



The Hon Ged Kearney MP
Assistant Minister for Health and Aged Care

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Mr Graeme Barden
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Australian Industrial Chemicals Introduction Scheme
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Dear Mr Barden

I am writing to outline my expectations of how the Australian Industrial Chemicals Introduction Scheme (AICIS) will achieve its regulatory objectives, carry out its regulatory functions, and exercise its powers, to aid in the protection of human health and the environment. This Statement of Expectations will assist the Australian Government's commitment to effective governance and performance of regulatory functions by AICIS, guided by the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*. It forms part of the Government's commitment to good corporate governance of regulatory bodies and reducing burden on business and the community.

The Government recognises and respects the independence of the Executive Director of AICIS and its responsibility for regulation of a national scheme for the introduction of industrial chemicals in Australia, as provided by the *Industrial Chemicals Act 2019*. To maintain confidence in the regulatory framework, it is important that AICIS acts, and is perceived to act independently.

The rationale for industrial chemicals regulation is to leverage the fullest possible benefits that can be derived from making regulatory effort more proportionate to risk. AICIS promotes safer innovation by encouraging the introduction of lower risk chemicals and will continue to aid in protecting the Australian people and the environment from harmful effects of industrial chemicals.

THE GOVERNMENT'S POLICY PRIORITIES AND OBJECTIVES

Regulatory Reform Agenda

The Regulatory Reform Agenda is a key component of the Government's plan to boost Australia's productivity and lower the cost of living by ensuring a fit for purpose regulatory environment.

The Government is looking at ways to boost productivity through reducing unnecessary or duplicative regulatory costs. Working with state, territory and international partners identifies opportunities to improve the quality of regulation and lower the cost of living for Australians.

The Government is also improving regulator performance, capability and culture through regulatory stewardship. This supports the Government's commitment to Australian Public Service reform by building trust in government and its institutions and by putting business and community at the centre of policy and services.

I expect AICIS to contribute to the regulatory reform process by:

- Seeking opportunities to reduce duplication and streamline processes to improve efficiency and lift productivity, including international harmonisation or alignment through appropriate engagement with relevant international organisations and government agencies.
- Acting in accordance with regulator best practice in its decision-making, policies, processes and communications practices, to maximise transparency and minimise compliance costs.
- Applying the Resource Management Guide 128 Regulator Performance (available at www.finance.gov.au/government/managing-commonwealth-resources/regulator-performance-rmg-128) to its regulatory functions to assess its performance and engagement with stakeholders.
- Incorporating regulator performance reporting into the entity's reporting processes, as required by *Resource Management Guide 128 Regulator Performance* under the Public Governance, PGPA Act, Public Governance, Performance and Accountability Rule 2014 to support greater transparency and accountability of regulator performance.

Principles of regulator best practice

In exercising its functions and powers in accordance with these principles, I expect AICIS to display the following principles of regulator best practice:

- 1. Continuous improvement and building trust:**
 - Use qualitative and quantitative analysis as important tools for assessing and reporting on performance, and to support continuous improvement.
 - Promote a work culture that builds public confidence in the work of the AICIS and promotes trust in government decision-making.
- 2. Risk-based and data-driven:**
 - Actively understand, engage with and effectively mitigate strategic risks to successfully manage its regulatory functions without unnecessarily impeding the operations of regulated entities.
 - Use data sources that meet relevant data assurance standards for assessing and reporting on the quality of statistical information.
- 3. Collaboration and engagement:**
 - Open, transparent, and consistent engagement with stakeholders including industry, government and the broader community is crucial to maintaining competent and innovative regulatory practices. Consequently, I expect AICIS to:
 - Seek opportunities to engage and consult genuinely with stakeholders.
 - Be receptive to feedback and diverse stakeholder views.
 - Seek to increase transparency in decision-making processes.
 - Provide up-to-date, clear and accessible guidance and information to assist regulated entities with compliance.
 - Maintain productive working relationships with other relevant jurisdictional and Commonwealth regulators and relevant international bodies.

Innovation and regulatory change

I expect AICIS to continually monitor the environment in which it operates to ensure regulatory approaches keep pace with changes in technology, industry practices, international regulation, and community expectations.

I also expect AICIS to regularly review and, where necessary, adjust policies, protocols, and operational procedures, to ensure it can respond to the changing social, technological international regulatory environment, and commercial context in which it operates.

Relationship with Minister and portfolio

AICIS plays an essential role in ensuring that the Government and I are well placed to respond promptly to any policy challenges and opportunities arising from the administration of these regulatory functions, as relating to industrial chemicals regulation. Accordingly, I expect you, as Executive Director of AICIS, to provide accurate and timely advice on significant issues relating to these regulatory functions in accordance with the Government's policy priorities and objectives. I also expect you to work closely with the Department of Health and Aged Care in contributing to ongoing policy advice.

As the responsible Minister, I will provide an enabling environment for AICIS to consistently implement best practice by ensuring you are well informed of the Government's policy direction, as specific initiatives and strategies are being considered.

Relationship with Secretary of the Department

As the Executive Director of AICIS you are primarily accountable to me as the responsible portfolio Minister. You also have a role in supporting the Secretary of the Department in meeting their obligations with regards to the PGPA Act, including annual performance reporting. You will report to the Deputy Secretary, Health Product Regulation Group on delegated administrative matters and maintain an association with the Secretary of the Department.

Statement of Intent

I look forward to your reply to this Statement of Expectations, including your Statement of Intent, indicating how you will implement my expectations as outlined above.

Yours sincerely



Ged Kearney

 / 7 / 2023

cc: The Hon Mark Butler MP, Minister for Health and Aged Care