

Home News World



'Green tape' strangling infrastructure

By CHARLIE PEEL
 8 MAY 2019
 10:00 AM
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Delayed environmental approvals for mining and rail projects are expected to contribute to a significant downturn in major infrastructure projects in Queensland.

The peak body representing Queensland's infrastructure sector has forecast that after two years of increasing major project expenditure, the state is facing a decrease of 24 per cent next year.

The Infrastructure Association of Queensland's annual Spotlight report, released today, focuses on rail and mine projects in the Galilee Basin. But it says the downturn would be even more pronounced if the federal Brisbane-to-Melbourne inland rail project and Adani's Carmichael mine in central Queensland faced further delays with approvals.



Back to the '80s

IAQ chief executive Steve Abson said investors were turning away from Queensland because of perceived political instability, particularly around "red and green tape". "By Queensland's boom-and-bust standards, the (downturn) is not unusual, but the problem is it gets worse if we don't have the bilateral agreement for inland rail and it doesn't get moving through approvals," he said.

"It also gets worse if Adani don't get their approvals. If you're already having a downturn, the last thing you want is for projects earmarked to be delayed."

Adani was last week dealt another blow by the Palaszczuk government when the Department of Environment and Science rejected its plan to manage populations of the endangered black-chinned duck. The Indian mining company is also seeking approval of its critical greenhouse management plan.

Mr Abson said the lack of an agreement between the federal and Queensland governments on the inland rail project had blocked the Australian Rail Track Corporation in progressing its environmental impact assessment.

"If we are faced with a decline in activity next year, then let's do all we can to make the current projects that are shovel-ready get approval," Mr Abson said.

"With projects like inland rail and the Galilee Basin mine (the government) should be taking steps to say 'yes' to those projects and not unnecessarily holding them up."

The IAQ's report, which reviews input from the government and major engineering and economic firms, considers all public and private engineering projects worth more than \$10 million, excluding hospitals and schools, to outline the pipeline of projects under way or proposed. This year shows \$5 billion in being spent on projects, but that is expected to fall to less than \$4.5bn next year.

This would drop by a further \$200m if the inland rail and Adani mine projects are added.

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Exclusive by Charlie Peel, Journalist

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throated finch. The Indian mining company is also awaiting approval of its critical groundwater management plan.

Mr Abson said the lack of an agreement between the federal and Queensland governments on the inland rail project had hindered the Australian Rail Track Corporation in progressing its environmental impact statement.

“If we are faced with a decline in activity next year, then let’s do all we can to make the current projects that are shovel-ready get approval,” Mr Abson said.

“With projects like inland rail and the Galilee Basin mines (the government) should be finding ways to say ‘yes’ to those projects and not unreasonably holding them up.”

The IAQ’s report, which receives input from the government and major engineering and economic firms, considers all public and private engineering projects worth more than \$50 million, excluding hospitals and schools, to outline the pipeline of programs under way or proposed. This year about \$6 billion is being spent on projects, but that is expected to fall to less than \$4.5bn next year.

That would drop by a further \$500m if the inland rail and Adani mine projects are stalled.

Mr Abson said political instability and “backflips over projects” were driving national and international investors away from Queensland.

“It’s difficult to see how all this carnage with Adani’s approvals that is going on right now is not going to have some kind of effect on investors’ view of Australia as an attractive destination,” Mr Abson said. “It is and will have an effect.”

Mr Abson said the public and private sectors traditionally shared about 50 per cent of the expenditure on major infrastructure projects in Queensland.

But a reduction in investment, partly fuelled by concerns over green and red tape, had seen that shift to 65 per cent government investment and 35 per cent from the private sector.