Received by email from:

New Zealand Chemical Industry Council

13/6/03

Subject: NZ Chemical Industry

Hi Sharon

The Productivity Council may find the following information about the global chemical industry, New Zealand's chemical industry, and the Harmonisation of chemical issues, helpful in the preparation of your study.

If there is any aspect I have overlooked, please don't hesitate to ask.

Kind Regards

Barry S Dyer

The International Council of Chemical Associations (ICCA) is the world wide voice of the chemical industry, representing chemical manufacturers and suppliers in 51 countries. It accounts for more than 90% of worldwide chemical supply operations with annual sales exceeding US$1.7 trillion.

Almost 30% of production is traded internationally. The ICCA promotes and co-ordinates the Responsible Care(tm) voluntary initiative to successfully manage safety, health and environmental (SH&E) protection.

ICCA Members are grouped in geographical regions comprising North, Central and South America; Europe; Asia; South Africa and Australasia. We meet twice a year to determine policies, strategies and initiatives to address issues affecting the industry, including trade policy, the elimination of chemical weapons, the diversion of chemicals into the manufacture of illegal drugs, and capacity building in developing countries.

The ICCA has consultative status at the UNEP, ILO, WTO, WHO, IMO and FAO.

ICCA Members are committed to implementing the UN Global Harmonisation System for the Classification and Labelling of Chemicals (GHS) by 2006.

Australasian Representation

Australia and New Zealand play an active role in the ICCA as Members of the ICCA Board.

The Australian representative is the Plastics and Chemicals Industries Association (PACIA) Inc, based in Melbourne (CEO Martin Jones, ph 3 9429 0670). PACIA represents Australia's largest manufacturing sector, with a turnover of A$22 billion and employing more than 77,000 people. PACIA's Canberra Office is Ashley von Krieken, ph 02 8230 6985.

The New Zealand Chemical Industry Council represents an industry sector with very few world-scale manufacturing facilities. NZCIC Members mainly mix and blend imported materials to produce products. Industry rationalisation is closing less efficient local manufacturing operations and transferring production to larger Australian facilities. The local industry employs 7,000 people, exports products worth approximately NZ$2 billion, and imports approximately NZ$3 billion of products, predominantly to and from Australia.

Global Harmonisation System

New Zealand is the first country (that we know of) to fully implement chemical control legislation which incorporates the requirements of the GHS. It is not a pilot study - the

new Hazardous Substance (including chemicals) Control System is enshrined in legislation and will be progressively implemented during the next 5+ years!

The cornerstone legislation is the Hazardous Substances and New Organisms Act (HSNO) 1996, supported by 13 x Hazardous Substances (HS) Regulations 2001, and subsequent amendments to relevant Workplace Safety, Environmental and Transport Regulations. The HS Regulations are comprehensive and detailed, reflecting International Performance Criteria (where available) and our best interpretation/extrapolation where there is very little scientific data available, e.g. Ecotoxic Criteria. The Regulations cover:

*Minimum degrees of Hazard (2001/112)

*Packaging (2001/118)

*Classification (2001/113)

*Disposal (2001/119)

*Forms and Information (2001/114)

*Tracking (2001/120)

*Exempt Laboratories (2001/115)

*Fireworks (2001/121)

*Classes 1 to 5 (2001/116)

*Personnel Qualifications (2001/122)

*Classes 6, 8 and 9 (2001/117)

*Emergency Management (2001/123)

*Identification (2001/124)

The national performance standards required to demonstrate compliance will be explained in a series of Approved Codes of Practice developed by Industry and Approved by the Governing Authority for HSNO, the Environmental Risk Management Authority (ERMA New Zealand). We have identified about 15 Codes which will provide the necessary basic detail required by everyone, and there may be some Industry Sector-specific Codes required later, e.g. the Safe Handling of Isocyanates.

The NZCIC is developing almost all of the core Codes. The first three Codes will meet the requirements of the HS (Identification) Regulations 2001/124. These Codes (Signage, SDS, and Labelling) have taken considerable time and effort to develop because they impact on hundreds of related workplace safety and transport regulations.

The first, "Signage", is currently awaiting Approval by ERMA NZ and we expect to launch it with some fanfare (being the first) in July.

The second Code, "Safety Data Sheets" (SDS) will go to ERMA shortly.

The third Code, "Labelling" (reflecting the OECD system) is well advanced and the draft will be released for public comment in July.

As a global trading nation, we have tried hard to avoid creating "Orphan" requirements. The HS Codes are all based on existing International Standards, e.g. the UN Model Regulations for the Transport of Dangerous Goods on Land, IATA, UN Packaging Standards, etc.

The new GHS based Regulations will require employees handling particularly hazardous substances, e.g. DG Classes 1-9, to be formally qualified. The NZCIC is developing the training requirements for these Approved Handlers and we are co-operating with ERMA NZ to help identify and assess the qualifications of the Test Certifiers who will inspect and Certify bulk storage containers, i.e. bulk tanks, IBCs etc and other equipment, as well as probably helping to assess the competency of the Approved Handlers. The NZCIC is also helping to train Enforcement Officers.

In August 2003 the Class 1:Explosives Category of Dangerous Goods will be transferred into the new HSNO Control regime, however a major milestone will be July 2004, when all remaining DG Classes 2-9 will be transferred. This will be preceded by an extensive public awareness campaign, plus the training of sufficient Test Certifiers, and the first of thousands of Approved Handlers during the next five years. This of course will require

the necessary Approved reference material (Approved Codes) and training modules relevant to every Industry Sector, e.g. Drivers, Electroplaters, Counter Staff in retail stores, Drycleaners, etc. A massive task!

There are, however, some mitigating factors. The first and probably most important is that New Zealand has one (Federal) jurisdiction, where Regulations once approved, apply to everybody. Hence, no wrangling with States about adopting common performance standards!

Second, the majority of material is International Best Practice therefore we don't have to justify it where New Zealand is a party to the relevant international convention, e.g. Basel Convention on Hazardous Waste, UN Transport Regulations, etc.

Third, the government accepts that since we import most of our Consumer products, we cannot expect suppliers to go to inordinate lengths to provide data the rest of the world does not yet need. Therefore, we will require the provision of certain information, e.g. Ecotox data only when the data is available in the country of Manufacture. For example, there is no point in NZ demanding Ecotox data for an Agrichemical marketed worldwide, when the research to confirm the product will not harm the Little Spotted Kiwi has not been done by a manufacturer who is sending only 0.001% of his product to NZ.

However, GHS puts major manufacturers and suppliers on notice the data will be required eventually, so they should start working on it.

We have offered to share our experiences and information with the global Responsible Care(tm) Community.

Here are a couple of websites offering more detailed information about New Zealand's new chemical control legislation:

1. <http://www.mfe.govt.nz/about/laws/hsnoact>

www.mfe.govt.nz/about/laws/hsnoact

(the Act and Regulations)

2. www.ermanz.govt.nz <http://www.ermanz.govt.nz/>

(the Procedures associated with implementing the HS Regulations and the Product Approval process).

TMRA

It is New Zealand's intention to offer appropriate Approved Codes of Practice for acceptance under the Trans Tasman Mutual Recognition Arrangement. The first will be the SIGNAGE, SAFETY DATA SHEETS, and LABELLING codes, which reflect international requirements together with Best Practice which are common to both New Zealand and Australia.

Mutual recognition of these and subsequent Approved Codes of Practice will, because of their universal nature, be applicable to Manufacturers and Suppliers on both sides of the Tasman, thereby facilitating trade and minimising business compliance costs.