



CRIS  
NICNAS  
PO Box 58  
Sydney NSW 2001

CRIS@NICNAS.gov.au

Dear CRIS Team

**Draft Cost Recovery Impact Statement**  
2012-13 to 2015-16

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 representatives attended the November 2011 Sydney and Melbourne NICNAS CRIS Information Sessions. PACIA is a key stakeholder in this consultation and welcomes the opportunity to provide comment on the Draft Cost Recovery Impact Statement 2012-13 to 2015-16.

Attached please find PACIA's submission to the consultation.

PACIA has particular concerns in the following areas:

- the Government's Cost Recovery Guidelines identify that "cost recovery should not be applied where it would unduly stifle competition or industry innovation"
- automatic indexation of fees and charges
- need for NICNAS be subject to an efficiency dividend, in line with other arms of Government as an incentive to drive productivity improvements.
- cumbersome legislative processes that lead to inefficiencies
- implementation of new fees and charges for Rotterdam Convention processes
- certain changes to annual registration and tier structures
- the need for transparency in charging for the existing chemicals program

If I can provide additional information at this stage please do not hesitate to contact me directly on (02)4392 7643, 0409 111 179 or by email [gmacalpine@pacia.org.au](mailto:gmacalpine@pacia.org.au).

Yours sincerely

A handwritten signature in black ink, appearing to read "gmacalpine".

Geoff MacAlpine  
Director Industry Development  
30 November 2011



**PACIA Submission:  
Draft Cost Recovery Impact Statement  
2012-13 to 2015-16**

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30 November 2011

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## Executive summary

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The Plastics and Chemicals Industries Association (PACIA) is the peak national body representing the business of chemistry in Australia and is a key stakeholder with regard to NICNAS and this consultation.

It is extremely unfortunate that a range of policy considerations including those identified in the Productivity Commission's recommendations (and subsequently "welcomed" by COAG on 29 November 2008) have been significantly delayed. PACIA recognises that a process has now commenced through the *Better Regulation Ministerial Partnership* and PACIA will be pleased to provide input to this process.

The delays to finalise policy however significantly impact on elements of the Draft Cost Recovery Impact Statement. For instance, it appears incongruous that "*The Commonwealth Government supports the transfer of responsibility for implementing the Rotterdam Convention from NICNAS to the Department of the Environment, Water, Heritage and the Arts (DEWHA)*" yet the Draft CRIS proposes implementation of new fees and charges in this area.

Appendix B of the Draft CRIS provides a number of international comparisons. What is missing from the comparisons is any indication of the population sizes or markets of these jurisdictions, for instance:

- European Union: population 502million (2011 provisional)
- United States: population 312million (projected 2011)
- Canada: population 34.6million (projected 2011)

Equally, NICNAS will be aware of recent announcements by the Canadian Government to fund the Canadian Chemicals Management Plan by more than \$506million.

Australia represents 0.6% of the global sales of chemicals. NICNAS fees and charges are seen as a significant disincentive to the introduction of new chemicals into the Australian market.

These issues and others will be raised through the *Better Regulation Ministerial Partnership* process but in context of this Draft CRIS consultation, many local and international onlookers are surprised that the process appears disjointed.

PACIA contends that the cost recovery arrangements for NICNAS do not meet one of the Government's key principles of cost recovery, namely:

"Cost recovery should not be applied where it is not cost effective, where it is inconsistent with government policy objectives or where it would unduly stifle competition or industry innovation."

PACIA stresses that the objects of the Industrial Chemicals (Notification and Assessment) Act 1989 are compromised through the stifling of competition (including through the potential to be competitive in export markets) and stifling of innovation (costs of introduction of new chemicals can be prohibitive).

Significant progress will only be made though re-thinking Australia's regulatory approaches, particularly with regard to cost-recovery arrangements, and practical measures such as the acceptance of the outcomes of recognised and credible overseas regulatory authorities.

In context of the Draft CRIS consultation, PACIA is supportive of the approaches of the Government's Cost Recovery Guidelines. In general, PACIA believes that NICNAS has worked

to support these approaches. There are however important areas for further consideration and PACIA has provided background and recommendations in the following submission.

