

Costs of dairy product manufacturing study
Productivity Commission
Locked Bag 2
Collins Street East
MELBOURNE VIC 8003

Email: dairy.manufacturing@pc.gov.au

Dear Madam/Sir

Accord is pleased to provide the following information to the Productivity Commission's (PC) Interim Report on the *Relative Costs of doing Business in Australia: Dairy Products Manufacturing* (June 2014).

We are responding to the PC's observations regarding best practice regulatory processes to ensure that unnecessary regulations are not introduced in the first place. Accord supports minimum effective regulation and believes that more needs to be done to support regulatory agencies and policy makers to adopt minimum effective regulation as synonymous with best practice regulation. This will require a significant cultural shift in Australia.

Nevertheless, Australian industry is hopeful, that with the current leadership and government focus on reducing red tape, significant progress will be made in this area.

In our earlier submission to the Study we provided advice regarding the overregulation of dairy sanitisers and sought the introduction of a more streamlined approach based on the New Zealand model of Group Standards. The Study sought information regarding lessons to be learned from the policy settings of other countries.

We provide this additional information regarding the New Zealand example. Group standards are approvals for a group of hazardous substances of a similar nature, type or use. A group standard sets out conditions that enable a group of hazardous substances to be managed safely. Most domestic and workplace chemicals (except for pesticides, veterinary medicines, timber treatment chemicals and vertebrate toxic agents) are approved under group standards. Information regarding group standards can be found on the New Zealand Environmental Protection Agency website at: <http://www.epa.govt.nz/hazardous-substances/approvals/group-standards/Pages/default.aspx>. The New Zealand system of chemicals management provides a low cost, pragmatic approach that Australian regulators and policy makers could learn from.

We also provide for the PC's information an example of a draft Group Standard which could be adopted by the APVMA for regulating dairy cleansers and sanitisers based on the New Zealand system. This is provided to the Study by way of example to demonstrate that Australian regulatory requirements could be managed within a more streamlined approach.

Accord looks forward to the next stage of the PC study. Should you have any questions in relation to Accord's submission please do not hesitate to contact me.

Yours sincerely

Authorised for electronic submission

Dusanka Sabic
Director, Regulatory Reform

11 July 2014