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Fixing Australia's broken environment laws hold key to productivity, ex-treasury head says

July 15, 2025

– Categories: Politics & Government



Sweeping reforms to Australia's environmental laws could significantly reduce government spending and boost economic productivity, according to Ken Henry, chair of the Australian Climate and Biodiversity Foundation (ACBF). He argues that overhauling the Environment Protection and Biodiversity Conservation (EPBC) Act is essential to resolve inefficiencies that are holding back national growth.

Australia's sluggish productivity, among the lowest in the developed world, has prompted calls for bold reform. Speaking at the National Press Club in Canberra, Henry, a former Treasury Secretary, said the EPBC Act hampers development while failing to deliver meaningful environmental outcomes. "Reforming our broken environmental laws is an obvious lever to enhance resilience and lift moribund productivity growth," he told the audience. He said streamlined regulation could reduce bureaucratic costs and fast-track projects across housing, infrastructure, and energy sectors.

Henry also warned that without modernisation of environmental approvals, the Albanese government's net-zero emissions target and housing construction goals will be nearly impossible to achieve. His remarks have added pressure on the government to act on long-delayed reform, particularly as criticism grows over perceived inaction and regulatory stagnation.

Environment Minister Murray Watt has committed to establishing a federal Environment Protection Authority (EPA) as part of the Nature Positive Plan. However, progress has been slow. Henry's call echoes concerns from business and conservation leaders, who argue that Australia's current laws are both environmentally ineffective and economically harmful. Sectors such as mining, renewable energy and construction often face delays of more than two years due to environmental approval bottlenecks.

Henry proposed a framework that protects biodiversity while reducing unnecessary red tape. "Reforms provide an opportunity to dramatically cut the cost to government," he said, urging alignment between

environmental and economic priorities. He also said a more consistent national system could better support both nature and growth.

Critics of the government's handling of environmental policy argue that the current approach risks embedding inefficiencies in the name of protection, without measurable outcomes. With pressure mounting to address housing affordability and climate action, Henry's speech has reignited debate over how environmental law reform could unlock both economic and ecological gains.