



Australian Government

Department of Health and Ageing
NICNAS

**NICNAS Cost Recovery Impact
Statement**

Engagement Strategy

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Purpose

To provide an engagement strategy for the NICNAS Cost Recovery Impact Statement (CRIS).

Background

In December 2002 the Australian Government adopted a formal cost recovery (CR) policy to improve the consistency, transparency and accountability of its CR arrangements and promote the efficient allocation of resources.

It is a requirement of the government's cost recovery guidelines that agencies undertake appropriate stakeholder consultation, including with relevant departments.

NICNAS stakeholders include the chemicals industry, the general community (including workers), and the Australian, state and territory governments.

Stakeholder consultation will be undertaken in accordance with the government's consultation principals (see Attachment 1), with an emphasis on achieving high-quality consultations.

Objectives

The objectives of NICNAS's cost recovery consultation are to:

- Identify and understand any issues with the current cost recovery framework and prioritise the major issues of concern over the efficiency and effectiveness of NICNAS operations;
- Understand views and impacts of any proposed fee changes; and
- Consider and respond to stakeholder feedback.

Key Issues

Different stakeholders have different ways of measuring efficient and effective delivery of the regulatory framework for industrial chemicals. The different perspectives include (but are not limited to):

- The general community is concerned about the protection of human health and the environment.
- Federal, state and territory governments require effective administration of the ICNA Act, notification of risk assessments and recommendations on chemical risk management.
- Industry requires certainty on charges and timeliness, consistency and transparency of science-based decisions with an appropriate risk optimisation framework, within a cost effective environment.
- Chemical industry workers need an assurance of safety.
- NICNAS staff members are concerned about adequate resources and the implementation of best practice regulatory science in implementing requirements under the *Industrial Chemicals (Notification and Assessment) Act 1989*.

These different perspectives must be managed. The outcome of the CRIS must be an equitable, well-balanced position with conformance to the government's cost recovery policy and guidelines.

At the last CRIS industry lobbied for government funding for certain NICNAS activities such as parliamentary service, compliance and activities for which the primary beneficiary is the public.

Key messages

As part of an integrated chemical control framework administered by the Commonwealth, state and territories, the key messages for NICNAS are:

- NICNAS is the leading authority assessing scientific data on industrial chemicals – including determining the risks they present – for the benefit of the Australian community.
- NICNAS's role is to ensure Australia has the most effective and efficient regulatory system for industrial chemicals – both those already in use and those which are new to Australia.
- NICNAS's assessment and information products are a reliable and authoritative source of information concerning the health, safety and environmental effects of industrial chemicals in Australia.
- NICNAS conducts assessments and makes decisions with as much transparency as possible, never compromising either human health or the environment.

The key messages for the NICNAS CRIS are:

- The CRIS is being conducted in accordance with the government's CR guidelines.
- The last CRIS was conducted in 2004/05.
- Current government policy is that all NICNAS activities are cost recovered. Cost recovery from industry occurs through two funding streams:
 - Fees and charges for new chemical assessments; and
 - NICNAS registration – a three tiered annual fee and levy on all introducers (importers and manufactures) of industrial chemicals.
- An independent consultant has been engaged to review NICNAS's cost recovery activities and to assist in the preparation of the CRIS.
- Terms of reference for the review have been developed in conjunction with the Department of Health and Ageing and have been noted by The Hon Mark Butler MP, Parliamentary Secretary for Health.

Key messages will be developed for each phase of consultation dependent on the objectives and the content being considered.

Stakeholder targeting

Stakeholders will be identified through a number of means, including:

- querying the NICNAS database of current registrants;

- noting organizations that made a submission to the Productivity Commission's study on Chemicals and Plastics Regulation, 2008;
- asking the NICNAS IGCC to identify peak industry associations;
- asking the NICNAS CEF to identify community stakeholders; and
- asking the NICNAS MOU group to identify government stakeholders.

A number of strategies will be used to alert stakeholders to the consultations. As a minimum a notice will be placed on the NICNAS website and letters will be sent to all identified stakeholders to inform them a) of the first public consultation meetings and release of the discussion paper; and b) the expected release of the Draft CRIS. Stakeholders will be asked to confirm if they wish to be informed of updates via email. Notification of the CRIS consultations will also be placed on the Business Consultation website (www.business.gov.au).

