Plastics and Chemicals Industries Association

Regulation Taskforce

(Reducing the Regulatory Burden on Industry)

Submission by the Plastics and Chemicals Industries Association

Introduction

PACIA is the peak national body for the Australian and chemicals and plastics (C&P) industry sectors. It represents 260 members across all sectors of the chemicals and plastics supply chain, including manufacturers, processors, importers, distributors and transport and storage operators.

Chemicals and plastics producers had a combined turnover of $31 billion in 2000-01, and directly employed more than 81,000 Australians. They represent more than 10 percent of all national manufacturing output and employment.

The C&P industries are typically trade exposed sectors, with annual exports of about $A3.4 billion and imports of more than $A9 billion. These industries are widely represented in all developed and most developing countries. Australia, as a comparatively small and isolated market, is not immune from world influences on supply, demand and prices, but for most sectors there is limited opportunity to exploit world markets because of the scale of Australian production and transport costs.

In the small, open and competitive market of Australia, regulatory requirements can and do have important implications for the competitiveness and sustainability of domestic activity. Regulation is a critical element of meeting community expectations and it is imperative that the processes for regulation and the regulatory impacts are consistent with efficient production and distribution as well as community expectations.

Regulatory Reform

The nature of the chemicals industry and its products is such that there are specific regulatory requirements, and regulation is both more comprehensive and more complex than for many other industrial sectors and products. The fact that many products are dangerous if not handled and used correctly – and that these dangers may not be obvious, or might take many years to be realised – does give rise to particular risks, and may often mean the regulatory or co-regulatory approach is preferred to self regulatory, educational or other approaches to effectively managing these risks.

In 1999, the Australian Government initiated a Chemicals and Plastics Action Agenda and in 2002 the Minister for Industry, Tourism and Resources appointed the Chemicals and Plastics Leadership Group (CPLG) to develop a final report to government. That report was delivered in August 2004 and identified regulatory reform as one of the industry's four priorities. The industry is disappointed that the Government has not yet responded to the action agenda final report. During 2005, the Business Council of Australia, the Australian Chamber of Commerce and Industry and other industry interests have identified the regulatory burden as an issue of vital concern to industry, and in announcing this Taskforce on reducing the regulatory burden, the Prime Minister referred to "...a growing chorus of concern...about the regulatory burden".

Concerns about approaches to regulatory action, and the burden it imposes, are not new. The Council of Australian Governments (COAG) document 'Principles and Guidelines for National Standard Setting and Regulatory Action by Ministerial Councils and Standard-Setting Bodies' was first released more than 10 years ago, and revised in 2004. The Office of Regulation Review (ORR) document 'A Guide to Regulation' was first produced in 1997. These documents seek to identify best practice, process and standards for regulation. Notwithstanding ongoing concern about regulation practice, the principles espoused in these documents have been widely supported and endorsed.

Against this background, PACIA welcomes this review of regulation as a means of emphasising the need for regulation to be introduced and maintained on the basis of sound principles, and of identifying and addressing areas where regulation is unnecessarily burdensome and/or complex. PACIA also endorses the government's intention to introduce an annual review process and identify a red tape reduction agenda.

Regulatory Impact on the Chemicals and Plastics sectors

This submission will focus on regulation which has a direct relevance to, and impact on, the chemicals and plastics industries.

Manufacturers and importers, wholesalers, distributors and retailers of chemicals and plastics products do, of course, experience difficulties and costs associated with regulation that affect business generally, and manufacturing activity specifically. This regulation is associated with taxation, competition policy, company requirements, employment, intellectual property, etc. PACIA has read other submissions – including those from the Business Council of Australia and the Australian Chamber of Commerce and Industry – and generally agrees with concerns about the need for an approach to regulation that ensures that regulations are imposed, and maintained, only where market and society behaviour is not delivering desired outcomes, and where less intrusive approaches are not effective in delivering these outcomes. It is not intended that this submission deal in detail with these broader policy and strategic issues that have been adequately addressed in other submissions, and in the COAG and ORR documents referred to above.

