarity for investors and companies to support the net-zero transition. On 22 August 2024, the Senate approved the Bill with some amendments. KPMG (2024) indicated that the main change is the requirement for entities to disclose information from two scenarios.[5] Reporting will be phased in starting from 1 January 2025 for those entities in Group 1, after 1 July 2026 for those entities in Group3, and after 1 July 2027 for those entities in Group 3.[6] The climate-related financial disclosure will be included in the sustainability report, being the fourth report required as part of the annual financial reporting obligation and must be included in the annual report. Treasury estimates are that the new mandate would affect at least 1,800 businesses and financial institutions.

Source: Zhou (2024b) and KPMG (2024).

ESG mandates adopted by companies often include stringent environmental regulations aimed at reducing carbon emissions and managing natural resources sustainably. Four financial

[5] A low global warming scenario, 1.5C (the increase in the global average temperature mentioned in the Climate Change Act 2022, and a high global warming scenario 2.5C or higher.

[6] Entities to be grouped must meet two or three reporting thresholds within each group (see KPMG (2024) for more detail).

institutions in Australia (Commonwealth Bank of Australia, ANZ, NAB, Westpac and Macquarie) have committed to decarbonising their investment portfolio by 2050. These mandates can impose immediate constraints on resource-dependent regions, potentially slowing development projects and economic activities. In Mining Technology News, Alfie Shaw (2024) explained:

> As well as the arduous approval process, new projects in NSW struggle to obtain traditional financing owing to environmental concerns surrounding thermal coal. Around 89% of production in NSW is thermal coal and some of Australia's major banks, including Australia & New Zealand Banking Group, Commonwealth Bank of Australia, National Australia Bank and Westpac Banking, have all committed to limit or refrain from lending to thermal coal miners.

After reviewing empirical studies, and contrary to some analysis, Norocel and Vierescu (2024) found no clear causal relationship between ESG and economic development. Wang et al. (2023) suggest that rich countries with abundant natural resources are less likely to commit to sustainable development due to high operational costs. Imposing high environmental costs on this sector not only negatively affects resource-intensive industries, but also creates supply chain effects for the whole economy and population. Using a panel dataset of 27 European Union Member countries (2000-2021), Norocel and Vierescu (2024) considered the greening of banks' loan portfolios among other factors, finding that the ESG score and private debt negatively affect economic growth in the short and long term.[7] The researchers acknowledged the trade-off between ESG goals and economic growth:

Whilst it is desirable to achieve ESG goals, decision-makers are faced with the dilemma of potentially harming economic activity in the process - a trade-off that they will very likely have to accept.[8]

They also observed that restricting finance available to 'brown sectors', such as fossil fuel producers, 'can be harmful for the economy.'[9]

1.3.1 30 by 30 target

Since October 2022, the Australian government has committed to protecting and conserving 30% of Australian landmass and 30% of marine areas.[10] This goal is in line with the Kunming-Montreal Global Biodiversity Framework (GBF), which seeks to undertake immediate actions to halt and reverse biodiversity loss by 2030 and to protect land and sea areas by 2030. A publication from the Department of Climate Change Commonwealth of Australia (2024) pointed out that an additional 60 million hectares need to be protected or conserved to meet the 30% target. However, some regional industries (mining, agriculture, forestry and commercial fishing)

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[7] These studies have limitations, specifically in potential endogeneity issues, as there might be unobserved variables that could explain the relationship between GDP per capita and ESG score, dataset and methodologies errors, among other problems.

[8] Norocel and Vierescu (2024, p. 10).

[9] Ibid.

[10] According to Fitzsimons et al. (2023), approximately 22% of land is already protected, up from 7% in the mid-1990s. It appears Australia already meets the requirement for oceans, with the Australian Marine Parks website noting: "The Australian Government has established 60 Australian Marine Parks around the country. They cover 3.8 million square kilometres, or 43% of Australian waters, and are managed by Parks Australia."

may face restrictions in protected and conserved areas, directly affecting resource extraction and development opportunities.

Case study 2: Queensland's coal royalty hike

In 2022, the Queensland Government implemented a significant increase in coal royalty rates, marking a notable shift in its approach to resource taxation. High mining royalties can diminish the profitability of mining operations, leading to reduced investment, job cuts, and even mine closures, which in turn may destabilise the broader regional economy.

Coal mining is pivotal in Queensland's regional economy and in its contribution to national revenue, providing substantial income through domestic sales and global market exports. The industry supports tens of thousands of jobs, directly employing a large workforce and indirectly creating employment opportunities in related sectors such as transportation, equipment manufacturing, and services. Revenue generated from coal mining royalties funds critical public services and infrastructure projects, benefiting the broader community. Many regional towns and communities are heavily reliant on the coal industry for their livelihoods, with the sector often being a cornerstone of local economies.

