

NATIONAL FRAMEWORK FOR CHEMICALS ENVIRONMENTAL MANAGEMENT - NChEM

CHEMICALS ACTION PLAN FOR THE ENVIRONMENT

FIRST PROGRESS REPORT

November 2008

EXECUTIVE SUMMARY

Following extensive stakeholder consultation, the National framework for Chemicals Environmental Management (NChEM) was endorsed by Environment Ministers on 2 June 2007. It provides an overarching framework and a detailed Action Plan to improve chemical environmental risk assessment and management processes and consistency in how chemicals' environmental impacts are managed across Australian jurisdictions.

During 2007-08 NChEM made significant progress in implementing the Action Plan. It has delivered discrete projects such as the release of draft Environmental Risk Assessment Manuals for public comment. In addition, the groundwork has been laid for NChEM's longer term actions. This has included developing a process for setting priorities for environmental chemicals that will be piloted and developing specifications for a Manual of Environmental Controls.

A major focus during 2007-08 has been engagement with the Productivity Commission on chemical environmental management matters as input to the Commission's August 2008 report on chemicals and plastics regulation.

NChEM has led to improvements in communication and consultation processes and cooperation, most notably between state, territory and Commonwealth environmental agencies and the national industrial chemicals regulator. This is contributing to improved regulatory efficiency and minimising duplicative or ad hoc approaches to chemical issues across jurisdictions.

A sign of its success to date is the increasing recognition by the community of what NChEM is trying to achieve and the increasing interest of other chemicals regulators and government agencies in dialogue and engagement with the NChEM Working Group.

In the next two years NChEM will complete a number of key deliverables including preparation of a Manual of Environmental Controls and progress on reforms to streamline and harmonise chemicals environmental management processes nationally.

The work program will be influenced by the directions and timeframes adopted by the Council of Australian Governments (COAG) Ministerial Taskforce on chemicals and plastics regulation reform and may need to be adapted accordingly.

PURPOSE

This is a progress report by the NChEM Working Group (previously the National Chemicals Working Group) to the Environment Protection and Heritage Council (EPHC). The report covers the initial implementation stage of the National framework for Chemicals Environmental Management from June 2007 to June 2008.

This is the first progress report on implementation of NChEM and subsequent progress reports will be made on a two-yearly cycle.

BACKGROUND

The National Chemicals Working Group was established by EPHC in October 2003. It was directed to develop a framework for the environmental risk management of chemicals and to address other key issues identified by stakeholders. Ministers acknowledged that there is a pressing need to make better decisions about chemicals and their potential impacts up front to minimise, and where possible prevent, costly environmental impacts 'down the track'. They identified the need for improvements to chemical risk assessment and management processes, as well as resolving regulatory duplication and fragmentation across jurisdictions.

Following extensive consultation with stakeholders, the National framework for Chemicals Environmental Management was endorsed by Environment Ministers on 2 June 2007. Alongside this, the Working Group had already completed several initiatives such as the National Chemicals Gateway and National Chemicals Reference Guide that contributed to achieving NChEM goals such as improved communication and feedback of chemical information.

While the regulatory scheme for agricultural and veterinary chemicals is operating reasonably effectively, a number of significant gaps were identified in the industrial chemicals scheme with regard to environmental protection. Therefore the focus of NChEM is to achieve improvements in the regulation and management of industrial chemicals, with only minor 'tweaking' for agricultural and veterinary chemicals, for example through preparation of an Environmental Risk Assessment Manual for agricultural and veterinary chemicals.

The NChEM package that was endorsed by Ministers comprises a Ministerial Agreement on *Principles for Better Environmental Management of Chemicals* which provides an overarching framework for action, and a *Chemicals Action Plan for the Environment* containing detailed actions. The key elements of NChEM are a set of four linked action areas as follows:

1. Environmental Risk Assessment
2. Environmental Controls
3. Feedback of Information
4. Prioritising Action

NChEM is designed to achieve a number of key outcomes including:

- giving Australians greater confidence that potentially harmful high risk chemicals are subject to appropriate and consistent environmental controls across the nation;
- making it simpler and more cost effective for industry to fulfil its obligations for managing the environmental implications of chemicals by streamlining current systems, reducing fragmentation, and bringing transparency, simplicity and consistency;
- increasing our information about and understanding of chemicals and the environment so that governments, industry and the community can make informed choices about chemicals and help identify areas needing greater attention so that resources can be allocated strategically and proactively to produce improved outcomes; and
- helping Australia meet its international obligations for sound management of chemicals, for example under the Stockholm Convention on Persistent Organic Pollutants.