PACIA was, however, disappointed to note in the Productivity Commission's report 'Regulation and its Review 2004–05', released on 31 October 2005, that compliance of Australian Government departments and agencies with the Regulation Impact Statement (RIS) requirements in 2004–05 was lower than in some previous years (80%, compared with 92% in 2003–04 and 81% in 2002–03). Of the 19 Australian Government departments and agencies that were required to prepare RISs in 2004–05, only 10 were fully compliant.

Adherence to the RIS process can and must be improved. Regulators need to better integrate the preparation of RIS into the policy development process, increasing their commitment to consultation with stakeholders and undertaking more robust analysis of policy options.

This submission will address the following regulatory issues that are of specific concern to these sectors -

- Co-regulation: Responsible Care® and Plascare™ are voluntary industry initiatives which complement the legislative framework of the chemicals and plastics sectors, and form an integral part of PACIA's support for these sectors;

- The cost, complexity and timeliness of industry specific regulatory requirements; and

- Globalisation: increasingly, the approach to chemicals management is a global issue, and there is an imperative for consistency and uniformity of regulation, and cross-jurisdictional acceptance of testing and certification procedures.

Voluntary Industry Initiatives

The Responsible Care and Plascare programs have as their objective the elimination of activities and incidents which have the potential to harm people and the environment. They cover all elements of production in chemicals and plastics plants, and participation in these programs is an obligation of PACIA membership. The Responsible Care program has been developed in international industry sector fora and has been widely implemented in major industrialised countries. Plascare has been developed by PACIA to perform a similar role within the plastics fabrication sector.

The internationally-acknowledged Responsible Care program requires signatory companies to adhere to Codes of Practice in relation to community awareness (right to know), process safety, employee health and safety, environmental protection, storage and transport safety and product stewardship. Participants commit to internal assessment and external audit of compliance with the codes. Guiding principles also include industry collaboration on best practice and expertise, and cooperation with government on regulation in the reporting of hazards.

The PACIA Carrier Accreditation Scheme (PCAS) complements Responsible Care by ensuring that drivers and handlers with accredited carriers have appropriate training in safety systems and physical hazard inspection.

In PACIA's view, Responsible Care, Plascare and PCAS provide comprehensive and effective co-regulatory regimes for the plastics and chemicals sectors which ensure the efficacy and safety of the processes involved and products produced. As a voluntary industry initiative,, they promote an awareness of community safety and environmental responsibility, and enable members to apply the principles and codes of practice to complex and diverse ranges of operations and products. While it is required that PACIA members adhere to the disciplines of these programs, the inherent risk of any voluntary program – that higher risk elements can opt out – is an issue that might only be addressed through additional co-regulatory measures.

Industry Specific Regulatory Requirements – Chemicals & Plastics

The C&P sectors have growing concerns about rising regulatory complexity and compliance burdens. In 1998, Environment Australia released a report that identified 144 separate pieces of Commonwealth, State and Territory legislation for the management of chemicals for the environment, public and workplace health and safety. The situation has generally worsened since that report. The May 2003 report to the Environment Protection and Heritage Council from the National Taskforce on Chemical Regulation and Management again highlighted the complex maze of chemicals regulations.

As mentioned, regulatory reform within the chemicals and plastics sector was a major recommendation of the CPLG Action Agenda. The industry's Action Agenda Steering Group reported to Government in March 2001, and following the Government's response in November 2002 and the appointment by the Minister of the CPLG, the final report was submitted to government in August, 2004. Ten of the 26 recommendations to Government in the initial report related to regulation. These recommendations, and the supplementary recommendations in the final report (shown in *italics*), are as follows:

1. Regulatory approaches to be brought into line with the 1997 COAG principles and guidelines.

   Future regulatory reform action focus on developing a program to systematically review regulations impacting on the chemicals and plastics industry

   There be further expansion of the COAG principles to cover any remaining regulatory standards established by Standards Australia

2. Mechanisms be put in place to ensure that all agencies regulating the chemicals and plastics industry comply with the 1997 COAG principles and that annual compliance audits be conducted.

