13 July 2026

Angela Moody
Productivity Commissioner & Chair
Queensland Productivity Commission
enquiry@qpc.qld.gov.au

Dear Commissioner,

RE: *Impact of the Australian Government's 2025 environment protection reforms on Queensland*.

Australian Energy Producers (AEP) welcomes the opportunity to make an initial submission to the Queensland Productivity Commission's inquiry (QPC) into the *Impact of the Australian Government's 2025 environment protection reforms on Queensland.*

AEP is the national peak body representing the explorers, developers and producers of Australia's oil and natural gas, including Queensland's onshore natural gas sector. AEP supports regulatory reform that secures strong environmental outcomes while reducing unnecessary duplication, delay and administrative burden.

We appreciated the opportunity to meet with the Commission's review team in June to outline industry's key points on the reforms to the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). AEP approached the Commonwealth reform process as an opportunity to modernise an approvals system widely recognised as complex, slow and no longer fit for purpose. The Samuel Review identified the need for clearer environmental rules, reduced legal uncertainty and more efficient decision-making. These objectives remain important to Queensland, where timely investment in new gas supply underpins energy security, employment, regional communities and government revenue.

The reform package can deliver real improvements. Clear National Environmental Standards, a clearer framework of rulings and guidance, and a more systematic approach to environmental information all have the potential to reduce legal uncertainty and improve consistency in decision-making. AEP supports that direction.

The *Environment Protection Reform Bill 2025* passed Federal Parliament on 28 November 2025, following negotiations to secure its passage. Two changes are particularly consequential for Queensland:

- the removal of water trigger accreditation, preserving overlapping Commonwealth and Queensland assessment of large coal and unconventional gas projects; and
- the exclusion of petroleum and coal projects, including exploration, from streamlined assessment pathways, national interest proposal status and priority treatment within bioregional plan development zones.

Neither change was based on environmental risk, as recommended by the Samuel Review, or supported by any assessment of its economic or regulatory effect. Together they create a two-speed approvals system in which one class of project faces longer timeframes and greater uncertainty irrespective of its individual environmental risk. AEP considers that distinction material to the Commission's terms of reference on regulatory burden and implementation risk.

AEP identifies following areas for the Commission's consideration:

1. **Continued duplication under the water trigger.** The Samuel Review found that that "*the current construct of the 'water trigger' is inconsistent with the Commonwealth's agreed role in environmental and water resources management.*" and recommended it be confined to cross-border resources and applied to all actions rather than selected industries. That recommendation remains unimplemented. The trigger was instead expanded in 2023 to all unconventional gas.

   The retention of a sector-specific Commonwealth water trigger duplicates Queensland's established groundwater framework. The Office of Groundwater Impact Assessment (OGIA) undertakes regional groundwater modelling, monitoring and cumulative impact assessment. Commonwealth reassessment commonly relies on substantially the same evidence without adding materially to environmental outcomes. The Samuel Review recommended narrowing the trigger to matters involving cross-border impacts. The reforms instead preserve a duplicative process that increases approval time and cost. Having a sector-specific water trigger is a procedurally unsound and inconsistent with genuine environmental risk management.

2. **The role of the Independent Expert Scientific Committee.** The EPBC Act continues to require advice from the Independent Expert Scientific Committee on Unconventional Gas Development and Large Coal Mining Development. While independent scientific input can be valuable, industry experience is that the current process often repeats reviews of existing groundwater data and modelling already considered by Queensland regulators. This adds time and cost without necessarily improving the evidence base or changing regulatory outcomes.

3. **Exclusion of gas projects from strategic and streamlined approvals**. As already noted above, the exclusion of gas projects from strategic approaches and streamlined pathways creates an explicit regulatory disadvantage for one class of development. The Act should reflect the scale and nature of environmental risk, not a project's industry classification.

4. **Uncertainty created by the unacceptable impacts test**. The reforms introduce a category of unacceptable impacts for which approval cannot be granted and which neither conditions nor offsets can resolve. The Act contains 37 matter-specific criteria, none are yet tested against real-world examples. Interpreted broadly the test could replace constructive management with an absolute approval barrier across prospective development areas. Professor Samuel has argued the Standards must be granular and avoid discretionary or judgemental terms, because vague drafting invites inconsistent decisions, uncertainty and legal challenge. The detailed criteria should sit in the Standards, drafted with precision and supported by clear guidance, rather than in broadly worded statutory tests.

We note the reforms remain incomplete. Much of the above we have provided to the Federal Government as they draft and consider National Environmental Standards, subordinate instruments and implementation guidance. We continue to engage constructively as this work progresses.

Well-designed streamlining should allow regulators to concentrate on material environmental risks while giving proponents sufficient certainty to support investment, employment, regional supply chains, domestic energy security and exports. The reforms, in their current form, risk adding new complexity for Queensland projects while preserving many of the deficiencies they were intended to address.

Thank you again for the opportunity to make a submission on the EPBC reforms on Queensland industry. I would be happy to expand on any of the issues in this brief submission. I can be contacted on [redacted] or on [redacted]

Your sincerely,

[redacted]

Keld Knudsen
General Manager – States & Territories, and Director – Queensland