PACIA has particular concerns in the following areas:

- The Government's Cost Recovery Guidelines identify that "cost recovery should not be applied where it would unduly stifle competition or industry innovation"
- automatic indexation of fees and charges
- Need for NICNAS be subject to an efficiency dividend, in line with other arms of Government as an incentive to drive productivity improvements.
- cumbersome legislative processes that lead to inefficiencies
- implementation of new fees and charges for Rotterdam Convention processes
- certain changes to annual registration and tier structures
- the need for transparency in charging for the existing chemicals program

## Recommendations

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With regard to the Draft Cost Recovery Impact Statement, PACIA recommends that:

### Recommendation 1:

Review of the Draft CRIS gives specific consideration to the key principles of the Government's Cost Recovery

PACIA contends that the cost recovery arrangements for NICNAS do not meet one of the Government's key principles of cost recovery, including:

"Cost recovery should not be applied where it is not cost effective, where it is inconsistent with government policy objectives or where it would **unduly stifle competition or industry innovation.**" (bolding added)

### Recommendation 2:

NICNAS fees and charges should not be automatically indexed. The NICNAS Industry Government Consultative Committee (IGCC) should continue its role to:

- (a) review the utilisation of resources against NICNAS objectives;
- (b) review the performance of NICNAS against agreed performance indicators (including those established in the NICNAS Service Charter and Corporate Plan), and in particular the impact on industry and the protection of human health and the environment;
- (c) develop strategies for improving the efficiency and effectiveness of NICNAS operations within the context of (i) established goals and objectives and (ii) developing and emerging issues

and provide considered annual advice to NICNAS on any appropriate adjustments to fees and charges for New Chemicals and for Registration.

### Recommendation 3:

NICNAS be subject to an efficiency dividend, in line with other arms of Government as an incentive to drive productivity improvements.

PACIA makes this recommendation noting that one of the key points in Treasurer Wayne Swan's Mid-Year Economic and Fiscal Outlook (29 November 2011) was that a 2.5% efficiency dividend, on top of an existing 1.5%, will produce savings across government departments of \$1.5 billion.

#### **Recommendation 4**

There is important need for legislation review where cumbersome processes lead to inefficiencies. This includes matching the policy intent with the outcomes for categories such as SAPLC and LVCR.

#### **Recommendation 5:**

NICNAS should not introduce new fees and charges for activities relating to implementation of the Rotterdam Convention noting that on 29 November 2008 the Council of Australian Governments (COAG) welcomed the Commonwealth's response on Productivity Commission Recommendation 4.3:

"The Commonwealth Government supports the transfer of responsibility for implementing the Rotterdam Convention from NICNAS to the Department of the Environment, Water, Heritage and the Arts (DEWHA)."

This supported recommendation needs to be expedited for legislative amendment.

#### **Recommendation 6:**

For Annual Registration fees and charges:

- policy consideration should be given as to whether certain activities (soap making for weekend markets, hobbyists etc) should be captured under NICNAS Tier 1 – *is regulatory intervention justified?*
- The proposed Tier 1 reduction in fees from \$395 in 2012-12 to \$133 in 2013-14 should not be implemented. The policy considerations need to be addressed including:
  - the need for reconsideration of whether regulatory intervention is required at all for producers of soaps at weekend markets, some hobbyists etc – does this intervention serve a useful purpose?
  - recognition that very small introducers also have the option of purchasing chemicals from other NICNAS registered companies
  - the question of cross-subsidisation of this group of small producers

#### **Recommendation 7:**

For the accelerated assessment and prioritisation of existing chemicals there is support for collection of a levy for this program at the time of collection of the annual registration fees and charges as being efficient. However there is important need for transparency of expenditures and revenues collected.

It is strongly recommended that charges for annual registration and the existing chemicals program be provided by NICNAS as separate line items.

## Overview of PACIA and the Chemistry Industry

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The Plastics and Chemicals Industries Association (PACIA) is the peak national body representing the business of chemistry in Australia.