   Compliance with the COAG principles should be matched by compliance with principles of good governance and administration such as those promoted in the Australian National Audit Office's 'Public Sector Governance Better Practice Guide

3. Carry out a review of the APVMA[a], TGA[b] and NICNAS[c], comparing their approaches to consultative/control mechanisms to identify a common efficient structure.

   The Productivity Commission be commissioned to undertake a review of the operations of the APVMA, the TGA and NICNAS to identify opportunities for efficiency improvements, productivity targets in the adoption of best practice.

   A Productivity Commission cost recovery compliance review of the Department of Agriculture, Fisheries and Forestry (APVMA's host agency)

---

[a] Australian Pesticides and Veterinary Medicines Agency
[b] Therapeutic Goods Administration
[c] National Industrial Chemicals Notification and Assessment Scheme

be brought forward and rolled into a broader review of TGA and NICNAS operations commencing in 2005.

CPLG to work with the Government in the short-term to define the inquiry's terms of reference.

4. Relevant regulatory bodies be required to alter their assessment processes to ensure:
    i) recognition of data from overseas sources that test to accepted international standards;
    ii) recognition of chemical approvals from approved countries including substances 'grandfathered' in those countries; and
    iii) consistency with international definitions and/or classifications.

    All agencies continue to investigate opportunities for introducing low regulatory concern reforms as well as enhancing the reforms currently in place

    The National Occupational Health and Safety Commission consult industry on policy development, implementation plans and timetables for Globally Harmonised System [of hazard classification and labelling] forward industrial chemicals and NPDSC in consultation with industry, consider ramifications of classification and labelling of GHS for domestic and agricultural/veterinary products.

5. The development of a National Chemicals Policy. That policy to include a nationally consistent mutual commitment to:
    i) environmental quality
    ii) workplace and consumer health and safety
    iii) an internationally competitive chemicals industry
    iv) consumer education.

6. Regulatory agencies that use cost recovery be subject to enforceable productivity targets.

7. Appropriate monitoring arrangements should be put in place to measure agencies' productivity against targets.

8. The Government should fund the public good aspects of regulatory agencies activities.

9. Regulatory assessments should be open to alternative service providers.

    The relevant Parliamentary Secretaries oversighting the activities of the TGA, NICNAS and APVMA initiate discussion with industry on this important part of the Chemicals and Plastics Action Agenda recommendations

10. Greenhouse gas emissions -
    i) involve industries from the inception through to implementation phase of greenhouse gas abatement policies and strategies that impact on industry
    ii) negotiate the implementation of the Kyoto Protocol flexibility mechanisms so that they operate in an efficient and transparent manner

iii) only implement a mandatory domestic emissions trading scheme if the Kyoto Protocol is ratified by Australian and enters into force, and there is an established emissions trading scheme

iv) avoid greenhouse gas abatement policies and measures that would distort investment decisions between particular projects in locations.

The Government has not responded to the CPLG's Final Report.

The compelling theme of these recommendations is that the C&P sectors strongly endorse the COAG principles and guidelines, and seek a comprehensive review of practices and procedures adopted by agencies primarily responsible for regulation of these sectors in order that their approach and the regulations introduced are in accord with these principles and guidelines. These sectors consider that it is appropriate that the Productivity Commission conduct this review of regulation governing the C&P industries in Australia.

This year the Government announced the proposed development of a joint therapeutics medicines agency between the TGA and Medsafe New Zealand. As part of this decision the schedules of controlled medicines and chemicals were separated. At the same time, a national competition review (chaired by Ms Rhonda Galbally) was released; this review had examined legislation and regulation imposing controls over access to, and supply of, drugs, poisons and controlled substances proposals,. The review, commissioned by Federal, State and Territory governments in 1999, recommended separate scheduling. The separation of scheduling of medicines and chemicals provides an excellent opportunity to reform the current system.