Activities to date

NICNAS started the consultation process early by informing its consultative forums, the Community Engagement Forum (CEF – on 17 November 2009) and the NICNAS Industry Government Consultative Committee (IGCC - on 25 November 2009) of its intent to commence work on the CRIS. NICNAS also published an article in NICNAS Matters, the NICNAS newsletter, in Dec 2009 noting the review and the expectation of undertaking stakeholder consultations in 2010.

An update on the CRIS project has been given to the NICNAS IGCC in their March meeting. This paper listed some of the issues for consideration during the CRIS process and the establishment of an email address for stakeholders to contact NICNAS regarding the CRIS (CRIS@nicnas.gov.au).

Proposed activities

There will be at least two opportunities for stakeholders to contribute to the review. In accordance with the government's consultation principles there will be a mix of workshops, one-on-one consultations and written submissions. A flowchart of the draft stakeholder consultation process is included at Attachment 2.

The first major step of the proposed stakeholder engagement process to occur in June/July 2010 is for NICNAS to produce a discussion paper examining the existing cost recovery arrangements and exploring options to address changes in NICNAS activities since the last CRIS in 2004-05. The paper will be in an easily understandable format and use plain language (see Attachment 3). Stakeholders will be informed that NICNAS is working within the government's cost recovery and regulation policy frameworks. The paper will be placed on the NICNAS website and will be open for comments for approximately 6 weeks. During this period stakeholder consultation meetings will be held in Sydney, Melbourne and other states as required.

The second major stakeholder engagement is expected to occur in September/October 2010 when the draft CRIS is released for comment. A Gazette notice will be made to announce release of Draft CRIS on NICNAS website. Written submissions will be sought and stakeholder consultation meetings will be held in Sydney, Melbourne and other states as required. The objective will be to examine the proposed fee structure and to seek views and comments on the impact of the proposed changes. Stakeholder acceptance of the cost recovery options will be sought. It is envisaged that the independent consultants engaged to carry out the financial analysis of the cost

recovery review will be at the stakeholder consultation meetings to present their findings and to answer questions.

As noted above NICNAS has already provided information on the CRIS to the IGCC, CEF, and to other stakeholders through the NICNAS newsletter. NICNAS will continue to provide regular updates during the CRIS project through these means. NICNAS will also provide email updates to mailing list subscribers (where interested parties have registered their interest in receiving email updates on the review's progress). Stakeholder submissions and meeting notes from stakeholder workshops will be published on the NICNAS website, and a summary of all stakeholder responses will be included in the CRIS, noting that any information provided of a confidential nature will be respected.

Throughout the project an evaluation of effectiveness of the consultation process will be conducted by examining the number and types of responses; whether some methods of consultation were more successful than others; and how consultation responses clarified the policy options and affected the final decision. The evaluation will be used to update the consultation strategy as appropriate.

Stakeholder consultation advice

Due to the sensitive nature of the stakeholder consultations, particularly the proposed new cost recovery arrangement for an accelerated assessment program for existing chemicals, stakeholder consultation advice will be sought from the department.

