



18 December 2012

Approvals Review  
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Dear Review Team

### **Approvals Review**

The Plastics and Chemicals Industries Association (PACIA) is the peak national body representing the Australian Chemistry Industry. PACIA members include chemicals manufacturers, importers and distributors, logistics and supply chain partners, raw material suppliers, plastics fabricators and compounders, recyclers, and service providers to the sector.

PACIA appreciates the opportunity to make comment on the *Approvals review (draft report)*. Comments provided in this submission are not confidential.

As a general approach PACIA supports measures aimed at improving regulatory efficiency and effectiveness. In this regard the described EPA vision is supported:

- provide a streamlined, transparent, fair and predictable works approval and licensing system so businesses can operate whilst protecting the environment
- adopt efficient business systems to assess applications for approvals
- have a team of assessors with sound judgement, good communication skills and access to leading-edge technical knowledge who will work closely with industry and the community when assessing applications for approvals.

Many of the issues highlighted in the examples provided in the Review Document with regard to timeliness, lack of predictability, and frustration with processes are shared by the chemistry industry.

The reform principles are consistent with PACIA's approach to regulatory effectiveness and efficiency:

- Targeted and proportionate
- Streamlined and efficient
- Authoritative and effective at preventing environmental harm
- Transparent, consistent and accountable
- Inclusive and accessible

Notwithstanding, the challenge in any regulatory reform program is the implementation of systems and processes that are outcomes orientated and lead to tangible outcomes that achieve efficient and effective regulation. In this regard both industry and the regulator share common objectives – industry wants EPA Victoria to be a successful regulator that is respected by the regulated community and in turn has the confidence of the broader community.

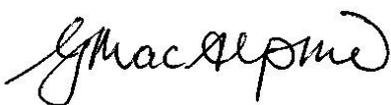
Comments from PACIA members have focused on the following:

- need to improve the timeliness and predictability of the process(es) to achieve approvals – this is a key issue and a measure of success of the reforms is seen to be a reduction in time from the initial engagement with EPA Victoria and the issue of the approval or exemption
- guidance and transparency needs to ensure that required information is identified upfront rather than new or different information requirements being introduced during the process(es). This is particularly important at the pre-application stage. As one PACIA respondent indicated, the key points to having the pre-application phase facilitate a more efficient process are:
  - Having an early meeting with EPA that is able to identify the key issues of a proposal. It is inefficient and frustrating to have significant new requirements introduced well into the process.
  - Having clear guidance material available that is pointed to at the initial meeting.
- Support for the VCEC recommendations; namely
  - refining the triggers for works approvals
  - exempting pre-approved standard technologies from the process
  - reducing the statutory timeframe for assessing works approval applications
  - public reporting of performance against statutory and target time limits
  - adopting a more strategic approach to assessing works approval applications,
  - offering improved guidance and advice to applicants
  - better integration with the environmental effects statement (EES) process
- In-principle support for the Better Practice Elements:
  - Variable and proportionate levels of assessment based on an appraisal by the regulator of the risk of a proposal
  - Integration with planning approvals processes, including at the application phase or through public consultation processes
  - Keeping licenses up to date with changing science, environmental conditions and community standards
  - Clear consideration in the assessment process of broad and longer-term environmental issues and principles, such as intergenerational equity, the precautionary principle, triple bottom line impacts, and indirect and cumulative impacts
  - Transparent procedures and templates that provide clarity around the application and assessment process for all stakeholders
  - External access to web-based systems and tracking, including online submissions, assessment reports, approvals, referrals, compliance reports and community comments
  - Flexible and accessible approach to community engagement
- Agreement with using risk based criteria for determining the level of assessment that is required for an approval.
- Identification that the requirement for demonstration of Best Practice also needs to consider risk criteria both current and foreseeable. For example a sensitive receptor in one region may require the installation of different technology compared to another that does not have the sensitive receptor. The focus should that regulatory requirements are met and the residual risk of the proposal is acceptable.
- Recommendations that best practice guidance material needs to be outcome focused with illustrative and practical examples. Recognition that proposals that can meet these outcomes would be meeting best practice requirements

- For the future:
    - Agree that the license system should provide incentives to improve beyond just meeting compliance
    - Identification that the benefits of the accredited license include:
      - Public and business recognition that the licensee is a sound environmental manager as a holder of an accredited license
      - This license along with the Independent auditors reports assists businesses in their dealings with insurance, financial institutions as well as customers and suppliers
      - Concept of a bubble license managing total impact rather than specific point management impact providing flexibility to manage activities with earned autonomy.
      - Saving in license fee and prescriptive testing requirements of previous license
      - Maintenance of the business incentive to keep improving our performance.
    - Businesses would like to retain the benefits that accreditation provides but would like to make the administration more efficient and streamlined.
    - In the existing license system there is no pathway to progress from licensee to accredited licensee. The gap is too wide to achieve. This needs to be rectified
    - It has been suggested that there could be stages between the entry level license and the best performers. (suggestion of four overall). This would allow businesses to improve their environmental management in a stepwise and sustainable manner.
    - The cornerstones of accreditation are predominantly leading indications
      - High level of performance
      - Capacity to maintain and improve performance
      - EMS
      - Audit program
      - EIP process
- Lead measures of performance should remain as the key requirements for obtaining higher levels of license.
- Compliance as reported in the APS is relevant in the assessment of the level of performance however it needs to take in more than a single years performance and be used in context. Additionally, any legacy issue impacts on a site's current APS performance outcomes needs to be considered.
  - The Independent Audits for Accredited licensees could be structured to remove EPA administrative load associated with the current model. e.g. approval of EIPs which EPA cannot currently resource
  - The system needs to take medium to longer term time horizon (3-5 years) to obtain sustainable improvements. For this reason the use of the latest APS should not figure significantly in the determination of the better performers. Sustained effort over time is needed to achieve consistent good performance and the system needs to be able to nurture this.

If I can provide additional information at this stage please do not hesitate to contact me directly on 0409 111 179 or by email [gmacalpine@pacia.org.au](mailto:gmacalpine@pacia.org.au).

Yours sincerely



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