Our members include chemicals manufacturers, raw material suppliers, plastics fabricators and compounders, importers and distributors, logistics and supply chain partners, chemicals and plastics recyclers, and service providers to the sector. These businesses range from small family-owned companies and innovative medium-sized enterprises, to leading national and multinational enterprises. A list of PACIA member companies is provided at [Attachment 1](#).

The chemistry industry – comprising the chemicals and plastics sectors - is the third largest manufacturing industry in Australia:

The local chemistry industry is not only important in its own right, it has a multiplier effect on productivity and cost saving benefits to the broader economy - every chemical manufacturing job created inside a plant creates about 5 jobs outside the plant.

Australia also relies on a strong chemistry sector to deliver solutions for a more sustainable future. Australian chemistry companies work actively with their product and service chains and, through innovation, deliver solutions for the many challenges facing humanity, including climate change, water shortage, population increases and resource constraints.

The industry is arguably the most diverse and broad in its reach across Australian society, environment and industry. It can be broadly categorised as follows:

- Basic Chemicals (organic and inorganic industrial chemicals, fertilisers, industrial gases, and synthetic resins)
- Specialty Chemicals (explosives, paints, rubber products, plastics, other polymers and inks)
- Consumer Chemicals (pesticides, soaps and detergents, cosmetics, personal care, medicinal and pharmaceutical)

The chemistry industry, with its supply chain relationships, research and development (R&D) and skilled workforce are central to Australia's current high income economy. The industry's outputs provide building blocks into most other sectors and supply chains, via products, technologies and services. The chemistry industry continues to work actively with its product and service chains to deliver solutions for the many challenges facing humanity, including climate change, water shortage, population increases, and resource constraints. It is uniquely placed to provide the solutions needed for a sustainable future.

PACIA and its members also have a long history of working to achieve positive environmental, social and economic outcomes at all levels of the supply chain through a strategic long-term focus.

PACIA recognises the key role that the National Industrial Chemicals Notification and Assessment Scheme plays in providing regulatory access to new chemicals that are critical to innovation and ongoing development of the Australian Chemistry Industry and its contribution to the Australian economy and the wellbeing of its citizens. PACIA also supports an appropriate existing chemicals program that utilises the outcomes of processes from major economies to promote regulatory efficiency and effectiveness.

Given the critical role of the Chemistry Industry in Australian manufacturing, PACIA welcomes the opportunity to provide this submission on the Draft NICNAS Cost Recovery Impact Statement.

## Regulatory Principles

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The PACIA Board has endorsed the following *Regulatory Principles* as the basis for PACIA's approach to regulatory proposals:

**Regulatory outcomes** that conform to the following **regulatory principles**:

- be science-based
- the minimum required to achieve the stated objectives;
- be efficient and effective;
- adopt a risk management approach to forming and administering regulation;
- minimise the impact on competition;
- be nationally consistent in content, implementation, interpretation and timeframes;
- be compatible with international standards and practices, where appropriate;
- not unnecessarily restrict trade;
- be developed in consultation with the groups most affected and be subject to regular review;
- be flexible, not prescriptive and be compatible with the business operating environment;
- standardise the exercise of bureaucratic discretion; and
- have a clear delineation of regulatory responsibilities and effective and transparent accountability mechanisms
- apply Regulatory Impact Analysis including clear identification of costs and benefits

## Australian Government Cost Recovery Guidelines

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PACIA broadly supports the Australian Government's Cost Recovery Guidelines (2005) including that the guidelines identify the following key principles:

1. Agencies should set charges to recover all the costs of products or services where it is efficient to do so, with partial cost recovery to apply only where new arrangements are phased in, where there are government endorsed community service obligations, or for explicit government policy purposes.
2. Cost recovery should not be applied where it is not cost effective, where it is inconsistent with government policy objectives or where it would unduly stifle competition or industry innovation.
3. Any charges should reflect the costs of providing the product or service and should generally be imposed on a fee-for-service basis or, where efficient, as a levy.
4. Agencies should ensure that all cost recovery arrangements have clear legal authority for the imposition of charges.
5. Costs that are not directly related or integral to the provision of products or services (e.g. some policy and parliamentary servicing functions) should not be recovered. Agencies that undertake regulatory activities should generally include administration costs when determining appropriate charges.
6. Where possible, cost recovery should be undertaken on an activity (or activity group) basis rather than across the agency as a whole. Cost recovery targets on an agency-

wide basis are to be discontinued. 7. Products and services funded through the budget process form an agency's 'basic information product set' and should not be cost recovered. Commercial, additional and incremental products and services that are not funded through the budget process fall outside of an agency's 'basic product set' and may be appropriate to cost recover.

