



Advocate for the Consumer, Cosmetic,
Hygiene and Specialty Products Industry

Ms Lil Cullen
Regulation Review
Independent Pricing and Regulatory Tribunal
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Dear Ms Cullen

ACCORD is pleased to provide the following comments on the Draft Report into the *Investigation into the burden of regulation and improving regulatory efficiency – other industries* released in July 2006.

ACCORD supports the general thrust of the recommendations and commends the Independent Pricing and Regulatory Tribunal (IPART) on its well balanced report and recommendations. We provide the following comments in relation to specific issues raised in the Draft Report.

Addressing regulatory process issues to improve the efficiency of regulation in the future

The recommendations to establish a Better Regulation Office and strengthen the role of the Minister for Regulatory Reform are most welcome. These two initiatives if properly implemented and well supported by the NSW Government should go a long way in addressing many of the negative aspects of the regulatory process issues currently experienced by business in NSW. With the establishment of a whole-of-government policy on consultation, the NSW Government's framework for regulatory processes could serve as a best practice model for the other jurisdictions to follow.

ACCORD supports all the recommendations put forward by IPART to improve the regulatory efficiency of the NSW Government. We believe that IPART has listened to industry's concerns regarding the need for improvements in the regulation making process and that the package of proposed reforms, if implemented will deliver significant benefits in the longer term to the entire NSW community through lower costs. This in turn, will create a business operating environment which will stimulate growth, create better employment opportunities and foster enhanced competitiveness and innovation.

Reducing existing unnecessary regulatory burdens

With regard to the specific concerns raised by our sector, ACCORD is pleased with IPART's support for the NSW Government's participation in the chemicals and plastics reform efforts. In spite of a commitment by the Council of Australian Governments (COAG) and the Australian Government's response to the Banks Review, our sector has as yet to see anything tangible arising from its commitment to establish a ministerial taskforce to develop measures to achieve a streamlined and harmonised system of chemicals and plastics regulation.

We would recommend to IPART that it urges the NSW Government to press its COAG colleagues to progress this important work immediately. The Australian Government has agreed to commission an independent public study of the regulation for our sector. Unfortunately, this study is not expected to be undertaken until 2007.

Industry through the Chemicals and Plastics Leadership Group and review processes such as the one conducted by IPART has identified a range of reforms which could deliver a number of 'quick wins' for industry and government alike. This would maintain our confidence in the ability and commitment of COAG and the NSW Government to deliver real reforms to our sector. Such 'quick win' reforms could include immediate agreement by all jurisdictions to implement:

- the Galbally 7 recommendation for the separation of medicines and chemicals scheduling into two committees and that the chemicals' scheduling committee be placed in the Office of Chemical Safety within the Federal Department of Health and Ageing;
- the decisions of the National Drugs and Poisons Schedule Committee ((NDPSC) without variation; and
- reforms to the National Trade Measurement system which incorporates alternative compliance measures or deemed to comply provisions to accept the principle that where imported products already meet the regulatory requirements of Australia's comparable trading partners then no further Australian specific requirements should be applied.

On a final matter, ACCORD reiterates its recommendation regarding the treatment of security sensitive chemicals. The need for a national approach was highlighted recently by the failure of governments to introduce regulations for the control of ammonium nitrate. We note that *NSW has incorporated the national agreement into the new explosives legislation establishing a complete supply chain licensing regime for security sensitive substances, as well as explosive* (p130).

The NSW position highlights our earlier concerns that the controls for ammonium nitrate are not nationally uniform and have resulted in unnecessary costs to industry by the failure of all government's to implement the decision they reached in June 2004 regarding the control of this substance.

From industry's perspective it is important that a nationally uniform approach be adopted by all governments and that excessive costs arising from the implementation of any national scheme are not passed onto the chemicals industry. As this is a matter of significant national interest it is an area where industry would expect governments to contribute to the costs. We note that the Australian Government in its response to the Banks Review has agreed that the independent study into the chemicals and plastics sector will also look at this issue. However, it remains of concern to industry that piece meal approaches are not adopted by the jurisdictions and we urge IPART to recommend to the NSW Government that it works collaboratively with industry and COAG to ensure that a national system for the control of security sensitive chemicals is implemented with minimal cost and regulatory burden to industry.

Once again, ACCORD thanks IPART for the opportunity to comment on the Draft Report.

Yours sincerely

A handwritten signature in black ink that reads "Dusanka Sabic". The signature is written in a cursive, flowing style.

Dusanka Sabic
Regulatory Reform Strategist

22 August 2006