Australia-New Zealand Business Council Inc.

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8 August 2003

Mr Tony Hinton,
Commissioner,
Productivity Commission,
PO Box 80,
Belconnen, ACT 2616,
AUSTRALIA

Dear Mr Hinton,

REVIEW OF THE TRANS TASMAN MUTUAL RECOGNITION ARRANGEMENT

Thank you for your letter of 3 July and for the opportunity to comment on the Commission's preliminary findings in its review of the MRA and the TTMRA. Our comments are confined to the TTMRA.

Your letter and the attached extracts from your Draft Report were circulated to the members of the New Zealand arm of the Australia New Zealand Business Council.

Two of our members, Business New Zealand and the New Zealand Chambers of Commerce have advised that they have made submissions to you direct. We would support their comments and requests.

As a general response to your Draft Report, we agree with your conclusion that the TTMRA has made a contribution to reducing compliance costs and integrating the Australian and New Zealand economies.

With our Australian colleagues, from whom you have also received a submission, we have for some time been advocating that the Australian and New Zealand governments should set the achievement of a truly borderless market as their objective under CER. The TTMRA, by reducing unnecessary regulatory intervention and associated costs, supports that objective.

We urge the retention of the arrangement and support your view that it could be made more effective and more efficient.

Particular issues which we regard as requiring attention are:

- The Imported Food Control Act 1992 – we have never seen the need for this legislation to apply to imports into Australia of New Zealand food. We agree

with your conclusion and urge its removal from the list of permanent exemptions from the application of the TTMRA; (Preliminary Finding 7.13)

- We agree that TTMRA exemptions should be defined as narrowly as possible, to avoid such exemptions inappropriately negating the arrangement's effect and benefit; (Preliminary Finding 8.1)
- We support your finding that consultations should take place when either country is developing new standards, to avoid unnecessary new difficulties for producers in meeting the requirements of the single A/NZ market; (Preliminary Finding 8.2)
- Similarly, we support your recommendation regarding consultation with New Zealand over inner labelling of packaging; (Preliminary Finding 8.3)
- We note your finding with regard to the harmonisation of classifications of chemicals (Preliminary Finding 8.6) and also the associated findings (8.4 and 8.5). While we agree that a solution probably lies in the development of the GHS, we urge that in the meantime, appropriate efforts be made to reduce the extent of exemptions from the TTMRA. We support your Preliminary Finding 8.8, that a joint Australia and New Zealand review be undertaken to maximise the potential of the GHS to eliminate unnecessary compliance costs; develop options for coordinating policy between jurisdictions and options for streamlining classification and approval processes and aligning documentation requirements. These moves would help reduce compliance costs.
- We note your recommendations regarding therapeutic goods. We hope the proposed joint therapeutics agency will help overcome some of the current difficulties. We support your Preliminary Finding 8.11;
- We support your Preliminary Finding 8.14 regarding a focus on reducing or eliminating the difficulties New Zealand manufacturers experience in having the conformance of their products assessed for the Australian market.
- You have referred to the need for duplicate conformity assessment being necessary to meet the requirements of the two markets, e.g. gas appliances. There may be other similar situations. We fail to see why such duplication, with attendant costs, should be necessary and urge the removal of such a need, wherever it occurs.
- Your draft report also identifies some instances where the mobility of people is impeded. We would like the two governments to review such cases with a view to removing unnecessary impediments.

In summary, we agree with your conclusion that the TTMRA has contributed to reducing compliance costs and should be continued, with some improvements.

Thank you once again for the opportunity to comment on your preliminary findings.

Yours sincerely,

John Jenner
Director