

# Premier

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Mr P Belin  
Assistant Commissioner  
Productivity Commission  
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20 MAY 2008

Dear Mr Belin

I refer to your circular dated 20 March 2008 inviting written submissions in response to the Productivity Commission's Draft Report on Chemicals and Plastics Regulation and attach the Tasmanian Government's response to the recommendations.

The Government strongly supports the Commission's observations regarding the potential benefits of improved national consistency in the regulation of chemicals and plastics. Where appropriate, a nationally consistent approach will enhance the efficiency and effectiveness of the regulatory frameworks.

Thank you for the opportunity to comment on the Draft Report.

Yours sincerely

Paul Lennon  
Premier

# **TASMANIAN GOVERNMENT RESPONSE TO THE DRAFT REPORT ON CHEMICALS AND PLASTICS REGULATION**

**May 2008**

General Comments:

The Tasmanian Government strongly supports the Commission's observations regarding the potential benefits of improved national consistency in the regulation of chemicals and plastics. Where appropriate, a nationally consistent approach will enhance efficiency and the effectiveness of the regulatory frameworks and would therefore be supported.

The Government primarily supports the views of the Productivity Commission that it is best practice to separate the hazard and risk assessment functions for the control of chemicals from the responsibilities for policy and risk management standard setting (see comments under Recommendation 5.1). The Government also supports the observation of the Productivity Commission that consolidation of common aspects of chemical assessment could deliver additional economies of scale and scope, improve consistency in assessment methodology and outcomes and facilitate a more efficient national approach to adopting international developments in hazard and risk assessment methodology as well as international knowledge.

However, the preferred institutional arrangements outlined at Table 1 on page XXXII and, in particular, the proposed arrangements for Hazard and Risk Assessment for Chemicals of Security Concern do not appear to be consistent with the best practice model outlined by the Productivity Commission. The proposed arrangements combine both the hazard/risk assessment functions with the policy setting responsibilities of the Attorney General's Department and create an additional 'authority' charged with assessing a component of the risks associated with chemical use in Australia. The Commission may wish to consider clarifying this apparent inconsistency in the final report.

### **3. National policy formulation and system governance**

*Draft Recommendation 3.1*

The Tasmania Government does not have any concerns with the establishment of a Standing Committee on Chemicals under the Australian Health Ministers' Conference (AHMC).

### **4. National hazard and risk assessment**

*Draft Recommendations 4.1 and 4.2*

There would appear to be some inconsistency between recommendations 4.1 and 4.2. On the one hand, it is proposed that the role of the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) should be limited to scientific assessments. On the other hand, its assessments are to be subject to cost benefit analysis (CBA). There is merit in ensuring that assessments that are likely to result in significant costs across the community should be subject to a CBA. It should be clear, however, that the complexity and required investment in a CBA reflects the likely impact of potential control measures and that long and complex CBAs should not be required for 'light touch' controls.