8. Portfolio Ministers should determine the most appropriate consultative mechanisms for their agencies' cost recovery arrangements, where relevant.
9. Cost recovery arrangements will be considered significant ('significant cost recovery arrangements') depending on both the amount of revenue and the impact on stakeholders. A 'significant cost recovery arrangement' is one where:
  - a. an agency's total cost recovery receipts equal \$5 million or more per annum - in this case every cost recovery arrangement within the agency is considered, prima facie, to be significant, regardless of individual activity totals; or
  - b. an agency's cost recovery receipts are below \$5 million per annum, but stakeholders are likely to be materially affected by the cost recovery initiative; or
  - c. Ministers have determined the activity to be significant on a case-by-case basis.
10. Agencies with significant cost recovery arrangements should ensure that they undertake appropriate stakeholder consultation, including with relevant departments.
11. All agencies with significant cost recovery arrangements will need to prepare Cost Recovery Impact Statements (CRIS). A CRIS will not be required where a Regulation Impact Statement (RIS) that also addresses cost recovery arrangements against these guidelines has been prepared.
  - a. The chief executive, secretary or board must certify that the CRIS complies with the policy and provide a copy to the Department of Finance and Administration.
  - b. Agencies must include a summary of the CRIS in their portfolio budget submissions and statements.
12. Agencies are to review all significant cost recovery arrangements periodically, but no less frequently than every five years.
13. Agencies will need to separately identify all cost recovery revenues in notes to financial statements – to be published in portfolio budget statements and annual reports consistent with the Finance Minister's Orders.
14. Portfolio Ministers are responsible for ensuring that the cost recovery arrangements of agencies within their portfolios comply with the policy and will report on implementation and compliance in portfolio budget submissions

## **Submission on the content of the Draft Cost Recovery Impact Statement**

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PACIA's detailed input to the Draft CRIS Consultation is provided below. PACIA has particular concerns in the following areas:

- The Government's Cost Recovery Guidelines identify that "cost recovery should not be applied where it would unduly stifle competition or industry innovation"
- automatic indexation of fees and charges
- NICNAS be subject to an efficiency dividend, in line with other arms of Government as an incentive to drive productivity improvements.
- cumbersome legislative processes that lead to inefficiencies

- implementation of new fees and charges for Rotterdam Convention processes
- certain changes to annual registration and tier structures
- the need for transparency in charging for the existing chemicals program

## The Government's Cost Recovery Guidelines

### Recommendation 1:

Review of the Draft CRIS gives specific consideration to the key principles of the Government's Cost Recovery

PACIA contends that the cost recovery arrangements for NICNAS do not meet one of the Government's key principles of cost recovery, including:

“Cost recovery should not be applied where it is not cost effective, where it is inconsistent with government policy objectives or where it would **unduly stifle competition or industry innovation.**” (bolding added)

### Automatic indexation of fees and charges

The Draft CRIS assumes automatic annual indexation of fees and charges for the period to 2015-16.

The CRIS (p.29) notes:

“Between 2005-06 and 2011-12 the New Chemicals fees and charges have increased with inflation every year except 2011-12 ...” “In contrast, NICNAS registration fees and charges have been indexed on three occasions only despite rises in salary costs and other general cost movements. Although this has resulted in a shortfall in registration income as described above, some of these increases in costs were able to be absorbed through implementing efficiencies such as streamlined procedures for processing registration payments, whole of government travel arrangements, and improved financial reporting, budgeting, and IT ....” (underlining added)

PACIA contends that indexation of fees and charges should not be automatic but assessed annually with input from the Industry Government Consultative Committee (IGCC) whose terms of reference includes:

The IGCC will:

- (a) review the utilisation of resources against NICNAS objectives;
- (b) review the performance of NICNAS against agreed performance indicators (including those established in the NICNAS Service Charter and Corporate Plan), and in particular the impact on industry and the protection of human health and the environment;
- (c) develop strategies for improving the efficiency and effectiveness of NICNAS operations within the context of (i) established goals and objectives and (ii) developing and emerging issues; and
- (d) develop compliance strategies and monitor the effectiveness of these strategies in promoting compliance with the Scheme.

