



Queensland Treasury

RIA Ref: DSDILGP0485-0421
File Ref: 02750-2021

SSRC Act Post Implementation Review Team
Office of the Coordinator-General
Department of State Development, Infrastructure, Local Government and Planning
Level 17, 1 William Street
BRISBANE QLD 4000

Dear Post Implementation Review Team

Post Implementation Review (PIR)—*Strong and Sustainable Resource Communities Act 2017*

Thank you for your correspondence of 28 May 2021 and further information through to 2 June 2021 seeking advice on the adequacy of the Decision Post Implementation Review (PIR) '*Strong and Sustainable Resource Communities Act 2017*'.

Background

The *Strong and Sustainable Resource Communities Act 2017* (the Act) commenced on 30 March 2018. The Act was legislated in response to recommendations of an independent review (July 2015) and the recommendations of the Infrastructure Planning and Natural Resources Committee Parliamentary Inquiry into fly-in, fly-out (FIFO) work practices in regional Queensland (October 2015).

The object of the Act is to ensure residents of communities near large resource projects benefit from their construction and operation. The Act applies to resource projects which are within 125 kilometres of a regional community with a population greater than 200 and either are required to complete an environmental impact statement or have 100 or more workers and hold a site-specific environmental authority. Alternative workforce, distance and population thresholds may be decided by the Coordinator-General.

The Act prohibits projects within the scope of the Act from having 100 per cent FIFO operational workforces or discriminating against residents of nearby regional communities in employment advertising. The Act further requires relevant projects to:

- complete an enhanced social impact assessment (SIA) as part of an environmental impact statement (EIS) under either the Environmental Protection Act 1994 or the State Development and Public Works Organisation Act 1971
- prioritise the recruitment of residents in proximity to the resource project and those who will relocate and live in nearby communities in workforce management plans.

Consultation PIR

The legislation was granted a Cabinet exemption from preparing a Consultation Regulatory Impact Statement under the condition that the Office of the Coordinator-General (the department) completed a PIR under the Queensland Government Guide to Better Regulations (the guidelines).

The Consultation PIR presented three options:

- Repeal of the Act
- Retention of the Act in its current form
- Amendment of the Act.

Retention of the Act in its current form was presented as the preferred option as the department contended it was too early to assess the efficiency and efficacy of the Act. The department proposed to undertake further evaluation once six projects have completed the enhanced SIA process, finalised their reporting requirements in subsequent Social Impact Management Plans, and have completed construction.

In undertaking its assessment of a PIR, the Office of Best Practice Regulation (the OBPR) has regard to the adequacy criteria in the guidelines. The Consultation PIR was assessed by the OBPR as inadequate under the guidelines.

The Consultation PIR was approved for release and was open for public comment from 1 February 2021 to 30 April 2021. Nine submissions were received.

Decision PIR

Retention of the Act in its current form remains the department's recommended option as a majority of submissions support the Act and perceive it is delivering benefits; however, no supporting evidence was produced. The department contends it is too early to assess the efficiency and efficacy of the Act so proposes further evaluation once three projects have completed the enhanced SIA process, been operating for 18 months, and completed reporting requirements against approved Social Impact Management Plans.

Assessment

Under the guidelines, key elements of a Decision PIR should include an assessment and response to the evidence collected during consultation, and a demonstration that the recommended option generates the greatest net benefit to the community.

The OBPR acknowledges that the Decision PIR transparently presents the results of consultation and details the department's response to stakeholder submissions. The department has further developed the preferred options in light of additional information received through the consultation.

The Decision PIR acknowledges the limitations of the analysis, including that quantitative evidence of a net benefit to the Queensland community has not been presented.

However, at this stage, the Decision PIR does not resolve aspects of the analysis identified as inadequate in the Consultation PIR, constraining the decision maker's full consideration of the Act's effectiveness, efficiency and continuing relevance. The department acknowledges that it has been constrained in its ability to adequately:

- describe the nature and magnitude of the policy problem as it exists today
- present a case for continued government action and identify performance criteria against which the Act could be evaluated in the future
- demonstrate that the recommended policy option is the one likely to generate the greatest net benefit for the Queensland community.



Queensland Treasury

Consistent with the guidelines, once a Decision PIR has been approved for release it is published on the OBPR's website along with this letter. Please contact Tim Elliott, Economist, on (07) 3035 3488 if you require any additional information or guidance in relation to the above comments or the guidelines in general.

Yours sincerely

Dr Karen Hooper
Productivity Commissioner

18 June 2021