

**From:** [REDACTED]  
**To:** [NSW Productivity Feedback](#)  
**Subject:** Re: Submission regarding to the Review of the IPC from the Sydney Mining Club  
**Date:** Tuesday, 12 November 2019 4:16:55 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[Abolish the IPC before it destroys the NSW Mining industry 1200 words.pdf](#)

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Dear Sir/Madam

I asked previously for the below email to be attached to the front of my submission. Please add the following comment before it, forming a third part. I apologise for the inconvenience but additional information has just come to hand.

Please add this blue section:

In further conversation with industry and SMC Members, I have gathered there is a strong reluctance on the part of coal industry players to be forthright and give direct statements of their genuine thoughts. Having read the submission I have filed with you after we published it to our members, they have reported to us their reluctance is because they have current interests in the mining sector and they fear they may become subject to 'bureaucratic retribution'.

This confirms an expectation we had previously here at the SMC, and the reason we took time and a lot of inputs to prepare it. Time is a big killer for investment. It is incomprehensible to any party seeking to invest capital in the hundreds of millions in a project that such extensive approval delays, due largely to ineffective, inefficient or reluctant approval agencies, are commercially justifiable. By that they mean that the period between investment and first return are so prolonged that investment is far better placed in an alternative jurisdiction where approval periods are shorter. Accordingly delaying an approval for, in the case of Kepco's Bylong Project by 8-9 years, is tantamount to refusing it. It is not unusual for our members saying to us that they have a fear of 'pay back' for being vocal or pushy with the approval authorities. If the situation is as we say it is here, then in interpreting the industry voice in submissions, there will certainly be a skewing in the views you gather from them as they act to limit further risk of delay.

Thank you for including.

[REDACTED]  
Chairman  
Sydney Mining Club  
[www.sydneyminingclub.org](http://www.sydneyminingclub.org)  
Tel: [REDACTED]

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**From:** [REDACTED]  
**Date:** Friday, 8 November 2019 at 11:45 am  
**To:** <ProductivityFeedback@treasury.nsw.gov.au>  
**Subject:** Submission regarding to the Review of the IPC from the Sydney Mining Club

signature\_927234807



Dear Sir/Madam

This cover note forms part of the Sydney Mining Club submission which you will find attached to this email. For your information the attached has been released more broadly and reported on in the media. I represent the thoughts of many of our 2,500 members with whom I am in touch fairly continuously. I am not saying I represent them all, but I can say I represent a very firm proportion of them.

It is not OK for the Macquarie Street to keep damaging business. The world has watched a litany of costly coal project fiascos in NSW, too long to expand on here, and in all of these Macquarie Street, the place of the NSW Parliament, was very largely their cause.

Business is not a 'sector'. Business is the economy. from your fridge to the ports, all of it. What is a 'sector' is the 'public sector' which includes politicians and public servants who draw from the public purse. Government is an overhead cost carried by the productive, and it is doubly wrong for it to be both a cost to the economy and a destroyer of it, whether it be through asset destruction, such as in Kepco's Bylong case, or through the destruction of our national reputation. Kepco is owned 51% by the people of S Korea, an ally, friend and major trading partner of Australia.

The creation the Independent Planning Commission (IPC) was done by the whim of Parliament, not by referendum or plebiscite. It is now, finally, patently clear that the creation of the IPC is an error on the part of a Parliament perhaps more interested in its own processes than in the wellbeing of the people's economy. It is a clearly a failed experiment. There is no way to fix the IPC. As I highlight in the attached submission, even if you cleared out the Chair and Members of the IPC you would only be installing a fresh bias, and a fresh opportunity for its penetration by activists unwilling, or at least under no obligation, to recognise the policies of State and Nation.

Creating Commissions to 'keep government honest' is dishonest. It is the role of every politician to honest and faithful to those they represent, and to keep the responsibility for important decisions such as the much anticipated Bylong Project in the hands of the people, and their servants.