The Chair of the Committee will report as necessary (at least every six months) to the Minister for Health and Ageing.

One of the key points in Treasurer Wayne Swan's Mid-Year Economic and Fiscal Outlook (29 November 2011) was that a 2.5% efficiency dividend, on top of an existing 1.5%, will produce savings across government departments of \$1.5 billion.

NICNAS, as with other arms of Government, needs to have an appropriate focus on productivity improvements. To exclude NICNAS from the Government's broader guidance would be inconsistent with providing the correct settings and incentives for productivity improvements.

As identified in the Draft CRIS, indexation was not automatic for:

- Registration fees and charges in 2005-06, 2008-09, 2009-10, and 2011-12
- New Chemical fees and charges in 2011-12

### Recommendation 2

NICNAS fees and charges should not be automatically indexed. The NICNAS Industry Government Consultative Committee (IGCC) should continue its role to:

- (a) review the utilisation of resources against NICNAS objectives;
- (b) review the performance of NICNAS against agreed performance indicators (including those established in the NICNAS Service Charter and Corporate Plan), and in particular the impact on industry and the protection of human health and the environment;
- (c) develop strategies for improving the efficiency and effectiveness of NICNAS operations within the context of (i) established goals and objectives and (ii) developing and emerging issues

and provide considered annual advice to NICNAS on any appropriate adjustments to fees and charges for New Chemicals and for Registration.

### Recommendation 3

NICNAS be subject to an efficiency dividend, in line with other arms of Government as an incentive to drive productivity improvements.

### Alignment of the fees for service

PACIA believes that the approach adopted in the Draft CRIS is consistent with the guidance provided in the Government's Cost Recovery Guidelines.

However PACIA has particular concerns that there are legislative impediments to efficiencies. The CRIS identifies the following increases for categories under Low Regulatory Concern Chemicals:

Category	Current cost	Proposed cost	% increase
SAPLC	\$2841	\$3900	37%
LVCR	\$737	\$2000	171%

At the NICNAS CRIS Information Sessions it was indicated that the process laid down in the legislation were cumbersome and led to inefficiencies. There is important need for review of the legislation if the policy intent is not being achieved. This principle applies to a number of categories.

### Recommendation 4

There is important need for legislation review where cumbersome processes lead to inefficiencies. This includes matching the policy intent with the outcomes for categories such as SAPLC and LVCR.

## Prior Informed Consent (PIC) fees

The Productivity Commission's 2008 *Chemicals and Plastics Regulation* Research Report Recommendation 4.3 included that the responsibilities "for implementing the Rotterdam Convention should be removed from NICNAS".

On 29 November 2008 the Council of Australian Governments (COAG) welcomed the Commonwealth response including:

"The Commonwealth Government supports the transfer of responsibility for implementing the Rotterdam Convention from NICNAS to the Department of the Environment, Water, Heritage and the Arts (DEWHA)."

It is extremely unfortunate that there have been extended delays in progressing the Health portfolio suite of agreed Productivity Commission recommendations.

It would be incongruous for NICNAS to now introduce fees for PIC activities when legislative amendments are expected to be implemented to remove these functions from NICNAS.

### Recommendation 5

NICNAS should not introduce new fees and charges for activities relating to implementation of the Rotterdam Convention noting that on 29 November 2008 the Council of Australian Governments (COAG) welcomed the Commonwealth's response on Productivity Commission Recommendation 4.3:

"The Commonwealth Government supports the transfer of responsibility for implementing the Rotterdam Convention from NICNAS to the Department of the Environment, Water, Heritage and the Arts (DEWHA)."

This supported recommendation needs to be expedited for legislative amendment.