Because of the complexity of NChEM, Ministers agreed to a staged approach to the implementation of NChEM as laid out in the package of actions in the Chemicals Action Plan. The package included:

- some immediate deliverables that were signed off by Ministers at that time;
 - actions that environment portfolios could implement in the short term to improve chemical environmental management processes;
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- longer term actions requiring further detailed development, costing, and stakeholder consultation prior to full implementation; and
- referral of matters for consideration in the context of the broader Productivity Commission Report and COAG Ministerial Taskforce on chemicals and plastics sector regulation reform.

Chemicals Sector Regulatory Reform

COAG established a Ministerial Taskforce to review chemicals and plastics in the context of better regulation and reduced red tape. It first met in April 2008 and it will be considering the Productivity Commission Study into chemicals and plastics regulation. The future direction of tasks identified in the NChEM Action Plan will depend on the regulatory model and chemicals management reforms adopted by the COAG Taskforce.

KEY ACHIEVEMENTS TO JUNE 2008

The NChEM Working Group has made significant progress since endorsement of the NChEM Ministerial Agreement and Action Plan. Achievements are outlined below according to each of the four linked NChEM Action Areas.

1. Environmental Risk Assessment

Objective

To make sure environmental risks from chemicals are identified and prevented up-front and to build in agency on-the-ground experience in the setting of management controls.

Achievements

The NChEM Working Group has implemented a number of initiatives to improve environmental risk assessment processes and transparency.

Environmental Risk Assessment Manuals

Draft Environmental Risk Assessment Manuals for industrial and agricultural and veterinary chemicals were released for public comment in August 2007. The Manuals describe the current processes and steps for conducting chemical environmental risk assessments in Australia to make these transparent to the public. This was identified as an immediate deliverable on endorsement of the NChEM package. Revisions to the draft Manuals and an Overview document (taking account of stakeholder submissions) are currently being undertaken. The Manuals are living documents and will be subject to ongoing revision and a formal three-yearly review.

Improved environment agency and NICNAS collaboration, consultation and coordination

Environment agencies, through the NChEM Working Group, have been working collaboratively to provide input to a range of matters including current environmental risk assessments and specific risk assessment methodological issues. This action was identified as a short term priority in the original NChEM package. For example, the Working Group is currently preparing classification criteria for persistent, bio-accumulative and toxic (PBT) chemicals in Australia and input was provided to draft environmental risk assessments and recommendations for triclosan, sodium cyanide and four brominated flame retardants.

The Working Group has also engaged with NICNAS to facilitate regular updates on current risk assessments and reform processes. The 'pilot' process for early environment agency input to environmental risk assessments will reach fruition when NICNAS releases the risk assessment reports for these chemicals over the course of the coming year.

Consultative arrangements are working effectively and have enhanced the tailoring of environmental risk assessment recommendations.

Next steps

- Publish the revised Environmental Risk Assessment Manuals and Overview on the EPHC website.
- Establish formal technical work program for resolving environmental risk assessment methodological questions.
- Respond to the release of NICNAS's risk assessment reports for triclosan, the four brominated flame retardants and sodium cyanide.

2. Environmental Controls

Objective

To bring national consistency to environmental regulation and management of chemicals and to ensure the right tools are available for the job.

Achievements

The NChEM Working Group has focused on making progress against two core actions.

Environmental Controls Manual

The Working Group has commenced work on an Environmental Controls Manual to provide information on available state and territory regulatory and other tools and existing requirements to manage the environmental impacts of chemicals. This was identified as a short term priority. Preparation of the Manual is being undertaken in a staged manner.

The Working Group has completed the first stage which was the preparation of a paper providing specifications on what information on state and territory environmental controls chemical risk assessors would like to see in the Manual. Categories of environmental controls include: regulatory requirements for releases from sewage treatment plants (STPs), specific disposal requirements applying to identified chemicals and regulatory controls on chemical emissions to air from industrial sites. The next stage is the collection and preparation of detailed state and territory information on jurisdictional environmental controls according to each category. Jurisdictions have recently started to collect data for the STP module.

Regulatory link for chemicals environmental management

The Working Group and EPH Standing Committee have provided substantial input to the Productivity Commission's Report on chemicals and plastics regulation. This has absorbed a majority of the Working Group's efforts and resources and has been a necessary focus of activity during 2007-08 given the linkages between regulatory reform in the chemicals sector and a number of NChEM actions. The NChEM Working Group has also met with the Commission to discuss various regulatory models for improved environmental management of chemicals.

Further work on regulatory reform directions for chemicals environment management will be dependent on the responses made by the COAG Ministerial Taskforce on chemicals and plastics regulation reform to the Report's final recommendations.

Next steps

- Implement relevant reforms to streamline and nationally harmonise chemicals environmental management processes.

