



CHAMBER OF COMMERCE AND INDUSTRY
WESTERN AUSTRALIA

9 May 2008

Chemicals and Plastics Study
Productivity Commission
Locked Bag 2
Collins Street East
MELBOURNE VIC 8003

Dear Sir / Madam

CHEMICALS AND PLASTICS REGULATION - DRAFT RESEARCH REPORT

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 5,200 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 Draft Research Report on Chemicals and Plastics Regulation (Draft Report).

Discussion

As a result of ongoing consumer demand the widespread use of chemicals and plastics in Australia has progressively increased. Consequently, there has been an increase in regulation to manage risk across manufacture, import, storage, use, transport, and disposal of these materials. CCI supports the Productivity Commission's effort to improve regulatory efficiency and provide a framework for nationally consistent governance.

In this respect, CCI strongly supports the Productivity Commission's proposal to implement a four tiered approach for the national governance framework where:

- Level 1 - Policy development and oversight is provided by ministerial councils supported by intergovernmental agreements and coordinated through a standing committee on chemicals.
- Level 2 - Hazard and risk assessment is an Australian government function with assessments being undertaken by independent agency of experts.
- Level 3 - Risk management standards are set by expert national bodies
- Level 4 - Administration and enforcement is undertaken by State and Territory governments.

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CCI strongly supports the proposal for federal governance arrangements via ministerial councils supported by intergovernmental agreements to ensure the delivery of a nationally consistent approach to chemicals and plastics regulation.

CCI acknowledges the need to coordinate chemicals policy across the different ministerial councils and supports the creation of a standing committee to achieve this, although we are concerned to ensure that protocols are put in place to ensure efficiency and effectiveness of regulatory processes are monitored and that sufficient resources are provided to achieve these outcomes.

CCI also seeks to ensure that the framework is designed to be able to address emerging technologies as they arise. We believe that failure to achieve this outcome may result in the return to the fragmented and inconsistent regimes which currently exist.

Whilst CCI believes the need for national regulatory consistency is paramount, scope to accommodate jurisdictional variations may be required although where variation occurs it should not adversely impact on the community. CCI supports the Commission's recommendation for "all jurisdictions to ensure their ongoing commitment to national coordination".

CCI supports the proposal for hazard and risk assessment being undertaken at the national level by independent technical experts with the express purpose to provide recommendations to other agencies for regulation development.

CCI also supports that the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) should continue to assess chemicals released from articles and make recommendations to the relevant regulators.

The Draft Report noted that both Food Standards Australia New Zealand (FSANZ) and the Australian Pesticides and Veterinary Medicines Authority (APVMA) regulate for Maximum Residue Limits (MRL's) of agvet chemicals found in foods.

Having regard for the fact that FSANZ has never rejected a submission from the APVMA pertaining to MRL's, CCI supports the Productivity Commission's recommendation that MRL's should be set by APVMA and that they be automatically incorporated into the Food Standards Code. This undertaking will remove the duplication of processes and inconsistencies arising from time delays in realigning regulatory requirements.

CCI further supports the Draft Report's recommendation to make greater use of existing international hazard and risk review programs, use of modelling techniques and the consolidation of common assessments to increase the timeliness of assessment of existing and new chemicals for use in Australia.

CCI supports the creation of independent national bodies for the development and setting of risk management standards so that they can be implemented across jurisdictions. However, this should not jeopardise the effectiveness of systems that are currently in

operation (eg Australian Dangerous Goods Code as developed by the National Transport Commission).

CCI agrees with the Draft Report recommendation for combining dangerous goods and workplace hazardous substances regulations and that it should be based on the Globally Harmonised System of Classification and Labelling of Chemicals. We strongly recommend however that this should not be undertaken before the system has been adopted by Australia's major trading partners.

CCI believes that stakeholder input is an essential component for effective standards and regulation development. We strongly recommend therefore that there should be provision for multi jurisdictional, industry and public consultation for standards and regulatory development and review.

We believe that administration and enforcement of nationally consistent protocols must be undertaken by State agencies. On this basis CCI strongly urges respective jurisdictions to embrace the national reform agenda to limit inefficient and costly practices.

CCI concludes that the key reform measure that has arisen from the Productivity Commission is the development of a national approach to Chemical and Plastics regulation. It is essential therefore that national regulation conform to best practice design which should include:

- the minimum regulation necessary
- not be unduly prescriptive
- be accessible, transparent and accountable
- be integrated and consistent with other laws
- be communicated effectively
- minimise the compliance burden imposed on industry
- be enforceable

We maintain that it is critical for the national reform agenda to be fully supported by government, industry and the public to ensure success.

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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