Governments seem to get lost in the self-importance and the desire to keep printing legislation. Right now, commentators are wondering why the Australian economy is not firing. A big reason is the amount of red tape flowing in ever increasing quantities from the three levels of government. Nationally, beyond the limits of the imperatives of good governance, we waste an estimated \$176 billion in what that particular study judged as Red Tape. Surrounded by bureaucrats, we sense that politicians don't see the real cost of wasted lives, lost optimism, hideous cost, business failure and broken

relationships that flow from the wastage of Red Tape.

Never will the NSW Government have a better opportunity to rid NSW major project builders of Red Tape than through the abolishing of the IPC that we now call for, on behalf of our industry, where nearly every project is of state significant size, and easily triggers the time wastage and perils of an IPC determination.

It is not lost on industry leaders that the NSW Government itself can evade its self-made menace, the IPC, by declaring its own projects as exempt under special conditions for state infrastructure. You could be forgiven for thinking this is quite underhanded, and again smacks of a lack of integrity in the State's administration. Abolishing the IPC would have the effect of levelling that playing field. An impact is an impact whether government or business generated, surely.

The actions of government reflect on the honesty and integrity of all Australians, and it is not the liberty of government to damage the reputation of we the people, through actions that do not uphold our true character.

May the losing of a \$750m investment in NSW by the people of South Korea, at the hand of an ill-founded Commission, be the turning point in our State returning to a path of clean and trustworthy dealing.

Beyond the direct project losses mentioned, the iceberg of invisible loss is the optimism and trust that stop our own business people from bothering to try, and foreign business people from coming here, and from trusting us with their money.

I cannot imagine NSW will ever have a better opportunity to cut Red Tape, restore some confidence, and to send a clear message to all of those in the NSW Parliament in Macquarie Street that the public demand for integrity and trust is inescapable, and should never be delegated, an external body. For these and the more detailed reasons in the attached submission, undemocratic bias and almighty power can no longer shelter behind the word 'Independent'.

Yours sincerely

[REDACTED]

Chairman

Sydney Mining Club

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# Dump the IPC before it Destroys the NSW Mining Sector

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Statement by [REDACTED] Chairman, Sydney Mining Club  
7<sup>th</sup> November 2019

1230 words

If the New South Wales mining project approvals system isn't corrupt, it might as well be. The State Government's approvals watchdog is no longer accountable to the people it was put there to serve, and it hasn't been for some time. It's high time for this watchdog to take its final trip to the vet.

Since the Liberal Party's creation of the newly re-jigged NSW Independent Planning Commission (IPC) in March 2018 things have been going haywire when it comes to delivering major projects in harmony with the will of government, industry and community. A series of recent horror decisions has clearly flagged to the world the IPC's political and anti-mining colours. It has become a bureaucratic activist saying, in effect, saying there will never be a new coal mine in NSW.

The word 'Independent' in its name no longer carries the meaning of 'impartial' but rather the more worrying meaning of 'untouchable', independent beyond its supposed master, the NSW Government.

Beyond its direct economic impact the IPC represents yet another asphyxiating layer of red tape on top of a list of government agencies quite capable of doing the very same job?

It is time for the IPC to be dumped entirely.

In its most recent decision knifing of the proposed new Bylong coal mine proposal near Mudgee, the IPC countermanded the will of 14 government departments and agencies that had done their work and had already given the green light. The loser, 51% Korean Government-owned Kepco limited has seen its \$750m investment wiped off the map, essentially on an IPC policy whim.

The IPC, which sounds, and now also acts, much like the IPCC (International Panel for Climate Change), uses 37 part-time 'Members' to make its decisions with 'at least two' of the Chair's choosing being put onto any one project determination at a time.

Reading the profiles of these Members in the 2018 Annual Report, they seem to be quite conflicted starting with the Chair herself, Mary O'Kane, being the former Chair of the Australian Centre for Renewable Energy. Her enthusiasm for coal would presumably be right up there with the cane toad's love for fast moving trucks.