The C&P sectors are regulated at the national level by many different agencies – including the Department of Foreign Affairs and Trade, Customs, Department of Environment and Heritage, Department of Transport and Regional Services and the Office of Chemical Safety, as well as NICNAS, the APVMA and TGA. Many companies are required to obtain approvals and permits from many of these agencies. The duplication, complexity and cost represent a very significant burden to the industry. (This is further compounded by the requirements of state and local government regulation and the regulatory inconsistencies across those jurisdictions.)

PACIA and other industry interests, including ACCORD[d], have been arguing for a considerable period for an integrated control framework for chemicals. From PACIA's perspective, it is disappointing that key decisions in relation to regulatory controls take a considerable time – the delayed response to the Action Agenda and to the above 'Galbally' review are examples. At the same time, new regulations continue to be introduced, with little regard for the need – clearly identified by industry – for a more systematic, consistent and structured approach to regulation.

Recent industry experience in relation to three important areas of government responsibility – security, major hazard facilities and illicit drug precursors – has highlighted the significant difficulties in achieving a consistent, effective and workable regulatory regime, even where the desired outcomes of such a regime are agreed. These three case studies are set out below.

[d] Advocate for the Consumer, Cosmetic, Hygiene and Specialty Products industry

Case Study 1 – Security Regulation of Hazardous Materials

Background

In December, 2002, following the (first) Bali bombing, COAG directed that a Review of Hazardous Materials legislation be undertaken to determine whether the existing legislative framework is adequate in the face of the changed security threat environment in Australia. On 25 June 2004, the Council agreed a set of 'Principles for the Regulation of Ammonium Nitrate', which covers the regulation of import, supply, manufacture, storage, transport, export, use and disposal of Security-Sensitive Ammonium Nitrate (SSAN) – including three policy aims, namely:

- A nationally-consistent, effective and integrated approach to control access to SSAN to those with legitimate need
- To ensure accountability at all stages of the ammonium nitrate supply chain, in order to address security and safety concerns
- To establish a framework for control which may be applicable for other materials of security concern

All States and Territories committed to work to implement regulations by 1 November 2004, and to conclude a transitional period by 1 July 2005.

The status at November 2005 in each State/Territory is summarized below:

- The Queensland Government declared SSAN to be an authorised explosive under the Explosives Act 1999, from 1 November 2004. The declaration notes that these 'explosives' will normally be classified as class 5.1 or class 9 dangerous goods, although other chemicals (eg calcium ammonium nitrate) will not be classified as dangerous goods. Queensland is following a very different process to other States/Territories for carrying out ASIO and federal police checks. This process involves the employer (rather than the regulator) receiving the confidential feedback from the background check, and making the decision regarding the security clearance of individuals to have unsupervised access to SSAN. This approach would appear to be very vulnerable to HR issues and its inconsistency is a major concern.

- The Northern Territory Government declared the substances specified by COAG to be dangerous goods; and classified each of those substances to be a security sensitive substance known as Security Sensitive Ammonium Nitrate in October 2004.

- The Victorian Government amended the Dangerous Goods Act in October 2004, and made the Dangerous Goods (High Consequence Dangerous Goods) Regulations in August 2005 setting out the details for a licensing regime and security requirements for high consequence dangerous goods.

- The NSW Government made new Explosives Regulations covering SSAN from 1 September 2005, to be law from 1 January 2006.

- The draft South Australian Regulations covering SSAN - Explosives (Security Sensitive Substances) Regulations 2005 - were released for public comment until 26 August 2005, and no regulations have yet been declared. Contrary to the approach of other States/Territories, South Australia proposes that licences for transporting SSAN which are issued in other States/Territories will not be valid in South Australia. In addition, SA will require an import licence when bringing SSAN in from another State/Territory (as distinct from another country).

