

**Productivity Commission**  
**SUBMISSION COVER SHEET**  
(not for publication)

**Chemicals and plastics regulation**

|  |    |   |
|--|----|---|
| <b>Please complete and submit this form with your submission to:</b>   |    |   |
| Chemical and plastics regulation<br>Productivity Commission<br>Locked Bag 2, Collins St. East, Melbourne<br>VIC 8003 Australia | OR | By facsimile (fax) to:<br>Vicki Russell (03) 9653 2305<br><br><b>By email:</b> chemicalsandplastics@pc.gov.au |

|                                      |  |                            |                |
|--------------------------------------|--|----------------------------|----------------|
| <b>Individual/<br/>Organisation:</b> | Royal Australian Chemical Institute Inc. |                            |                |
| <b>Street address:</b>               | 1/21 Vale Street                         |                            |                |
| <b>Suburb/City:</b>                  | North Melbourne                          | <b>State &amp; P'code:</b> | Vic 3051       |
| <b>Postal address:</b>               | As above                                 |                            |                |
| <b>Suburb/City:</b>                  |  | <b>State &amp; P'code:</b> |                |
| <b>Principal contact:</b>            | Professor Ian D. Rae                     |                            |                |
| <b>Position:</b>                     | President                                | <b>Phone:</b>              | (03) 9397 3794 |
| <b>Fax:</b>                          | (03) 9397 3794                           | <b>Mobile:</b>             |                |
| <b>Email address:</b>                | iandrae@bigpond.com                      |                            |                |

|   |  |
|---|--|
| <b><i>Please indicate if your submission:</i></b> |  |
| <input checked="" type="checkbox"/>               | contains NO confidential material  |
| <input type="checkbox"/>                          | contains SOME confidential material (provided under separate cover and clearly marked) |
| <input type="checkbox"/>                          | is provided totally 'IN CONFIDENCE'  |

## Submission by the Royal Australian Chemical Institute Inc

The Royal Australian Chemical Institute Inc. (RACI) supports the recommendations in the Draft Research Report of the Productivity Commission on Chemicals and Plastic s Regulation.

The RACI has approximately 6000 members working in industry, research organisations, education institutions and government agencies, across the widest possible field of chemistry and chemical applications. We are aware of the inconsistencies in Australia's patchwork of regulation of chemicals and plastics, and we welcome the progress towards national and jurisdictional consistency that is a strong feature of the Productivity Commission Draft Research Report.

In the early 1990s the States and Territories handed over some of their 'chemical' powers to four newly-created Commonwealth agencies. These were the National Registration Authority (NRA) for Agricultural and Veterinary Chemicals (now the Australian Pesticides and Veterinary Medicines Authority, APVMA), the National Industrial Chemical Notification and Assessment Scheme (NICNAS), the Therapeutic Goods Authority (TGA) and Food Science Australia New Zealand (FSANZ). Action at Commonwealth level was restricted to assessment, registration or listing, and recommendations for use and management of chemicals that fall under these four headings. The control of use and the responsibility for ensuring compliance remains with the states and territories, and inconsistency is rife. The differences in regulations in the various jurisdictions can make life difficult, and anecdotally at least, can be costly for a business operating in more than one state or territory. This problem has also been brought to the attention of the Chemicals and Plastics Action Agenda, the National Reform Agenda, and the Office of Regulation Review.

At present, some degree of national consistency is achieved through decision-making by ministerial councils, the classic Australian response to the continuing legislative and regulatory power of the states and territories. However, inter-agency differences are less amenable to such oversight and the proposed creation of some new mechanisms is welcomed. It is commonly believed that considerations of States rights would militate against the transfer of remaining 'chemical' powers to the Commonwealth. However, the truth revealed in off-the-record conversations with state bureaucrats is that they would be only too happy to be relieved of the cost of such measures and that, accordingly, it is the Commonwealth that holds back.

Thus, there is widespread support for further harmonisation through national action, as recommended in the Draft Research Report.

Although the Productivity Commission examined the work of each of the four Commonwealth agencies, the Draft Research Report is, quite correctly, not limited to these but is framed under different headings – public health, workplace and transport safety, environment protection, and national security. The Commission finds that “current institutional and regulatory arrangements are broadly *effective* in managing the risks to health and safety, but are less effective in managing risks to the environment and national security.” We would agree with that assessment.

It is noted that a parallel review of Security Chemicals is being undertaken by the Council of Australian Governments (COAG).

Ian D. Rae  
President 2006-2008  
Royal Australian Chemical Institute Inc.