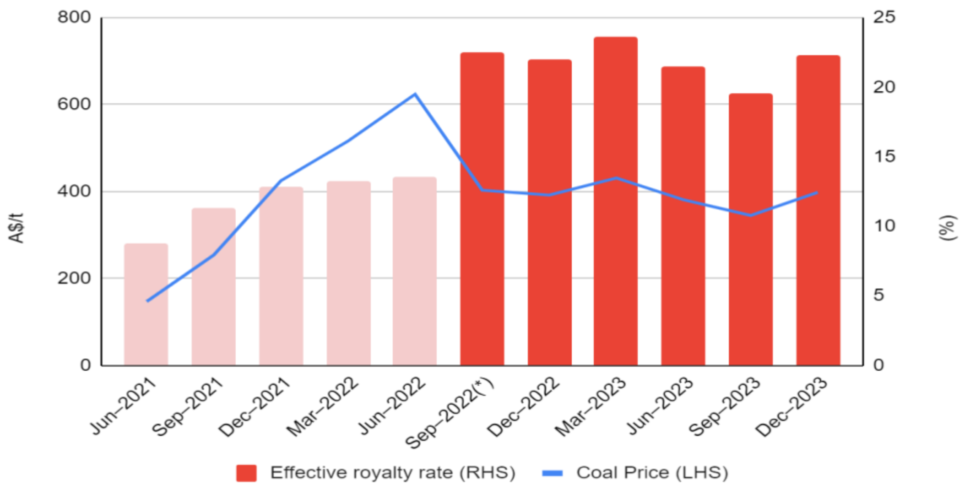
Previously, the royalty rates were set at 7% for prices up to $100 per tonne, 12.5% for prices between $100 and $150 per tonne, and 15% for prices above $150 per tonne. The new rates introduced a more progressive structure: 7% for prices up to $100 per tonne remained unchanged, but rates increased to 12.5% for prices between $100 and $150 per tonne, 15% for prices between $150 and $175 per tonne, 20% for prices between $175 and $225 per tonne, 30% for prices between $225 and $300 per tonne, and 40% for prices above $300.[11] The Queensland government justified the increases as a necessary adjustment to secure additional revenue for public services and infrastructure projects amidst rising commodity prices and increasing global demand for coal.

Highest effective metallurgical coal royalty rate in the world

The increased royalties generated substantial additional income for Queensland, also sparking debate among stakeholders, including mining companies, environmental groups, and local communities. Figure 1.6 shows the effective royalty rates of premium metallurgical coal in Queensland jumped from 14% (before the introduction of the new rates) to 23% in September 2022. They seem to be set at the highest rate in the world, followed by Canada with 15%.

[11] For example, if the average price per tonne for coal sold, disposed or used is above $300, the first $100 is levied by 7%, the next $50 by 12.5%, the next $25 by 15%, the next $50 by 20%, the next $75 by 30%, and the balance is levied by 40%. It should be noted that rates to be calculated separately for domestic (sold or disposed of for consumption, or used, within Queensland) and non-domestic coal.

Figure 1.6. Queensland's royalties rates (%) vs. Premium Metallurgical Coal price (A$/t)



Source: Department of Industry, Science and Resources and Queensland Revenue Office. Prepared by Adept Economics. Notes: (*) The new rates were introduced from 1 July 2022, reflecting higher effective royalty rates.

The coal industry responded to the Queensland Government's 2022 coal royalty increase with significant concern and criticism. Major coal companies and industry groups argued that the higher royalty rates would increase operational costs, potentially making Queensland's coal less competitive globally. They warned that the added financial burden could lead to reduced regional investment, job cuts, and a slowdown in new projects and expansions. Some companies indicated they might need to implement cost-cutting measures, including layoffs and scaling back production, to mitigate the impact on their profit margins.

The industry also raised concerns about the long-term uncertainty created by the policy change, emphasising the need for a stable and predictable regulatory environment to foster continued investment and growth. Additionally, there was apprehension about the potential for strained relationships with international trading partners who might seek more cost-effective coal sources. Some industry players were willing to engage in dialogue with the government to seek a balanced approach that considers both the state's fiscal needs and the industry's viability.

The Japanese ambassador to Australia and Mike Henry, the CEO of BHP, voiced strong concerns about the Queensland Government's 2022 coal royalty increase. The Japanese ambassador highlighted the potential negative impact on trade relations, emphasising that Japan, a major importer of Queensland coal, might seek alternative suppliers. He cautioned that the new rates could undermine the longstanding economic partnership between Japan and Queensland. Similarly, Mike Henry criticised the royalty hike, arguing that it would hurt the competitiveness of Queensland's coal industry on the global stage. He warned that the additional financial burden could lead to reduced investments and jeopardise future projects, ultimately affecting jobs and economic growth in the region. Henry called for more predictable regulatory conditions to foster confidence and investment in the industry, advocating reassessment of the new rates to balance government revenue needs with the industry's viability.

The Commodity Insights (2022) report, commissioned by the Queensland Resources Council (QRC), provided a detailed analysis of the impacts of the Queensland Government's 2022 coal royalty increase, emphasising that Queensland now has the highest coal royalty rates in the world. The report highlighted concerns about the government's revenue forecasts, which were based on conservative coal price predictions. While the Queensland Treasury estimated an additional $800 million in revenue for 2022-23, other forecasters predicted a range of $2.9 to $7.5 billion, suggesting the government's projections vastly underestimated potential revenue. The increased royalty rates were expected to raise production costs substantially, adding an average of $28 per tonne for metallurgical coal (if Consensus price forecasts are applied) and $27 per tonne for thermal coal (when thermal coal production rises exceed US$300 per tonne), thereby reducing the competitiveness of Queensland's coal industry on the global market. These increased costs could lead to delays or cancellations of projects, reduced investment, and job losses, significantly impacting the state's economy and its attractiveness as an investment destination.

