



CHAMBER OF COMMERCE AND INDUSTRY
WESTERN AUSTRALIA

16 October 2007

Chemicals and Plastics Regulation Study
Productivity Commission
LB2 Collins Street East
MELBOURNE VIC 8003

Dear Sir / Madam

CHEMICALS AND PLASTICS REGULATION

The Chamber of Commerce and Industry Western Australia (CCI) is the leading business association in Western Australia. It is the second largest organisation of its kind in Australia with a membership of over 5,000 organisations in all sectors including manufacturing, resources, agriculture, transport, communications, retailing, hospitality, building and construction, community services and finance.

CCI welcomes the opportunity to make this submission to the Productivity Commission in relation to the issues paper Chemicals and Plastics Regulation.

Discussion

In recent times, the rate of global scientific and technological development has increased exponentially. Unfortunately, it would seem that a by-product of this process has been the proliferation of information gathering processes and regulation to match the plethora of materials being generated. With regards to what could be called the “wider family” of chemicals (industrial, pharmaceutical, agricultural to mention a few) there appears to have been an ad-hoc process towards information gathering and regulation within discrete family sections with little thought given to the wider relationships and interactions that exist between all the individual family members.

Currently, there is a wide range of State, Federal and, for those whose company activities extend across global boundaries, International regulations and requirements for reporting. This range is expanding at an ever increasing rate. At present, it is possible for larger companies to address the increasing demand arising from regulation, licensing fees and reporting needs as they have financial resources and dedicated teams to address these requirements. Unfortunately, this poses a significant problem for Small to Medium

Enterprises (SME's) where they may not have the financial, technical/legal expertise, or workforce to keep abreast of the increasing burden of reporting requirements or legislative and regulatory changes. Imposition of fees, or fee increases upon SME's can also impose financial duress. Furthermore, if the situation remains unchecked, even large companies will begin to suffer strain as more time and resources are taken up in addressing these non core activities.

One of the greatest impediments to Australia efficiently maintaining the health and dynamism of its chemical and plastic industries is the existence of multiple regulatory authorities. This existing system, which can at best be described as duplicative, often gives rise to inequalities between businesses across State borders, and adds to business processes and costs where businesses operate in multiple States. A current project being coordinated through the Office of Development Approvals Coordination (ODAC) in WA is already examining existing overlap and duplication between both State and Commonwealth legislation. It is highly likely that the ODAC process will also identify duplication within jurisdictions themselves. Removal of duplicative processes is one means to lighten the burden on industry and streamline processes across jurisdictions. An example where a system has worked across jurisdictions is the Australian Dangerous Goods (ADG) Code for transport of dangerous goods where the States and the Commonwealth worked together collaboratively to develop a national model for Regulation.

In order to keep abreast of industry progress, regulators are legislating in order to address the concerns of the wider community. Unfortunately, it is becoming increasingly more common that less time is being allowed for industry, business and the community to review proposed legislative changes and provide duly considered response. In making allowances for stakeholder participation response times, consideration should be given with respect to the stakeholder groups involved in the decision making process along with the size, scope and impact to industry and the community of the development or review being undertaken. Failure to allow due consideration and review will ultimately result in the development or propagation of inefficiencies.

Further consequences of increases in and changes to legislation are that

- little time is being allocated to training business and industry in understanding the systems being implemented,
- there is little or no explanation as to what or why changes have occurred, and
- there is little or no assistance in assisting stakeholders comply with new or amended legislation or regulations.

Possible solutions to address these concerns would be to provide a summary of changes with explanatory details or hold workshops to inform and assist stakeholders. One organisation that has been able to achieve this on an ongoing basis is the National Pollution Inventory through its user education program. The revised ADG Code (7th Edition) for the transport of dangerous goods is also an example of how information can be made available to the community through the use fact sheets summarising the changes, notification of the date of effect of the changes, and release of the revised code well in advance of the changes coming into effect.

A possible means to reduce duplication of processes is the adoption of a single chemical database. This database, maintained at the national level, would include all chemical information (technical, safety, ecological), regardless of the ultimate use of the chemical, be it agricultural, industrial or medicinal. If banks are able to achieve secure databases on a global basis, and considering the number of possible accounts, then a similar system should be achievable for a chemical database. This could then be modified appropriately to accommodate or link in with an international information system (such as the Globally Harmonised System that is gaining worldwide acceptance).

CCI considers that the key reform to arise from the Productivity Commission is to develop a national approach to chemical and plastics regulation. This can be achieved through the streamlining and/or amalgamation of Federal and State legislation so as to reduce process duplication and achieve national consistency and/or uniformity. Through the introduction of efficient and effective systems, stakeholders will be able to achieve better outcomes and compliance whilst, along with government agencies, gaining the added benefit of having achieved these outcomes at less cost.

Whilst it is recognised that there needs to be an ongoing approach to improving industry performance, it must also be recognised that changes must be coordinated in such a way so as to streamline these changes and ensure that they are implemented in the most efficient manner with the least burden on industry as possible. How this regulatory framework should be achieved is an issue that must be dealt with at the COAG level and be given sufficient impetus to drive the outcome firmly through all levels of government in a timely manner.

CCI's Senior Advisor Industry Policy, Mr Warren Barbetti would be pleased to provide further detail on this submission. Mr Barbetti can be contacted on (08) 9365 7720 or email warren.barbetti@cciwa.com.

Yours sincerely,

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