- The Tasmanian Dangerous Substances Act received assent on 11 July 2005. It introduces a permit system for individuals intending to buy, sell, manufacture, store or use security-sensitive dangerous substances (defined as 'restricted activities' in the Act). Security-sensitive dangerous substances are those considered a threat to state security or public safety and are listed in Schedule 1 of the Act. Only ammonium nitrate is currently listed. The Security Sensitive Dangerous Substances Act will not be proclaimed until regulations are made, and there has been no date announced in relation to regulations.

- In Western Australia, SSAN is to be regulated under new Explosives Regulations. These are still being drafted and, to date, no public comment has been sought.

<u>Issues of Concern to PACIA:</u>

Delays in introducing priority security legislation –
- Only two states (Q'ld and NT) met the 1 November 2004 deadline set by COAG.
- All other States then worked to a revised 1 July 2005 target for making regulations – none achieved that revised target

Classification /descriptions of 'SSAN' differ, and do not satisfy all of the COAG Principles for the Regulation of Ammonium Nitrate -
- Victoria is regulating under the Dangerous Goods Act as a Class 5.1 DG - 'High Consequence Dangerous Goods'.
- Queensland and NT declared SSAN to be an 'explosive'.
- New South Wales developed new Explosive Regulations which cover SSAN as an 'explosive precursor'.
- Tasmania has an Act covering 'Security Sensitive Dangerous Substances'.

States/Territories are dealing with background checking of employees with access to SSAN differently –
- role of regulator differs, disclosure rules differ, outcomes may differ
- Queensland is following a very different process to other states for carrying out ASIO and federal police checks.

Costs and durations of licences will differ.

Mutual recognition of transport licences:
- South Australia, alone, has indicated it will <u>not</u> mutually recognise transport licences issued in other States/Territories. Vehicles which are legally transporting SSAN in Victoria may be delayed for up to a week prior to entering South Australia unless the Consignor has obtained a State Explosive Importers license and notified seven days in advance. Such delays would be intolerable for SSAN which is delivered on a 'just in time' basis.
- SA also is the only state which requires an import licence when bringing SSAN in from another State/Territory (PACIA does wonder about the Constitutional implications of this requirement)

Lack of Consultation with stakeholders:

- No national tripartite consultative development process has been in place to assist in delivering consistent workable outcomes.
- This has been an inefficient process for all stakeholders.

PACIA strongly supports the three policy aims of the COAG Principles. Those aims have not been achieved in this case.

Case Study 2 - The 1996 National Occupational Health and Safety Commission (NOHSC) Major Hazard Facilities (MHF) National Standard

In 1996, after some five years of development by a tripartite NOHSC committee involving a Regulatory Impact Statement and formal public comment processes, NOHSC declared the National Standard for Control of MHF 1996.

Delays in adoption

Nine years after the National Standard was declared, only two jurisdictions, Victoria and Queensland, have adopted the 1996 NOHSC standard into regulations; in two others, NSW and WA, legislation is currently being drafted.

At the time of the Longford (Victoria) incident in September 1998, when two people were killed, eight seriously injured and Victoria lost gas supply for almost two weeks, neither Victoria nor any of the jurisdictions had moved to adopt the 1996 national MHF standard in legislation, although Western Australia had adopted it administratively. The Longford Royal Commission Report in June 1999 recommended that the Victorian Government implement Safety Case legislation of the style set out in the 1996 NOHSC National Standard.

Inconsistency in adoption

Specific differences exist between the MHF Regulations in Victoria and Queensland. These differences are as fundamental as the definition of what is an MHF and the scope of the regulations – whether the safety case must deal with health and safety issues alone, or whether it must also address environmental or land use planning issues. The Victorian regulations are much more prescriptive and onerous than either the National Standard or the Queensland regulations.

MHF legislation is administered by a range of different lead agencies – WorkCover in Victoria, Emergency Services in Queensland, etc. These differences result in some differences in focus in implementation.

Inefficiencies and costs

Notwithstanding the comprehensive NOHSC processes, States have initiated further tripartite development processes at the jurisdictional level – often taking years for each jurisdiction.