The final budget figures for Queensland's 2022-23 fiscal year revealed a substantial increase in revenue due to the new coal royalty regime. The Queensland Government had initially forecast an additional $800 million from the royalty increase, but actual revenues were significantly higher. Coal and petroleum royalty revenues were revised upward by $5.82 billion, driven by higher global coal prices and a weaker Australian dollar. This windfall contributed to a record surplus of $5.18 billion for the 2022-23 period, which was a notable increase from earlier projections. The additional funds have been earmarked for various infrastructure and community projects, underscoring the financial impact of the new royalty structure on the state's budget and economy. In the latest Queensland Budget Paper 2024-25, coal royalties are expected to reach $10.54 billion in 2023-24, lower than collected in 2022-23 (Queensland Treasury, 2024).

Glencore decided to cancel its $2 billion Valeria coal project in Queensland, citing the state's 2022 increase in coal royalty rates as a significant factor. The new royalty structure, which introduced the highest coal royalty rates in the world, raised investor concerns and damaged confidence. Glencore highlighted that abrupt policy changes, like the Queensland Government's royalty hike, increased uncertainty and raised red flags with key trading partners. This decision not only halted a project that would have produced up to 20 million tonnes of coal annually and created 1,400 construction and 1,250 operational jobs, but also reflected broader apprehensions within the industry about the stability and predictability of Queensland's regulatory environment. A Glencore spokesperson said: "Abrupt decisions like the Queensland super royalty hike have damaged investor confidence, increased uncertainty and raised a red flag with key trading partners" (Evans, 2022).

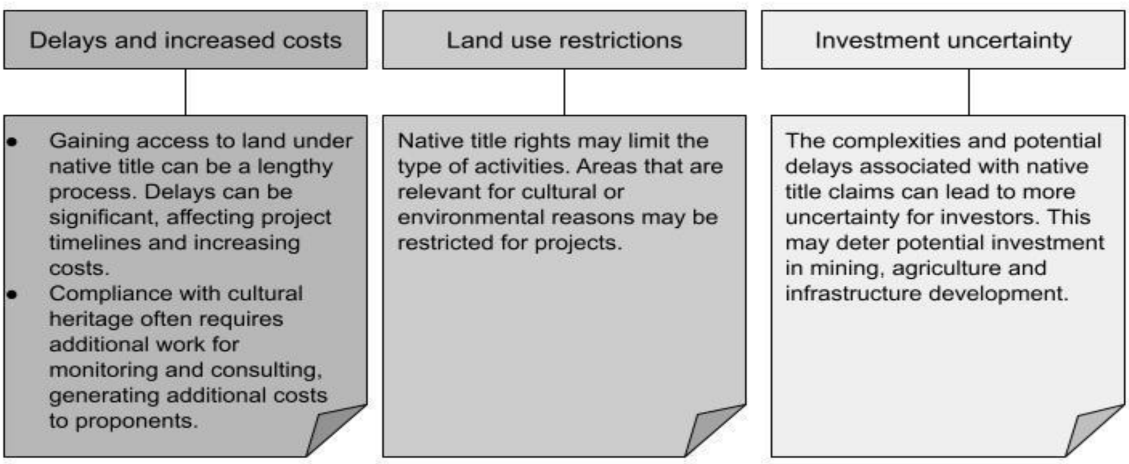
The Queensland Resources Council highlighted that BHP's FY24 unit cost guidance for its BMA (BHP Mitsubishi Alliance) operations has increased from US$119 to US$125 per tonne, equivalent to approximately $180 to $190 per tonne. This situation places BHP in a position where they would have to pay the first of the new coal royalty tiers, set at 20% for prices above

$175 per tonne, before even covering their operational costs. The new royalty structure has thus imposed a significant financial burden on BHP and similar companies, affecting their profitability and operational strategies. This change underscores the broader concerns within the coal industry about the economic impact of Queensland's increased coal royalty rates.

1.4 Native title and Indigenous rights

Recognition of native title and other Indigenous rights is key to Australia’s cultural heritage. However, this can pose challenges to economic development in regional areas (Figure 1.7). Recent examples illustrate the potential for recognition of Indigenous interests to conflict with proposed projects. These are discussed in Boxes 3.3, 3.4 and 3.5.

Figure 1.7 Potential effects of native title and Indigenous rights on regional projects



Source: Various. Prepared by Adept Economics.