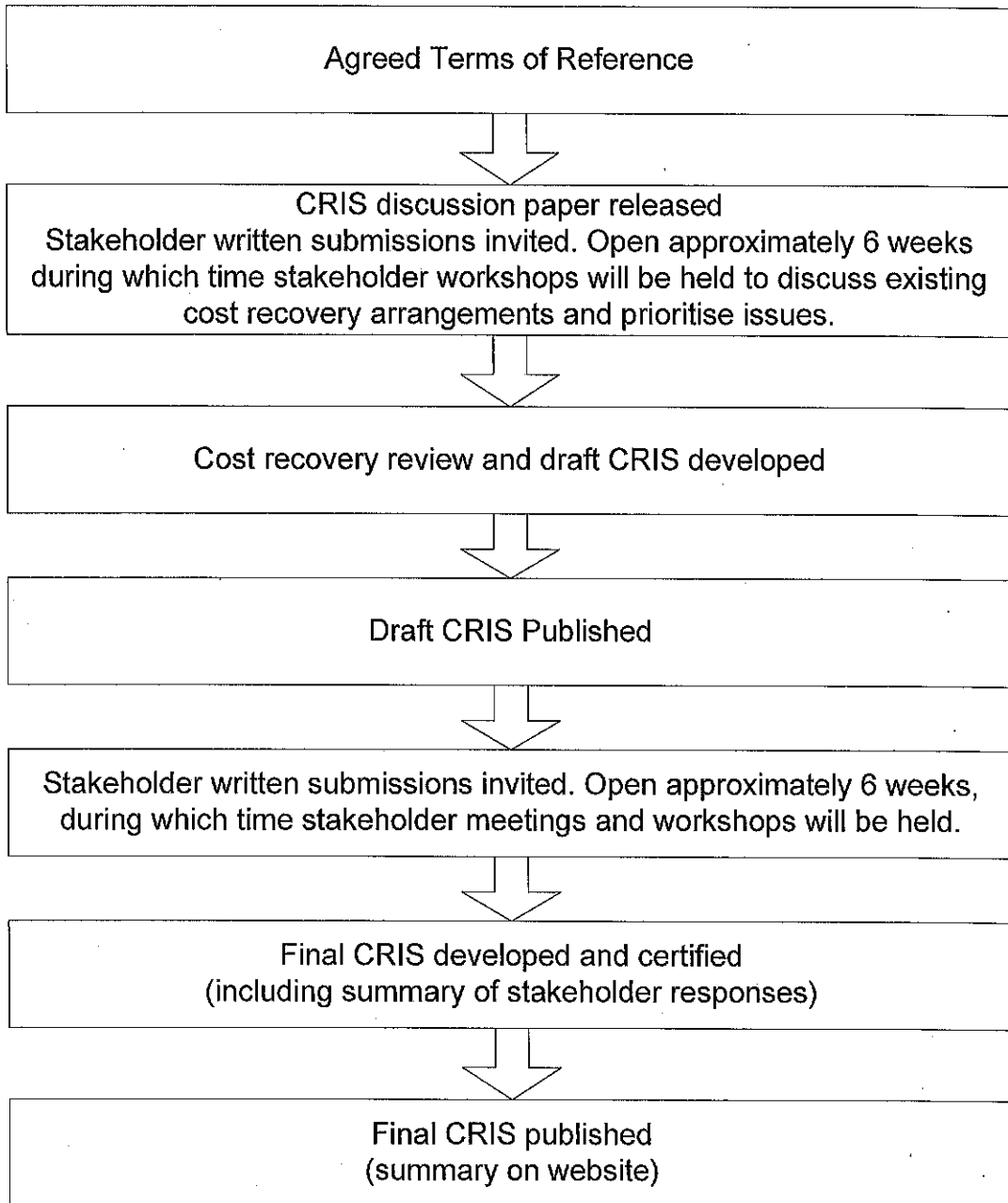
Consultation Principles

(Extract from the Australian Government *Best Practice Regulation Handbook* August 2007)

In 2006 the Australian Government adopted a whole-of-government policy on consultation, which sets out best practice principles that need to be followed by all agencies when developing regulation. This policy contains seven principles for best practice consultation:

- **Continuity** – consultation should be a continuous process that starts early in the policy development process.
- **Targeting** – consultation should be widely based to ensure it captures the diversity of stakeholders affected by the proposed changes. This includes state, territory and local governments, as appropriate, and relevant Australian Government departments and agencies.
- **Appropriate timeliness** – consultation should start when policy objectives and options are being identified. Throughout the consultation process, stakeholders should be given sufficient time to provide considered responses.
- **Accessibility** – stakeholder groups should be informed of proposed consultation and be provided with information about proposals through a range of means appropriate to these groups.
- **Transparency** – policy agencies need to explain clearly the objectives of the consultation process and the regulation policy framework within which consultations will take place, and provide feedback on how they have taken consultation responses into consideration.
- **Consistency and flexibility** – consistent consultation procedures can make it easier for stakeholders to participate. However, this must be balanced with the need for consultation arrangements to be designed to suit the circumstances of the particular proposal under consideration.
- **Evaluation and review** – policy agencies should evaluate consultation processes and continue to examine ways of making them more effective.

Consultation Flowchart



Plain language approach

The best information is written in simple, grammatically correct, plain English and meets the needs of the reader. A 'Plain English' language approach:

- turns information around and encourages looking at what is written from the *user's* point of view rather than from that of the producer;
- uses active (eg. 'You will find data ...') rather than passive ('Data can be found ...') sentences;
- uses clear and consistent definitions (e.g. of the term 'industrial chemical');
- avoids legalistic terminology taken from the Industrial Chemicals Notification and Assessment Act 1989;
- uses everyday language (eg. 'notify NICNAS of a chemical' rather than 'notify a chemical') so they are understood by NICNAS's clients, including new users;
- uses formats such as Frequently Asked Questions, simple diagrams and flow charts to aid in communicating complex processes; and
- is consistent with all other published material (e.g. in the way contact details for NICNAS are expressed - these should list:
 - the web site address, and
 - the Free Call number: 1800 638 528.