



The Hon Mark Butler MP
Parliamentary Secretary for Health

Dr Marion Healy
Director
National Industrial Chemicals Notification and Assessment Scheme
GPO Box 58
SYDNEY NSW 2001

Dear Dr Healy *Marion*

I acknowledge the importance of the work the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) is doing to protect the health and safety of the public and environment.

I am writing to outline what I am looking for from NICNAS in the future. I am pleased to provide you with my Statement of Expectations of the strategic directions for NICNAS.

In due course, I would appreciate your considered response and an indication, in a Statement of Intent, of how NICNAS proposes to meet the Government's expectations, based on appropriate, measurable and verifiable performance indicators.

Introduction

This Statement of Expectations formally outlines how NICNAS should operate to achieve its key objectives.

The object of the *Industrial Chemicals (Notification and Assessment) Act 1989* (the Act) is to provide a notification and assessment system for industrial chemicals introduced into Australia as well as setting national standards for cosmetics. The notification and assessment system aims to aid in the protection of the Australian people and the environment by assessing the risks to human health and the environment from the introduction or use of industrial chemicals, providing information and recommendations on the regulation of these chemicals, implementing Australia's obligations under relevant international agreements and collection of relevant statistical information.

NICNAS has a number of functions under the Act. These include the assessment of risks of industrial chemicals proposed for introduction into Australia as well as the assessment of those chemicals already on the national inventory (Australian Inventory of Chemical Substances) and therefore able to be used in Australia without further assessment. NICNAS also maintains the national inventory and the register of introducers of industrial chemicals, who are required to register with NICNAS.

I note that NICNAS operates under a full cost recovery arrangement, which should be implemented in accordance with the Act as well as the Australian Government Cost Recovery Guidelines.

Short and long term priorities

It is my expectation that NICNAS will continue to strive to achieve a responsive and effective industrial chemicals regulatory scheme so workers, the public and the environment are protected from the risks of industrial chemicals. In achieving this ongoing objective, I expect that, as well as undertaking the statutory functions, priority should be given to achieving the following:

- Contributing, as appropriate, to enhancing the chemicals and plastics regulatory framework through a more integrated and effective system;
- Ensuring that NICNAS is an effective regulator;
- Leveraging international linkages and developments;
- Encouraging introduction of safer chemicals;
- Consolidating community engagement by early engagement and stakeholder identification through a standard process; and
- Improving capacity building of NICNAS and stakeholders to engage effectively with the community.

During the 2009-10 year, I expect that a specific focus should be brought to the following key priority areas:

- ✓ • Assessments of hazards and risks of industrial chemicals to public health, occupational health and safety and the environment based on the best available scientific knowledge and evidence, completed within legislated timeframes;
- Promotion of a culture of industry compliance with legislative requirements;
- An active publication program, including Chemical Assessment Reports and associated information products, *Handbook for Notifiers*, NICNAS's electronic newsletter and the *Chemical Gazette*;
- Enhancing co-operative arrangements with state and territory agencies;
- Playing an influential role in international assessments, regulatory approaches, and methodologies for incorporation, as appropriate, into Australian industrial chemicals assessment and management systems. particularly by leading the development of a revised and focused work plan for the Organisation for Economic Co-operation and Development New Chemicals Clearing House and progressing the agreed work program on existing chemicals with the United States of America and Canada;
- ✓ • Progressing the screening and prioritisation recommendations for the Existing Chemicals Review program and development of a framework for prioritising the inventory for health and environmental risks;
- Developing a legislative package for regulation of hard surface disinfectants in collaboration with the Therapeutic Goods Administration;
- Reviewing, and amending as necessary, the requirements for industrial nanomaterials; and
- In consultation with stakeholder groups, progressing outstanding elements of cosmetic reforms.

I also expect that NICNAS will contribute, as appropriate through its technical and regulatory role, to several Government priority areas. These areas include:

- The deregulation agenda, including progressing the recommendations of the Productivity Commission research study on chemicals and plastics regulation, as agreed by the Council of Australian Governments, and implementation of best practice regulation requirements;
- Addressing the health, safety and environmental risks associated with the introduction of new technologies, particularly nanotechnology;
- Enhancing arrangements to ensure safe products are available for consumers; and
- Implementing arrangements for security sensitive chemicals as agreed by the Council of Australian Governments.