Box 3.3. The Santos Barossa Gas Project

The case against Santos' Barossa gas project had been in limbo for more than a year, costing $1 million per day. The Tiwi Islanders took legal action against the Santos project, but their claims were dismissed in the Federal Court. Critics argued that the legal actions were less about genuine cultural heritage concerns and more about serving an environmental agenda. This perspective gained traction after the court criticised the conduct of the case, suggesting that the evidence was manipulated, and the claims were not authentically rooted in the community's beliefs but were instead constructed by external parties with specific agendas against fossil fuel projects. This has sparked debate about the balance between respecting Aboriginal rights and preventing their exploitation in environmental conflicts.

Source: Potter (2024). Prepared by Adept Economics.

Box 3.4. The McPhillamys Gold Project

The decision by Environment Minister Tanya Plibersek to impose heritage protections on the McPhillamys gold project site in New South Wales in mid-August 2024, citing the spiritual significance of the area to the Wiradjuri/Wiradyuri people, led to a significant delay in the project. Despite receiving initial approval in 2023 from the Independent Planning Commission, the need to reconsider the placement of a tailings dam due to Aboriginal rights concerns could delay the mine's development by up to 10 years. Regis Resources has expressed the view that the project is no longer feasible.

Source: Ker (2024a; 2024b). Prepared by Adept Economics.

Box 3.5. The end of the Kakadu's Jabiluka uranium mine lease

Indigenous land rights have played a crucial role in halting the development of the Jabiluka uranium mine. The Mirarr people, traditional owners of the land in the Northern Territory (NT) where the uranium deposit is located, have opposed the project for over 42 years due to the cultural and spiritual significance of the site. The NT Government's decision to reject the lease extension requested by Energy Resources of Australia (ERA) was influenced by claims relating to Aboriginal cultural heritage and the environment.

The Jabiluka uranium deposit is considered one of the richest undeveloped uranium sites in the world. It could have provided Australia and the Mirarr people with lucrative income streams. According to some investors, the deposit had the potential to supply large amounts of low-carbon energy globally, and missing this opportunity was viewed as economically damaging.

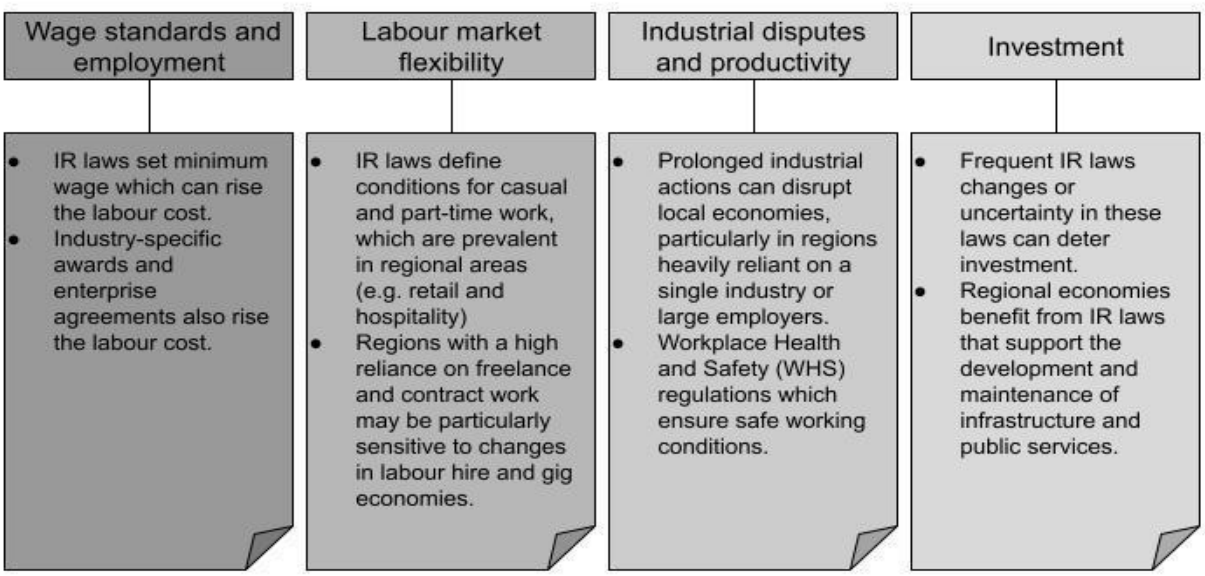
Source: Ker (2024c). Prepared by Adept Economics.

1.5 Industrial Relations (IR) and employment laws

Australia's industrial relations laws have a varied impact on regional areas in relation to wages, employment conditions, labour market flexibility, industrial productivity, and overall economic stability.

Figure 1.8 shows the major points at which these laws can affect regional economies. Another significant set of job-related regulations relates to occupational licensing requirements for various trades, including plumbers and electricians.

Figure 1.8 Potential effects of IR laws on regional areas



Source: Various. Prepared by Adept Economics.

In 2023, the Federal Government introduced the *Fair Work Legislation Amendment (Closing Loopholes) Bill 2023* which modified legislation about labour hire in Australia and would significantly impact regional economies. Requiring companies to pay labour hire employees under the relevant enterprise agreement may increase labour costs for businesses relying on labour hire arrangements. This could be particularly challenging for industries that face seasonal or temporary labour demand, such as agriculture, mining, and construction. Tunny (2023) noted that these new labour laws could have a negative effect on productivity, reducing business flexibility and encouraging businesses to cut labour costs and other essential tasks. For example, e61 Institute research has pointed out adverse impacts on productivity in firms with more than 15 employees after the Fair Work Act (Cth) was introduced in 2009.[12]

While automatic mutual recognition (AMR) was implemented in July 2021 by most states, Queensland was an exception. This affects the mobility of workers into regional areas, especially in regional Queensland (see Box 3.6).