With an MHF standard implemented in only two jurisdictions, (and then inconsistently), industry in those two States has a competitive disadvantage with respect to their interstate competitors and counterparts. Workers and the public continue to be denied the levels of protection the MHF National Standard requires.

PACIA considers the lack of action in relation to MHFs is a major deficiency in a vital regulatory requirement, and indicative of the inefficiencies and costs of an apparent inability to achieve consistent, efficient and uniform standards to enable industry to operate nationally.

Case Study 3 – Regulation of Illicit Drug Precursors

PACIA and Science Industry Australia (SIA), in conjunction with law enforcement agencies, first developed the Code of Practice for Supply Diversion into Illicit Drug Manufacture in 1995, and have worked closely with law enforcers since that time to update the code regularly.

Notwithstanding this Code of Practice, current State/Territory provisions in relation to chemical precursors to illicit drugs are different, and inconsistent, in terms of which precursors are covered in each State.

As an example, Western Australia recently enacted the Misuse of Drugs Amendment Act and Regulations. There was no formal RIS nor consultation processes, and the Schedule in the regulation is not consistent with the Categories of precursors in the National PACIA/SIA Code of Practice which was developed in consultation with law enforcement agencies. There are obligations imposed that are unable to be complied with by industry, and are a substantial and inappropriate compliance burden.

(for example, the shift of ammonia gas cylinders and iodine from category 2 to category 1 creates major difficulties and costs for industry in that State, and nationally).

PACIA was very disappointed at the recent refusal by the NSW Attorney General's Department to consult with the affected industry on proposed new legislation covering drug precursors in that State.

PACIA considers that illicit drugs is an obvious example of an area where there is a Federal benefit in the development of a national standard covering the prevention of diversion of precursor chemicals and apparatus, in full compliance with the COAG Principles and Guidelines. The Ministerial Council on Drug Strategy could then commit to uniformly adopting this legislation in all jurisdictions, consistent with its objective to 'promote a consistent and coordinated national approach to policy development and implementation in relation to all drugs issues'.

Global Regulatory Considerations

Regulation of chemicals provides an important service to users by providing relevant information about the features and benefits of chemical products, as well as identifying safe handling and use procedures and potential risks. For many products, the production of this information involves extensive research, testing and analysis, often involving substantial cost and requiring considerable time.

As a general proposition, both developed and developing economies recognise the benefits of product regulation, and seek similar safety standards. There are important benefits from international consistency of regulation standards, and of mutual recognition and acceptance of data, and tests and standards. Australia has acceded to several important international conventions on chemical substances, such as those relating to the depletion of the ozone layer and persistent organic pollutants.

Internationally, considerable work has been done on chemicals safety standards. The Globally Harmonised System of Classifying and Labelling Chemicals (GHS) sets out:

- Criteria for the identification of the intrinsic hazards of chemicals
- Classification processes that use the available data on chemicals and compare it with defined hazard criteria
- Tools for hazard communication - on labels and Safety Data Sheets (SDS).

GHS is voluntary, but governments across the world have committed to implement the new system; at the World Summit on Sustainable Development (WSSD) in 1992 governments committed to having the system fully operational by 2008.

The United Nations Environment Program (UNEP) and the WSSD have commenced the development of a 'strategic approach to international chemicals management' (or SIACM) with the objective of promoting sound policies to protect public health and environment from potential risks often associated with the production, use and/or disposal of chemicals.

From a PACIA perspective, there are important benefits and opportunities from these international efforts. It makes sound economic and regulatory sense to work towards uniform standards based on accepted principles and procedures. Given that Australia is a small player in the chemicals world (representing about one percent of global production), it is important that regulatory reform in Australia is aligned to the maximum extent possible with international standards, and that the opportunity is taken to draw on testing and research undertaken in other countries in relation to chemicals safety and use.