How are these 37 found and appointed? The website says appointed by the Minister for Planning, being the Hon Rob Stokes MP. He also decides who will chair.

Stokes is not just Minister but holds a degree in planning, and now has the IPC as his planning albatross. The IPC has declared the Bylong coal project dead because of 'Scope 3 emissions' in South Korea where its product would have been used. Shockingly, the IPC dropped the blade only after nine years of hope, planning and \$750m in expenditure. It could have told Kepco it was wasting its time at the start. The coal was always going to South Korea and be burnt.

The idea that NSW might in banning the project somehow be an example for the world is naive beyond belief, and speaks to the IPC's narrow mindset. China has 202 new coal-fired power stations planned or under construction, and as a role model Australia looks the perfect goose. Nonsensically our uranium policy is in perfect reverse - not OK to use as a fuel domestically, but fine to use in countries we sell it to. Who's the clever country? Australia is nobody's role model, least of all South Korea's.

Korea will simply shop elsewhere for coal, and the people of the Mudgee-Kandos district will pay the main economic price, as will NSW for being a big slice less trustworthy for the investor.

Looking at the narrow spectrum of bureaucratic types who are the IPC Members, it is easy to see how any desired result could be swung with a judicious selection of who is selected for a particular determination.

They nearly all have been public servants and academics, one has built a large consulting firm (no doubt feeding on red tape), one ran the mines department, and another was a director of a couple of unknown resources companies. There is no sign that any has started a business nor appreciates business risk (a source of which they are now themselves). The one Member who has operated a coal mine, was not chosen for the Bylong determination. A bit too pro-coal?

They are no doubt wonderful experts but who are they to make decisions of state importance? In tabloid language, these are bureaucratic 'fat cats' with a largely government mindset. In the words of US economist and social theorist George Sowell, 'It is hard to imagine a more stupid or more dangerous way of making decisions than by putting those decisions in the hands of people who pay no price for being wrong.' Meet the IPC.

It plays life and death with companies, communities and investors and their latest clanger with Kepco now has them in line for a serious shake up with a major review announced by the NSW Government. If it is serious, there will never be a better moment to abolish this unelected band of runaway destroyers of NSW mining, who 'do good' it seems to impress each other, and those who object.

Minister Stokes and Premier Berejiklian should resume the right of elected officials to make decisions. History tells us richly that we must never let any administration or government escape the account of the people. And yet that is precisely what has happened with the IPC, experts who decide instead of advising.

So much power vested in the hands a few poorly known experts - why? The effect of the decision parallels the effect of actual corruption - Kepco will never see its \$750m again, lured into investing and then cut down by the unaccountable.

Irony many NSW politicians see the IPC as a shield from the accusation of corruption, the hand grenade of choice in NSW politics. Nobody in the electorate can blame us for unpopular decision nor accuse us of favouring a friend if we don't make the decision, they correctly reason. Why make a courageous decision when it risks putting me in jail and/or ruining my career?

Tinkering or reappointing can't fix the IPC. The Berejiklian Government should use the Kepco system failure to totally abolish the IPC and send out a simple message: that politicians are straight; government agencies are effective; and that the people deserve the benefits and revenue flowing from state-building projects. The IPC has had many other bad calls, and is dreadfully slow. It is red tape personified.

The Members of the IPC would easily qualify under the current political definition of an 'elite', recruited from the same warm pool. Independent? Maybe you just cross your fingers under the table?

The structure of this agency is, literally, not fool proof. It is wide open to the lack of independence it so professes to avoid. Its decisions depend on the selection of the people who exercise its great power, and which are selected for each project. It is wide open to zealotry, as we have seen with Bylong.

The concept of being 'Independent', meaning unbiased, is fanciful. Politicians have a duty to lead, and to listen. And if they get it wrong, are biased or self-serving, we have the democratic machinery to replace them. Ask Bill Shorten. There is no room for all-powerful bodies beyond the reach of the people.

Experts should advise, and politicians decide, to end the IPC.

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 Chairman  
of the Sydney Mining Club

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