



Commissioner for  
Better Regulation  
Red Tape Commissioner

GPO Box 4379  
Melbourne Victoria 3001  
Telephone: 03 9092 5800

15 June 2018

Ms Angela Jolic  
Director, Legislation Policy and Information Services  
WorkSafe Victoria  
222 Exhibition St  
MELBOURNE VIC 3000

Dear Ms Jolic

**REGULATORY IMPACT ASSESSMENT: DANGEROUS GOODS (TRANSPORT BY ROAD AND RAIL) REGULATIONS 2018**

I would like to thank your staff for working with our team on the preparation of the Regulatory Impact Statement (RIS) for the proposed *Dangerous Goods (Transport by Road and Rail) Regulations 2018* (the Regulations). The Regulations are proposed due to the sunsetting of current arrangements in December 2018 and enable the adoption of the latest amendments prescribed by the National Transport Commission (NTC) and endorsed by national Transport Ministers in May 2018. As you know, the aim of this framework is to reduce the risks of personal injury, death, property damage and environmental harm in the transport of dangerous goods by road or rail.

Under section 10 of the *Subordinate Legislation Act 1994* (the Act), the Commissioner for Better Regulation is required to provide independent advice on the adequacy of all RIS prepared in Victoria. The Commissioner's role is to advise on the adequacy of the analysis presented in the RIS, rather than the merits or otherwise of policy or regulatory proposals. A RIS is deemed to be adequate when it contains analysis that is logical, draws on relevant evidence, is transparent about assumptions made, and is proportionate to the proposal's expected effects. The RIS also needs to be clearly written so that it can be a suitable basis for public consultation.

I am pleased to advise that the final version of the RIS received by us on 14 June 2018 meets the adequacy requirements of the Act.

The NTC model regulations and the Australian Code for Transport of Dangerous Goods by Road and Rail (the Code) ensure consistency across Australia in terms of transport regulations. All States and Territories have agreed to abide by these national standards to ensure consistency in the regulation of the transport of dangerous goods across the country. The Victorian *Dangerous Goods Act 1985* provides for regulations to incorporate or adopt the Code (National).

The Regulations focus on improving safety in the transport of dangerous goods by ensuring that :

- goods are packaged safely and appropriately marked and labelled;

- vehicles transporting dangerous goods are loaded and unloaded safely;
- vehicles transporting dangerous goods are adequately maintained, placarded and licensed and carry appropriate emergency mitigation equipment and plans; and
- drivers of dangerous goods are appropriately licensed and trained in the management of dangerous goods, including the management of incidents and emergency situations.

The Regulations make some minor changes to the current arrangements, arising from the latest NTC amendments to the Code including:

- giving legal status to empty packaging requirements to clarify responsibilities in regard to their transport;
- exempting mobile processing units from the Code if they are already licenced under Victoria's explosives regulations;
- clarifying load restraint requirements for bundles of cylinders; and
- exempting certain limited quantities of some types of dangerous goods, specifically to exempt all personal care products in consumer packaging from the Model Regulations.

WorkSafe notes in the RIS that the total cost to industry of complying with the Regulations is estimated to be \$6.2 million per year and that compared with the current arrangements, the Regulations decrease the cost of regulatory compliance for Victorian businesses by around \$0.5 million per year.

Consultation with industry suggested that most operators would continue to undertake the prescribed activities even if the regulations lapsed as they are standard practice for businesses transporting dangerous goods. Worksafe emphasised that industry values national and international regulatory consistency as many businesses operate across State borders.

WorkSafe notes in the RIS that, while the benefits of the Regulations are difficult to quantify, it is realistic to expect that the Regulations will reduce deaths by about two per year. This estimate is considered to be conservative because it does not include the benefits arising from avoided injuries, damage to infrastructure, environmental damage and loss of economic activity and productivity that could result from major incidents involving dangerous materials.

The Regulations also raise fees for licenses and other functions undertaken by WorkSafe. These are expected to generate revenue of around \$163,000 per year — an increase of \$52,000. The RIS also proposes that all fees are reflected in fee units rather than dollar values to ensure that each fee maintains its value over the life of the regulations.

It is government practice that this letter be published with the RIS when it is released for public consultation.

Should you wish to discuss any issue raised in this letter, or the implications of new information or policy options identified through the public consultation process for your proposal, please do not hesitate to contact me on (03) 9092 5800.

Yours sincerely



Anna Cronin

**Commissioner for Better Regulation**