## Group Assessment (was Modular – Secondary Chemical Assessment)

PACIA notes the NICNAS proposal identified in the Draft CRIS:

"It is therefore proposed that the current rebate system is replaced by a fixed fee being approximately 80 per cent of the corresponding certificate assessment category."

## Changes to annual registration charge and tier structure

The Draft CRIS (p.37) identifies the purpose of the annual registration charge:

"Registration charges are used to recover regulatory costs relating to the compliance program, stakeholder information and education, existing chemical reviews and scheme support activities (including international harmonisation). These costs are not related to the provision of a specific service to an introducer, but provide identifiable benefits to the industry."

The Draft CRIS (p.37) postulates:

"A higher registration charge is attributable to companies with larger industrial chemical introduction value. Large introducers create a greater need for regulation than small introducers. The greater value of industrial chemicals introduced generally reflects a larger volume of industrial chemicals introduced. A larger volume means greater potential exposure and therefore potentially greater risk to workers, the public and the environment from the harmful effects of industrial chemicals." (underlining added)

PACIA notes that NICNAS is not a risk-management regulator. NICNAS provides information and makes recommendations about chemicals to Commonwealth, State and Territory bodies with responsibilities for the regulation of industrial chemicals (e.g. with regard to Poisons Scheduling, jurisdictional Poisons Control, Work Health and Safety, and the Environment).

PACIA contends that it is not appropriate, and is inconsistent with NICNAS's legislative mandate, to use generalised risk assumptions as a basis for "loading" annual registration charges. PACIA also suggests that companies with larger introduced volumes will be more likely to have more sophisticated chemical management systems hence reducing risk.

PACIA notes that for smaller introducers it is a matter of choice to introduce chemicals rather than to purchase from a NICNAS Registered Australian company. PACIA does recognise that there may be a basis for reconsideration of the definition of introducer and potentially to exempt, for instance, cottage industry producers such as soap for sale at weekend markets. NICNAS regulatory intervention at this level does not appear to fulfil a useful purpose. Addressing this policy consideration would overcome potential cross-subsidisation of this group of introducers.

PACIA also notes that Productivity Commission Recommendation 4.3 gave specific consideration to the scope and role of NICNAS:

#### "Recommendation 4.3

The Australian Government should generally limit the role of NICNAS to the scientific assessment of the hazards and risks of industrial chemicals. The power to annotate the Australian Inventory of Chemical Substances to ban or phase out chemicals, and the responsibilities for administering the Cosmetics Standard 2007, and for implementing the Rotterdam Convention, should be removed from NICNAS."

One of the key changes to the quantum of the annual registration charges is to accommodate additional costs associated with the implementation of the accelerated assessment and prioritisation of existing chemicals.

PACIA believes that all manufacturers and introducers required to be registered by NICNAS should contribute to funding the existing chemicals program.

Beyond 2012-13 the Draft CRIS proposes to introduce 4 tiers:

- Tier 1 would have its annual registration fee reduced from \$395 to \$133 in 2013-14
- Tier 2 would maintain its annual registration fee of \$395 in 2013-14
- Tier 3 would maintain its annual registration fee of \$1857 in 2013-14
- Tier 4 moves significantly from \$9201 in 2011-12 to \$18,475 in 2013-14

There appears little justification for the fee reduction in Tier 1. If the issue for Tier 1 introducers is that it includes a significant number of cottage or hobby introducers then the policy issue of whether such introducers should be captured within the scheme needs to be addressed.

#### **Recommendation 6**

For Annual Registration fees and charges:

- policy consideration should be given as to whether certain activities (soap making for weekend markets, hobbyists etc) should be captured under NICNAS Tier 1 – *is regulatory intervention justified?*
- The proposed Tier 1 reduction in fees from \$395 in 2012-12 to \$133 in 2013-14 should not be implemented. The policy considerations need to be addressed including:

- the need for reconsideration of whether regulatory intervention is required at all for producers of soaps at weekend markets, some hobbyists etc – does this intervention serve a useful purpose?
- recognition that very small introducers also have the option of purchasing chemicals from other NICNAS registered companies
- the question of cross-subsidisation of this group of small producers

### Registration of downstream users

PACIA recognises that such a proposal was not included in the Draft CRIS and it is stated that:

“NICNAS notes stakeholder views. This issue is not being progressed in this CRIS”.