[12] Andrews and Buckley (2023).

Box 3.6. Occupational licensing and automatic mutual recognition

Australian states grant occupational licences which are mandatory for people wanting to practise certain occupations (e.g. engineers, solicitors, electricians, etc.). These licences involve direct and indirect costs for workers and businesses. They also hindered labour mobility across states because, historically, a person would be required to obtain a licence in each state they worked. This could end up being costly for tradespeople. For instance, an application for a licence for plumbing in Queensland along with the one-year administration fee currently costs $233.[13]

Given this constraint on interstate labour mobility, in 2021, through the *Mutual Recognition Amendment Bill 2021*, an automatic mutual recognition (AMR) scheme was introduced into the Mutual Recognition Act 1992, allowing individuals registered for an occupation in their home state to work in other states without additional assessments or fees. The Bill includes safeguards to maintain high standards of consumer, environmental, and worker protection and allows state ministers to exempt certain registrations for up to five years due to significant risks. The scheme is designed to reduce costs and improve efficiency, benefiting approximately 168,000 workers and potentially adding $2.4 billion to the economy over ten years. The AMR is available in all states, excluding Queensland, which is deprived of potential benefits that may derive from the AMR scheme such as:

- Increased flexibility and mobility for individuals and businesses;
- greater competition leading to lower prices, greater choice and better-quality services for consumers, including businesses;
- Savings for individuals and businesses on application and registration, paperwork and time;
- Increased output, investment and productivity; and
- Improvements to regulators' efficiency.

Source: Australian Government (2021).

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[13] https://www.qbcc.qld.gov.au/licences/apply-licence/licence-fees/licence-fees-occupational-plumbing-drainage

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Appendix 1. Australian Government regulator stocktake related to regional areas

Department/Agency	Regulator	Type	Regulator function	Regulated community
Agriculture, Fisheries and Forestry	Australian Fisheries Management Authority	External	Sustainable management of fish stocks by regulating and educating domestic and international fisheries laws, obligations and standards.	1. Fishing industry (domestic and international) 2. Scientists/researchers 3. Fishing associations 4. Environment and conservation organisations
Agriculture, Fisheries and Forestry	Australian Pesticides & Veterinary Medicines Authority	External	To regulate agricultural and veterinary chemicals to manage the risks of pests and diseases for the Australian community and to protect Australia's trade and the health and safety of people, animals and the environment.	The agvet product industry (e.g. manufacturers and suppliers).
Agriculture, Fisheries and Forestry	Biosecurity	Internal	Managing biosecurity risks, risks related to ballast water, and to give effect to Australia's international rights and obligations under the SPS Agreement and Biodiversity Convention.	1. Importers of all goods including fertiliser, fish and forest products and live animals. 2. Import cargo and shipping industries 3. General public 4. Travellers to/from Australia (outbound and inbound)
Agriculture, Fisheries and Forestry	Export	Internal	Certifying that exported agricultural products (including Live Animals, Plant, Meat, Dairy, Seafood, Eggs Non-prescribed Goods) and quota allocation meet Australian export legislative requirements and importing country requirements.	1. Exporters of agricultural products including livestock producers, processing establishments, feed lots, export licence holders, livestock 2. Registered Establishment operators 3. Australian Government Accredited Vets 4. Shipping Industry

Department/Agency	Regulator	Type	Regulator function	Regulated community
Agriculture, Fisheries and Forestry	Illegal logging	Internal	Prohibiting the importation of illegally logged timber and the processing of illegally logged domestic raw logs.	1. Plant and Forestry industry 2. Timber and wood importers and businesses
Agriculture, Fisheries and Forestry	Levies	Internal	Administering primary industry levy and charge collection to improve efficiency and effectiveness.	1. Primary industries 2. Agricultural and veterinary industries 3. Chemical industry
Agriculture, Fisheries and Forestry	Wine Australia	External	Controls the export of grape products from Australia and administers the Label Integrity Program established under the Wine Australia Act.	Wine exporters and producers
Climate Change, Energy, the Environment and Water	Director of National Parks	External	Manage permits, licences and leases for Commonwealth Parks and Reserves	1. Tourism industry 2. Commercial industry (i.e. filming and photography and events 3. Researchers 4. Marine park users (in addition to the above - commercial shipping, commercial fishing, commercial pearling, commercial aquaculture, recreational fishing, mining etc.)
Climate Change, Energy, the Environment and Water	Environment Approvals	Internal	Protecting the environment and biodiversity, such as assessing and approving activities that impact matters of national environmental significance	1. Industry, transport, land development and agricultural sectors 2. Australian indigenous, natural, cultural and historic places/communities