Conclusion

As the submission above demonstrates, responsible and safe use of chemicals and plastics, and their positive contribution to health, welfare and sustainable environment expectations, are primary concerns of the industry producing these products. The C&P sectors acknowledge their responsibility in this regard, including the safe use and disposal (or re-use) of product at the end of its effective/economic life. PACIA recognises that, because of their potential impact on health, safety, security and environment, it is appropriate that regulation address the inherent risks that chemicals and plastics represent. Soundly based laws benefit both producers and the community by ensuring that risks are identified and addressed.

PACIA considers that its Responsible Care and Plascare programs are excellent examples of voluntary industry based programs. Such programs should be recognised as part of an effective regulatory regime, complementing, and complemented by, government measures. A co-regulatory approach will often provide an effective and timely means to achieve desired outcomes, including – importantly – a constructive and supportive attitude from industry.

A final case study

In early November 2005, police arrested a number of people in Sydney and Melbourne following investigations into an alleged terrorist plot. A tip-off from a chemical supplier played an important part in the police investigation that led to the arrests.

The actions of the supplier were not based on a regulatory requirement relating to security sensitive chemicals - regulatory action in this regard currently applies to only a limited range of products (SSAN) and the Department of Prime Minister and Cabinet (National Security Division) has not yet progressed the development of the broader requirements on security sensitive chemicals, as directed by COAG in December 2002.

As part of the Responsible Care program, the chemical industry and police have jointly developed a national code of practice in the chemicals industry to detect and report attempts by terrorists to obtain chemicals used in planned terrorism acts (a similar code also applies to chemicals and equipment to make illegal drugs). PACIA regularly updates its Site and Supply Chain Security Guidance for its members.

The recent history of government regulation of the C&P sectors has exposed the need for a more cohesive and consistent approach, and the capacity for more timely response, if regulation is to deliver to the community the safety and environmental outcomes it seeks, and to do so in an efficient way which minimises the transaction and compliance burden on industry.

While many regulatory requirements fall within State responsibilities, the drivers for and desired outcomes of these regulations are often similar – indeed, in many cases they derive from an agreed position in relation to a risk that is national or global in its nature. The case studies outlined in this paper are examples of this. Yet notwithstanding the COAG principles, the experience has been that uniform regulation is difficult to achieve, and often takes a lengthy time to implement.

PACIA considers the COAG regulation principles and guidelines provide a sound framework; it is disappointing that they have not resolved these basic problems of consistency and timeliness of legislation in relation to regulations affecting the chemicals and plastics sectors.

PACIA has for several years supported a comprehensive review of chemicals regulation within the Federal sphere by the Productivity Commission. Concerns about the number of regulatory agencies, and the difficulties of achieving a consistent approach to regulation have been identified in the CPLG Action Agenda and in other contexts. A Productivity Commission investigation will provide a basis to critically review structures and practices in regulation, and identify opportunities for efficiency improvement, productivity improvement and sound cost recovery approaches.

In both Federal and State regulatory procedures, it is important that Australia take full advantage of the benefits of international efforts – both those of international forums, and the research, testing and certification work done in other countries. Apart from the obvious savings of time and effort that this can represent, it is important for industry competitiveness that standards are uniform to the greatest extent possible.

PACIA endorses fully the Government's announcement that it intends to introduce a new annual review process to examine the cumulative stock of Australian government regulation and identify an annual red tape reduction agenda. PACIA would welcome a similar approach by other jurisdictions.

Nevertheless, the primary concerns of the C&P sectors in relation to regulation relate to consistency, uniformity and timeliness of regulation, and to ensuring that regulatory measures are relevant to the risk and effective in dealing with it. Firm adherence to the COAG principles and guidelines by all regulatory agencies would, in PACIA's view, provide a basis for this concern to be addressed.

Plastics and Chemicals Industries Association
November 2005

Contact:
Michael Catchpole
Chief Executive
Plastics and Chemicals Industries Association
PO Box 211
Richmond VIC 3121
Tel: 03 9429 0670
Email: mcatchpole@pacia.org.au