3. Feedback of information

Objective

To ensure chemical decisions are informed by on-ground experience and to improve the processes in place to gather, use and access this information.

Achievements

The Working Group has implemented several initiatives in this Action Area. The National Chemicals Monitoring Database is a database comprising information about chemical monitoring activities undertaken in Australia in the 10 year period from 1998 to 2007. While this was identified as a longer term action, significant progress has been made and the database will be launched in the second half of 2008. The database provides a compilation of information on studies and monitoring programs that have been undertaken but does not provide the actual monitoring data. It will be regularly updated to ensure it remains relevant and current. The Working Group is open to information being provided by interested members of the public. Additional components are to be added to the database, including an agricultural and veterinary chemical usage component and expanded search functionality.

The Working Group has also nominated a member to participate in NICNAS's Technical Working Party which is addressing recommendations relating to feedback, monitoring and post-market reporting arising from NICNAS's Existing Chemicals Program Review completed in late 2006. It is anticipated that NICNAS will convene this Working Party in late 2008.

Next steps

- Complete agricultural and veterinary chemical usage component of the National Chemicals Monitoring Database.
- Implement targeted national monitoring programs for identified high priority chemicals in response to international or national requirements.

4. Prioritising Action

Objective

To enable Environment Ministers to be pro-active and strategically focused in identifying and addressing priority and emerging issues about chemicals in the environment.

Achievements

The key task under this Action Area is to develop and agree a priority setting mechanism. This was identified as a longer term action and is now well underway. The aim is to establish criteria and a process for determining environmental chemical priority issues and how to handle them (issues might include promoting 'greener' chemistry, labelling, management of chemicals in products etc.). This process will enable the Working Group to prioritise and focus its efforts and resources effectively by strategically identifying issues for progression to EPHC.

The Working Group has drafted a policy paper outlining a proposed priority setting process and filter criteria, including a risk management matrix. To test the rigour of the draft process the Group is currently compiling a list of environment agencies' high priority issues and will pilot the analysis of one of these priority issues through the priority setting process.

The Group has also started drafting a position paper on the environmental component of the *Globally Harmonized System of Classification and Labeling* (GHS), to which environment agencies have contributed jurisdictional views.

In addition, Working Group representatives are participating in NICNAS's Technical Working Party to address reforms on prioritisation, screening and assessment products.

Next steps

- Pilot the priority setting process and refine the criteria and process for setting environmental chemical priorities.

Communication and evaluation

Objective

To provide information to the community about chemicals, ensure opportunities for public participation in the implementation of NChEM and evaluate the implementation of NChEM to ensure it is being implemented effectively and delivering the expected benefits.

Achievements

NChEM has been developed and continues to be implemented on a foundation of substantial stakeholder input and engagement in policy development and decision-making processes.

Stakeholder consultation

When the EPHC endorsed the NChEM package in June 2007, the EPHC also agreed to trial and fund the operation of an NChEM Advisory Group for one year in response to stakeholder requests. The Advisory Group comprises key industry associations and community interest groups. The NChEM Advisory Group has held three meetings and provided a valuable avenue for feedback and input on current NChEM tasks to date. At its recent meeting on 1 July 2008 the Advisory Group unanimously agreed to seek an extension of funding for continued operation of the Advisory Group and this request will be put to the EPHC.

The Working Group has also developed a Stakeholder Consultation Strategy in consultation with the NChEM Advisory Group, outlining processes and timeframes for seeking stakeholder input. There are opportunities for members of the public to become involved or provide input to NChEM activities (contact details provided below).

While the Working Group has met regularly with NICNAS, there has been a recent increased interest from other government bodies in engaging with NChEM. From late 2008 the Working Group proposes to institute formal regular meetings with representatives of other relevant Ministerial Councils and the national regulators: NICNAS and the APVMA.

Communication about chemicals

As a trial of approaches to public communication on chemicals issues, a Guide for Household Chemicals Education has been prepared with funding from the NSW Environment Trust to pilot approaches to providing information about chemicals to the community. The project was undertaken by the Total Environment Centre with input from the NSW Department of Environment and Climate Change. The project acknowledged the challenges of capturing diverse views about managing chemicals and communicating them in an effective manner to the public. The Working Group is currently scoping next steps for possible household and community education initiatives.

Cost benefit analysis

The NChEM Working Group is undertaking a cost benefit analysis of the NChEM framework and in 2007 contracted the Centre for International Economics to undertake a comprehensive study of the costs and benefits to industry, governments and the community. A qualitative Preamble Study was prepared for input to the Productivity Commission Report to provide some indication of the anticipated net direction of costs/benefits of NChEM. The full quantitative cost benefit analysis should be completed by the end of 2008. Consultations with industry, community and government stakeholders will commence shortly.

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