Department/Agency	Regulator	Type	Regulator function	Regulated community
Climate Change, Energy, the Environment and Water	IChEMS National Register, DCCEEW	Internal	The environmental management of industrial chemicals.	All industries - this Intergovernmental scheme involves the Commonwealth and the States and relates to minimising risks to the environment from industrial chemicals.
Climate Change, Energy, the Environment and Water	Indigenous Heritage Protection Office	Internal	Regulates the protection of Indigenous Heritage.	Development and industry.
Climate Change, Energy, the Environment and Water	Murray Darling Basin Authority	External	Providing a Basin-wide framework for water management (Basin Plan), including accreditation of Water Resource Plans and Sustainable Diversion Limits.	1. Basin governments 2. Environmental Water Holders 3. Murray-Darling Basin water users
Climate Change, Energy, the Environment and Water	Office of the Inspector General of Water Compliance	External	Improve trust and transparency in implementing the Commonwealth's Basin water reform agenda Deliver greater consistency and harmonisation of water regulation across the Basin Strengthen Basin Plan compliance and enforcement	1. Basin State and relevant Commonwealth agencies 2. Independent Infrastructure Operators 3. Water users
Climate Change, Energy, the Environment and Water	Regulatory functions within the Fuel Security Framework	Internal	Administer fuel security legislation	Liquid fuel industry
Climate Change, Energy, the Environment and Water	Waste Regulation and Stewardship Branch, DCCEEW	Internal	Waste Management - regulating the export of waste plastic, paper glass and tyres; regulating exports of hazardous waste; administering product stewardship schemes.	1. Manufacturers 2. Importers and exporters 3. Suppliers and consumers in the waste and recycling sector

Department/Agency	Regulator	Type	Regulator function	Regulated community
Climate Change, Energy, the Environment and Water	Water Efficiency Labelling and Standards Regulator	Internal	Conserving potable water resources by administering the Water Efficiency Labelling and Standards scheme	1. National and international appliance and plumbing industries 2. Manufacturers 3. Importers 4. Wholesalers 5. Retailers 6. Building developers
Employment and Workplace Relations	Coal Mining Industry (Long Service Leave Funding) Corporation	External	Administers and regulates the coal mining Industry (Long Service Leave Funding) Scheme for employees in the black coal mining industry.	Coal LSL regulates employers of eligible employees pursuant to the Coal Mining Industry (Long Service Leave) Administration Act 1992 and other enabling legislation.
Industry, Science and Resources	Australian Industry Participation Authority	Internal	Ensure that Australian businesses have full, fair and reasonable opportunities to bid for work on major projects.	Major projects with capital expenditure of $500m or more
Treasury	Treasury - Foreign Investment Division	Internal	The Treasury's Foreign Investment Division (FID) is Australia's foreign investment policy advisor and regulator. It administers the foreign investment framework, which is set by the Foreign Acquisitions and Takeovers Act 1975 and the Foreign Acquisitions and Takeovers Fees Impositions Act 2015, along with their associated regulations. FID assesses commercial investment proposals, is responsible for fostering compliance and advises the Australian Government on all	Foreign persons

Department/Agency	Regulator	Type	Regulator function	Regulated community
			aspects of foreign investment policy. Under the foreign investment framework, the Australian Taxation Office (ATO) is responsible for residential real estate investment proposals. The Treasurer is the decision maker under Australia's foreign investment framework, however decision-making delegations exist to enable Treasury portfolio ministers, and Treasury and ATO officials to make decisions on foreign investment proposals on behalf of the Treasurer. The Foreign Investment Review Board (FIRB) is a non-statutory body, which advises the Treasurer on the policy and administration of the foreign investment framework.	

Source: Department of Finance, Australian Government. https://www.regulatoryreform.gov.au/priorities/regulator-best-practice-and-performance/regulator-stocktake

Appendix 2A. NSW legislation (only Acts) related to environmental norms

Acts	Document ID	Number of Words
Aboriginal Land Rights Act 1983 No 42	Act 1983-042	69,065
Biodiversity Conservation Act 2016 No 63	Act 2016-063	77,010
Biosecurity Act 2015 No 24	Act 2015-024	72,153
Climate Change (Net Zero Future) Act 2023 No 48	Act 2023-048	8,482
Contaminated Land Management Act 1997	Act 1997-140	32,144
Dangerous Goods (Road and Rail Transport) Act 2008	Act 2008-095	14,309
Environmental Planning and Assessment Act 1979	Act 1979-203	114,293
Environmentally Hazardous Chemicals Act 1985	Act 1985-014	11,787
Fire and Rescue NSW Act 1989 No 192	Act 1989-192	19,471
Fisheries Act 1935 No 58	Act 1935-058	8,440
Forestry Act 2012	Act 2012-096	32,022
Forestry Act 2012 No 96	Act 2012-096	32,022
Forestry Restructuring and Nature Conservation Act 1995 No 50	Act 1995-050	822
Gene Technology (GM Crop Moratorium) Act 2003 No 12	Act 2003-012	8,530
Gene Technology (New South Wales) Act 2003 No 11	Act 2003-011	1,762
Heritage Act 1977 No 136	Act 1997-136	11,432
Local Government Act 1993 No 30	Act 1993-030	192,552
Local Government Amendment Act 2019 No 6	Act 2019-006	780
Local Land Services Act 2013	Act 2013-051	56,464
Marine Pollution Act 2012 No 5	Act 2012-005	36,403
National Environment Protection Council (New South Wales) Act 1995	Act 1995-004	16,337
National Park Estate (Land Transfers) Act 1998 No 163	Act 1998-163	32,255
National Parks and Wildlife Act 1974 No 80	Act 1974-080	130,719
Native Title (New South Wales) Act 1994 No 45	Act 1994-045	8,444
Offshore Minerals Act 1999 No 42	Act 1999-042	49,460
Ozone Protection Act 1989	Act 1989-208	2,515
Pesticides Act 1999	Act 1999-080	27,552
Petroleum (Offshore) Act 1982 No 23	Act 1982-023	58,798
Petroleum (Onshore) Act 1991 No 84	Act 1991-084	63,528
Plastic Reduction and Circular Economy Act 2021	Act 2021-031	12,216