Legislative framework

I expect that NICNAS will operate in accordance with the following key pieces of legislation and any other relevant statutes:

- *Industrial Chemicals (Notification and Assessment) Act 1989*
- *Industrial Chemicals (Registration Charge – Customs) Act 1997*
- *Industrial Chemicals (Registration Charge – Excise) Act 1997*
- *Industrial Chemicals (Registration Charge – General) Act 1997*
- *Occupational Health and Safety Act 1991*
- *Occupational Health and Safety (Maritime Industry) Act 1993*
- *Occupational Health and Safety (Commonwealth Employment) Amended Act 2006*
- *Crimes Act 1914*
- *Criminal Code Act 1995*
- *Financial Management and Accountability Act 1997*
- *Financial Agreements Act 1994*
- *Public Service Act 1999*
- *Workplace Relations Act 1996.*

Role

The management of NICNAS is clearly vested in you as Director of NICNAS. Consequently, you will be responsible for administering the Act and for providing for the objects outlined in the Act.

However, in managing NICNAS, I expect that you will consult with NICNAS's two primary advisory committees under their existing terms of reference. The Industry Government Consultative Committee should be consulted on matters of resource utilisation, the efficiency and effectiveness of NICNAS's operations and compliance strategies. The Community Engagement Forum should be consulted on strategies to improve public access to health, safety and environmental information about industrial chemicals, stakeholder engagement policies and reform activities.

I expect that NICNAS will develop Corporate and Business Plans that set out its objectives and business strategies and which are approved by me as the responsible Parliamentary Secretary. I would like to see the Corporate and Business Plan continue to focus on activities that contribute to the efficient and effective operation of the Act and which will include a mission statement, a clear strategic direction informed by current and emerging domestic and international issues, corporate values, key goals and strategies that closely align with the objectives of the Act.

The *Industrial Chemicals (Notification and Assessment) Act 1989* requires you to prepare and submit a report, annually, on the operation of the Act. This report is to be submitted to me to meet the timetable for tabling in the Parliament.

Stakeholder relationship

I note that NICNAS and the Department of Health and Ageing (the department) operate within the same broad policy platform. The Secretary of the department plays an important role in providing me with policy advice in my oversight of portfolio agencies. To ensure that the Secretary and the department can undertake this advisory role, I expect that you will inform the Secretary (or the department) of relevant issues and information affecting the portfolio. It is also important that the agency and the department continue to foster a close working relationship based on the principles of open communication, no surprises and information sharing as per the ministerially-endorsed Relationship and Appointment Protocols which have been provided to all agencies.

Equally, it will be important to continue to develop and foster strong and purposeful working relationships with State and Territory governments as well as with industry and community interest groups.

In having regard to the interests of the government, I look forward to you providing me and the department with appropriate notice of key issues, reports and events that may impact on government operations or policies.

Compliance activities

I expect you to exercise prudence in your financial management of the NICNAS Special Account and in doing so that you comply with the *Financial Management and Accountability Act 1997*. As the Secretary of the department is ultimately accountable for the Special Account, I expect you to adhere to the financial management policies (ie. Chief Executive Instructions, Finance Business Rules, Financial Delegations) of the department.

Under the *Financial Management and Accountability Act 1997* (FMA Act), you must manage the affairs of the agency in a way that promotes efficient, effective and ethical use of resources. Under the Financial Management and Accountability (FMA) Regulations, officials are required to do this in a manner that is not inconsistent with the policies of the Commonwealth (for example, Commonwealth Procurement Guidelines). In this regard I note that the FMA Act has been amended to explicitly require Chief Executive Officer's to properly use Commonwealth resources in a way that is not inconsistent with Commonwealth policies.

Any breaches of the FMA Act, FMA Regulations, FMA Delegations, FMA Orders or financial management and other policies must be reported in NICNAS's input to the department's Certificate of Compliance.

The agency as an employer

NICNAS staff are employed by the department under the *Public Service Act 1999*. I expect you to lead NICNAS in a way that positions NICNAS as a preferred employer, a good place to work, family friendly and inclusive of our diverse community. NICNAS should set a high level of human resource standards consistent with departmental human resource policies and assist in ensuring that the government's workplace policies are effectively implemented. It will also be important to continue to build organisational and workforce capabilities to meet current and future demands and expectations within the overall framework of departmental policies.

Conclusion

In summary, to ensure that Australians continue to have confidence in the assessment of industrial chemicals, I expect NICNAS to continue to be a quality regulator, pursuing best practice in all aspects of its responsibilities, enhancing consultative arrangements in program development and delivery while always remaining cognisant of its operating environment both domestically and internationally. To that end, it would be my intention to review this *Statement of Expectations* on an annual basis.

As you are aware, this *Statement of Expectations* is not a ministerial direction, a conferral of functions, a term or condition of office, or a delegation of power under an Act.

I look forward to receiving the NICNAS *Statement of Intent* outlining how you propose to meet these expectations.

Yours sincerely



MARK BUTLER

15 SEP 2009