

QUEENSLAND PRODUCTIVITY COMMISSION ACT 2025
Section 38

DIRECTION

1. Direction

Under sections 9(1)(a) and 38 of the *Queensland Productivity Commission Act 2025* (the Act), I direct the Queensland Productivity Commission (QPC) to undertake an inquiry in accordance with the Terms of Reference set out below.

2. Terms of Reference

IMPACT OF THE AUSTRALIAN GOVERNMENT'S 2025 ENVIRONMENT PROTECTION REFORMS ON QUEENSLAND

(a) Context

In November 2025, the Australian Parliament passed a package of legislation amending the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act) and establishing new national environmental institutions, regulatory concepts and approval processes. These reforms represent a substantial expansion and restructuring of Commonwealth environmental regulation, with significant implications for how land use, development and routine activities are regulated across Australia.

The reforms introduce legally binding National Environmental Standards, new and amended assessment pathways, revised rules for unacceptable impacts and environmental offsets, new powers to make rulings on how the law, regulations or subordinate instruments should be applied, changes to land-clearing exemptions, expanded information and disclosure requirements, enhanced compliance and enforcement powers, and new arrangements for Commonwealth–State accreditation and bilateral agreements. Many of these elements are yet to be fully implemented and will rely on subordinate legislation, standards, guidance and administrative practice. Of concern is that the legally binding National Environmental Standards remain under development, with little transparency about their potential impact on Queensland.

It is critical that regulation across all levels of government serves its intended purpose and not act as a handbrake on vital projects that support growth and economic security.

The Queensland Government is leading the nation in taking proactive steps to build sovereign capability and bolster Australia's energy security by unlocking new oil, gas and coal production, including Australia's first oil field in 50 years at the Taroom Trough, for future fuel security. However, the reforms specifically exclude resource projects from the Commonwealth's *National Interest Fast-Track Assessment Pathway*, which removes duplicated approvals already carried out at a State level, bringing projects to production potentially years earlier.

The Queensland Government established the Resources Cabinet Committee with a key focus to boost productivity and investment in new projects by reducing delays and improving approval timeframes, including actions that will reduce process duplication and improve consistency in assessment and administration of applications.

Further, as outlined in the final report of the Queensland Productivity Commission's inquiry into *Opportunities to Improve Productivity of the Construction Sector*, government environmental regulations and approvals are complex and can be duplicative, with environmental approval often a barrier or a delaying factor in a proposed infrastructure or housing project getting to the development approval stage.

As outlined in *Primary Industries Prosper 2050*, ease of business in Queensland's agriculture sector is also a key priority, with an ambition for more efficient regulatory processes and compliance framework in support of the government's ambitious target to boost the sector's output to \$30 billion by 2030, in addition to the broader 25-year vision. There are serious stakeholder concerns that Queensland will be disproportionately affected by the operation of the EPBC Act reforms due to the scale and diversity of its agricultural, resources, fisheries, forestry and infrastructure sectors, the extent of land subject to environmental regulation, and the ongoing need to manage productive agricultural landscapes due to Queensland's unique bioregions. The reforms also interact directly with Queensland's existing planning, land-use and environmental frameworks and with long-standing federal–state arrangements designed to avoid regulatory duplication.

Stakeholders have also raised concerns that aspects of the reforms will increase regulatory burden, compliance costs, delays and uncertainty for Queensland landholders, project proponents and governments. Issues raised include the application of Commonwealth approval requirements to activities previously managed under Queensland law, the treatment of land management activities, impacts on investment certainty and regional

productivity, and the potential transfer of regulatory and administrative responsibilities to Queensland without commensurate funding.

There are also concerns about unintended consequences for land management in Queensland, including constraints on the ability of landholders and governments to manage fire risk, flooding, weeds and pests, stewardship and biodiversity, with flow-on implications for community safety, infrastructure resilience and biosecurity.

Given the scale, complexity and evolving nature of the reforms, an independent inquiry is required to inform the Queensland Government's policy response and future engagement with the Australian Government.

(b) The Inquiry

The Queensland Productivity Commission is to undertake a public inquiry into the impacts of the Australian Government's 2025 reforms to the EPBC Act on Queensland.

The inquiry will examine how the reforms affect Queensland in practice, with a primary focus on regulatory burden, economic impacts, implementation risks and the operation of Commonwealth–State arrangements. The inquiry will assess the extent to which the reforms alter compliance obligations, costs, decision-making processes and responsibilities for landholders, project proponents and Queensland Government agencies.

The inquiry will seek to understand how the same environmental outcomes can be achieved without additional regulatory burden or through the recognition of environmental stewardship that is being delivered.

The inquiry will also consider broader implications for land management, stewardship and environmental markets, community safety, infrastructure and housing delivery, resource sector investment and development and regional economies, particularly where these issues arise because of regulatory design or implementation rather than as a direct policy objective of the reforms.

The purpose of the inquiry is to provide an independent, evidence-based assessment to support Queensland Government decision-making, including identifying risks, unintended consequences and practical options to improve regulatory efficiency, certainty and proportionality to the activities undertaken in Queensland.

(c) Scope

Without limiting the QPC's consideration, the inquiry should examine the following matters.

Regulatory burden and compliance impacts

- How the EPBC Act reforms affect regulatory obligations and pre-approval compliance requirements for landholders, project proponents and governments in Queensland.
- The implications for regulatory burden, including impacts on costs, timeframes, uncertainty and duplication, particularly where they interact with Queensland regulatory and planning frameworks.
- The capacity of different landholder groups to comply with the requirements (noting that the requirements apply to individuals and small businesses, through to corporate and government landholders).
- The key risks from potential changes to the National Environmental Standards.

Economic and productivity impacts

- The implications of the reforms for investment, business viability, productivity and economic activity in Queensland.
- The distribution of impacts across different industries, regions and types of proponents, including small and family businesses.
- The implications for major infrastructure and housing delivery and government-led projects.

Land and risk management implications

- The extent to which the reforms affect the ability of landholders and governments to manage land for practical purposes, including fire mitigation, stewardship and biodiversity, flood management, weed and pest control and biosecurity.
- Any unintended consequences for community safety, infrastructure resilience or operational risk arising from regulatory design or implementation.

Intergovernmental and administrative arrangements

- The extent to which Commonwealth–State bilateral agreements, accreditation frameworks and related arrangements provide opportunities to reduce duplication and improve certainty for Queensland in the implementation of the reforms.

- The extent to which the reforms shift regulatory, administrative or financial responsibilities to Queensland, including implications for resourcing and fiscal risk.

Options and recommendations

- Practical options to reduce unnecessary regulatory burden and improve efficiency, certainty and proportionality in the application of the reforms in Queensland.
- Opportunities to improve alignment between Commonwealth and Queensland frameworks without undermining Queensland's regulatory autonomy.
- Recommendations to inform Queensland Government policy priorities and ongoing engagement with the Australian Government.

3. Consultation

Under section 38(2)(c) I direct the QPC to undertake wide public consultation with stakeholders, including members of the public, primary industry and resources businesses, infrastructure providers, industry peak bodies, environmental groups, the Office of the Coordinator General and relevant Queensland government agencies.

4. Reporting

The QPC is to provide an Interim Report for public consultation and provide the Final Report to Government within 12 months of the date of this direction.