Acts	Document ID	Number of Words
Protection from Harmful Radiation Act 1990	Act 1990-013	18,602
Protection of the Environment Administration Act 1991	Act 1991-060	11,826
Protection of the Environment Operations Act 1997	Act 1997-156	101,332
Public Health Act 2010 No 127	Act 2010-127	29,077
Recreation Vehicles Act 1983	Act 1983-136	6,688
Soil Conservation Act 1938 No 10	Act 1938-010	20,724
State Records Act 1989	Act 1998-017	17,322
Sydney Olympic Park Authority Act 2001	Act 2001-057	15,906
Uranium Mining and Nuclear Facilities (Prohibitions) Act 1986 No 194	Act 1986-194	1,557
Waste Avoidance and Resource Recovery Act 200	Act 2001-058	11,431
Water Act 1912 No 44	Act 1912-044	58,314
Water NSW Act 2014 No 74	Act 2014-074	30,462

Source: McLaughlin et al. (2022) - RegData Australia (dataset).

Notes: The RegData is a snapshot of the collection date, 2022. Therefore, the Acts promulgated in 2024 were included by Adept Economics.

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RESEARCH CENTRE

Appendix 2B. VIC legislation (only Acts) related to environmental norms

Acts	Document ID	Number of Words
Aboriginal Heritage Act 2006	Act 16-2006	51,891
Biological Control Act 1986	Act 57-1986	12,342
Catchment and Land Protection Act 1994	Act 52-1994	49,635
Climate Change Act 2017	Act 5-2017	16,601
Country Fire Authority Act 1958	Act 6228-1958	57,174
Crown Land (Reserves) Act 1978	Act 9212-1978	51,293
Electricity Industry Act 2000	Act 68-2000	73,944
Environment Protection Act 2017	Act 51-2017	121,331
Fisheries Act 1995	Act 92-1995	105,282
Flora and Fauna Guarantee Act 1988	Act 47-1988	32,644
Forests Act 1958	Act 6254-1958	59,605
Gene Technology Act 2001	Act 67-2001	35,257
Geothermal Energy Resources Act 2005	Act 7-2005	31,717
Greenhouse Gas Geological Sequestration Act 2008	Act 61-2008	50,901
Heritage Act 2017	Act 7-2017	50,156
Land Act 1958	Act 6284-1958	84,274
Local Government Act 2020	Act 9-2020	78,704
Major Transport Projects Facilitation Act 2009	Act 56-2009	66,747
Marine (Drug, Alcohol and Pollution Control) Act 1988	Act 52-1988	50,888
Marine and Coastal Act 2018	Act 26-2018	14,829
Mineral Resources (Sustainable Development) Act 1990	Act 92-1990	105,534
National Parks Act 1975	Act 8702-1975	89,285
Nuclear Activities (Prohibitions) Act 1983	Act 9923-1983	3,024
Offshore Petroleum and Greenhouse Gas Storage Act 2010	Act 10-2010	249,398
Petroleum Act 1998	Act 96-1998	45,186
Planning and Environment Act 1987	Act 45-1987	156,201
Plant Biosecurity Act 2010	Act 60-2010	28,031
Public Health and Wellbeing Act 2008	Act 46-2008	95,804
Renewable Energy (Jobs and Investment) Act 2017	Act 56-2017	1,834

Acts	Document ID	Number of Words
Traditional Owner Settlement Act 2010	Act 62-2010	26,590
Transport Integration Act 2010	Act 6-2010	89,747
Water Act 1989	Act 80-1989	221,312

Source: McLaughlin et al. (2022) - RegData Australia (dataset).

Notes: The RegData is a snapshot of the collection date, 2022.