The matter was however raised at the November 2011 NICNAS Information sessions. PACIA wishes to reinforce its previous comments on this topic that such a proposal is not supported. There has been no cost/benefit analysis of such a proposal. We understand that NICNAS has not scoped the quantum of downstream users and there has been no detailed case presented for the need of regulatory intervention at the downstream user level.

### Late payment fees

PACIA notes the NICNAS proposal identified in the Draft CRIS:

“NICNAS proposes using a penalty fee in 2012-13 of \$100 or 10% of the sum of the registration fee and any applicable charge, whichever is the greater, rounded to the nearest \$5. This would offset costs and act as a reasonable deterrent for introducers to avoid being late with their payment.”

### Annual updates to fees and charges

PACIA does not support the annual updates to fees and charges as proposed in the Draft CRIS – refer previous comments under the heading of “Automatic indexation of fees and charges”.

### Level of Reserve

PACIA notes the NICNAS proposal identified in the Draft CRIS:

“NICNAS proposes to increase the reserve (by the amount of the interest equivalency payment currently received each year and any late penalty payments above the cost of processing these penalties) until it reaches 3 months operating expenses. Once the desired level of reserve is reached, the interest equivalency payment may be used to fund capital purchases or other NICNAS activities, which may result in a reduction in future levy increases. Industry is not being asked to contribute to increase the reserve.”

### Accelerated Assessment and Prioritisation of Existing Chemicals

PACIA notes the discussion included in the Draft CRIS.

PACIA agrees that it would be efficient to collect a levy for this program at the time of collection of the annual registration fees and charges rather than via a separate mechanism.

Notwithstanding, PACIA strongly supports that the annual registration invoice provide a separate line item that identifies the amount collected to support the existing chemicals program.

## **Recommendation 7**

For the accelerated assessment and prioritisation of existing chemicals there is support for collection of a levy for this program at the time of collection of the annual registration fees and charges as being efficient. However there is important need for transparency of expenditures and revenues collected.

It is recommended that charges for annual registration and the existing chemicals program be provided by NICNAS as separate line items.

## Attachment 1 – PACIA Member Companies

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PACIA represents the Australian chemistry industry. PACIA members are a broad group positioned across the entire value chain. They include chemical manufacturers, raw material suppliers, plastics fabricators and compounders, importers and distributors, logistics and supply chain companies, chemicals and plastics recyclers and service and equipment providers to the sector. Current members are:

### Raw material manufacturing

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Albright & Wilson (Australia) Limited  
Air Liquide Australia Ltd  
Australian Vinyls Corporation Pty Ltd  
BASF Australia Limited  
Bayer Australia Pty Ltd  
BHP Billiton Petroleum (Minerva)  
Buckman Laboratories Pty Ltd  
Colortrend Australia Pty Ltd  
Coogee Chemicals Pty Ltd  
Dow Chemical (Aust) Ltd  
Dulux Group  
Huntsman Polyurethanes  
LyondellBasell Australia Pty Ltd  
MEO Australia Ltd  
Nowra Chemical Manufacturers Pty Ltd  
Nufarm Aust Ltd  
Nuplex Industries (Australia) Limited  
Orica Australia Limited  
Penrice Soda Holdings Ltd  
Proserpine Co-Operative Sugar Milling  
Qenos Pty Ltd  
SNF (Australia) Pty Ltd  
Solvay Interox Pty Ltd  
Styron Australia Pty Ltd  
Wesfarmers Chemicals, Energy and Fertilisers

### Logistics - bulk warehouse, storage & transport

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Border Express  
Braid Logistics Australia Pty Ltd  
DGL (Aust) Pty Ltd  
FBT – Transwest Pty Ltd  
Kalari Transport  
Linfox Australia Pty Ltd  
Marstel Terminals Pty Ltd  
Pacific Terminals (Aust) Pty Ltd  
Terminals Pty Ltd  
Toll Chemical Logistics  
Vopak Terminals Aust Pty Ltd