Appendix 2C. QLD legislation (only Acts) related to environmental norms

Acts	Document ID	Number of Words
Energy (Renewable Transformation and Jobs) Act 2024	act-2024-015	26,826
Aboriginal Cultural Heritage Act 2003	act-2003-079	24,770
Biodiscovery Act 2004	act-2004-019	16,410
Biological Control Act 1987	act-1987-051	10,501
Biosecurity Act 2014	act-2014-007	110,574
Clean Economy Jobs Act 2024	act-2024-016	2,465
Coastal Protection and Management Act 1995	act-1995-041	29,690
Electricity Act 1994	act-1994-064	76,899
Environmental Offsets Act 2014	act-2014-033	15,901
Environmental Protection Act 1994	act-1994-062	212,225
Fire and Rescue Services Act 1990	act-1990-010	57,230
Fisheries Act 1994	act-1994-037	50,731
Forestry Act 1959	act-1959-058	74,944
Gene Technology (Queensland) Act 2016	act-2016-054	4,051
Geothermal Energy Act 2010	act-2010-031	45,960
Greenhouse Gas Storage Act 2009	act-2009-003	53,723
Integrated Resort Development Act 1987	act-1987-023	58,405
Land Act 1994	act-1994-081	154,465
Land Protection (Pest & Stock Route Management) Act 2002	act-2002-012	22,788
Local Government Act 2009	act-2009-017	105,875
Marine Parks Act 2004	act-2004-031	26,264
Mineral Resources Act 1989	act-1989-110	214,366
Native Title (Queensland) Act 1993	act-1993-085	9,010
Nature Conservation Act 1992	act-1992-020	61,992
Nuclear Facilities Prohibition Act 2007	act-2007-004	3,428
Offshore Minerals Act 1998	act-1998-010	48,975
Petroleum (Submerged Lands) Act 1982	act-1982-022	65,401
Petroleum and Gas (Production and Safety) Act 2004	act-2004-025	180,063
Planning Act 2016	act-2016-025	80,117
Public Health Act 2005	act-2005-048	95,819

Acts	Document ID	Number of Words
Queensland Heritage Act 1992	act-1992-009	35,099
Recreation Areas Management Act 2006	act-2006-020	38,309
Regional Planning Interests Act 2014	act-2014-011	13,429
Soil Conservation Act 1986	act-1986-037	7,986
State Development and Public Works Organisation Act 1971	act-1971-055	64,724
Transport Infrastructure Act 1994	act-1994-008	167,149
Transport Operations (Marine Pollution) Act 1995	act-1995-002	30,740
Vegetation Management Act 1999	act-1999-090	40,311
Waste Reduction and Recycling Act 2011	act-2011-031	87,514
Water Act 2000	act-2000-034	190,839
Water Supply (Safety and Reliability) Act 2008	act-2008-034	93,367
Wet Tropics World Heritage Protection and Management Act 1993	act-1993-050	20,983

Source: McLaughlin et al. (2022) - RegData Australia (dataset).

Notes: The RegData is a snapshot of the collection date, 2022. Therefore, the Acts promulgated in 2023 and 2024 were included by Adept Economics.

Appendix 3. Examples of ESG mandates across different jurisdictions in Australia

Category	Regulation/Initiative	Jurisdiction	Details
Environmental	National Greenhouse and Energy Reporting Act 2007 (Cth)	Federal	Establishes a national reporting framework for greenhouse gas emissions and energy consumption, with mandatory obligations for certain entities to report.
	Emissions Reduction Fund (ERF)	Federal	Incentivises carbon abatement technologies in exchange for carbon credits that can be retired or traded, includes a safeguard mechanism for managing emissions above a set threshold.
	State and Territory Environmental Approvals and Licensing	State and Territory	Each state and territory has its own requirements for environmental approvals and licensing, such as pollution and waste management regulations.
Social	Workplace Gender Equality Act 2012 (Cth)	Federal	Non-public sector organisations with more than 100 employees must report on gender equality metrics to the Workplace Gender Equality Agency.
	Modern Slavery Act 2018 (Cth)	Federal	Entities with a consolidated annual revenue of at least A$100 million must report annually on how they address the risks of modern slavery in their operations and supply chains.
	Modern Slavery Act 2018 (NSW)	New South Wales	State-owned corporations must comply with modern slavery reporting obligations, even if they do not meet the federal reporting threshold.
Governance	Directors' Duties under the Corporations Act 2001 (Cth)	Federal	Directors must ensure their companies assess and disclose material ESG-related risks, integrating ESG considerations into corporate governance frameworks.
	ASX Listing Rules	Federal (Australian Securities Exchange)	Listed companies must publish an annual corporate governance statement and disclose their adherence to the ASX Corporate Governance Principles & Recommendations, which include managing ESG risks.
Private Sector Initiatives	Australian Sustainable Finance Initiative (ASFI)	National	Aims to align Australia's financial system with the Paris Agreement and UN Sustainable Development Goals.
	Responsible Investment Association of Australasia	National	Certifies responsible, ethical, and impact investment products and services, promoting sustainable financial systems.
State-Specific Mandates	Victoria's Social Procurement Framework	Victoria	Promotes the strategic use of procurement to drive social, economic, and environmental outcomes.
	Western Australia's Social Procurement Framework	Western Australia	Similar to Victoria's, but with its own specific mandates and applications.

Source: Gill and Wynn (2022). Prepared by Adept Economics.

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1/6 Geils Court
DEAKIN ACT 2600
02 6273 3822

Mail: PO Box 103
DEAKIN WEST ACT 2600