### Product importation, blending, packing, and distribution

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Arkema Pty Ltd  
Amtrade International  
Bostik Australia Pty Ltd

Brenntag Pty Ltd  
Chemcolour Industries  
Cognis Australia Pty Ltd  
Connell Bros Company  
Cytec Australia Holdings Pty Ltd  
Dow Corning Australia  
Drew Australia Pty Ltd  
Dupont (Australia) Ltd  
Ecolab Pty Ltd  
Eka Chemicals (Aust) Pty Ltd  
Emerald Plastics  
Expanz International Pty Ltd  
Exxon Mobil Chemical Australia Ltd  
GE Water & Energy  
IMCD Australia Ltd  
International Sales & Marketing Pty Ltd  
Lanxess Pty Ltd  
Lubrizol International Inc  
Nalco Australia  
Plastral Pty Ltd  
PPG Aerospace  
Redox  
Shell Company  
Univar Australia Pty Ltd  
Valvoline Australia Pty Ltd  
Vivacity Engineering Pty Ltd  
Wacker Chemicals Australia Pty Ltd  
Woodchem Australia Pty Ltd

### Polymer fabrication and recycling

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Allviron  
Andpak (Aust) Pty Ltd  
Ant Packaging Pty Ltd  
Aqua Guardian Group  
Ariel Industries Pty Ltd  
Astron Plastics Pty Ltd  
Austral Insulation  
Brotec Services  
Burton Industries  
Caled Containers Pty Ltd  
Cardia Bioplastics  
Checker Packaging  
Close the Loop  
Douglas Bean (Aust) Pty Ltd  
Era Polymers Pty Ltd  
Ezyclad Pty Ltd  
Flexi-Foam Pty Ltd  
Foamex Group Pty Ltd  
Food Plastics Co Pty Ltd  
Frontier Industries Pty Ltd  
General Polymers  
Hi-Tek Foamworks  
Hotco  
Insulcon Pty Ltd  
Integrated Packaging  
Megara (Australia) Pty Ltd  
Metecno Pty Ltd  
Micro Plastics Pty Ltd  
Modfix Australia Pty Ltd

Norfoam Australia Pty Ltd  
Omega Packaging Australia  
Phoenix Manufacturing Services Pty Ltd  
Plantic Technologies Ltd  
Polyfoam Australia Pty Ltd  
Polystyrene Industries Pty Ltd  
Prime EPS  
Proplanet Pty Ltd  
Repeat Products  
RMAX  
Safety Path Systems  
Sanwa Pty Ltd  
Scalora Bros  
Schiplas Pty Ltd  
Shamrock Poly Pty Ltd  
Sims Plastics  
Slab Systems Qld  
Superior Panel Construction  
Tapex Pty Ltd  
The Render Warehouse  
Thermopack Pty Ltd  
Thermoplastic Foam Industries  
Ultra-Plas Pty Ltd  
Ultrastak Australia Pty Ltd  
Unipod Pty Ltd  
Unitex Granular Marble Pty Ltd  
Valls Styrene Packaging Co Pty Ltd  
Viscount Plastics Pty Ltd

### Services providers to chemistry industry

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Advanced Polymerik Pty Ltd  
Australian Synchrotron Co. Ltd.  
ACOHs Pty Ltd  
BDP International  
Chisholm Institute  
Cintox Australia Pty Ltd  
CRC for Polymers  
CSIRO Molecular & Health Technologies  
Damco Australia Pty Ltd  
DKSH Australia Pty Ltd  
GHD Pty Ltd  
Hartley Corporation  
Haztech Environmental  
Husky Injection Molding System ANZ  
Jacobs E&C Australia Pty Ltd  
JFTA Petrochemical Services  
KPMG  
Lloyd's Register  
Milford-Astor Pty Ltd  
Noel Arnold & Associates Pty Ltd  
Process Consult Pty Ltd  
Rhodia Chemicals Pty Ltd (Laboratories)  
Shepherd Color International Inc  
Synergetics Pty Ltd  
Tanktel Pty Ltd  
Toxikos Pty Ltd  
Uhde Shedden Australia Pty Ltd