



The world is our inspiration

ABN 44 000 330 772

Melbourne, 06 August 2010

CRIS  
NICNAS  
GPO Box 58  
Sydney  
NSW 2001

Dear Sir/Madam,

NICNAS Cost Recovery Impact Statement Discussion Paper.

Arkema is pleased to make the comments as attached relating to NICNAS' CRIS review. I apologise for the lateness of this submission but trust it can be taken in to account.

I am happy to discuss any of the attached comments in person if required.

Yours faithfully

For Arkema Pty Ltd

A handwritten signature in blue ink that reads "B. JECKS".

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## ***Arkema Pty Ltd submission to NICNAS CRIS review***

### **General comments**

While Arkema supports the premise of NICNAS and the need for Australia to be comfortable with chemicals being used, we are concerned about the high cost of the NICNAS scheme and the barrier to introduction of new or improved chemicals that the current scheme represents. Any additional cost or complexity would make it more difficult for Arkema or similar companies to justify introduction of a new material to the small market size of Australia. Ultimately this risks Australia being stuck in the use of older technologies and we urge NICNAS to identify ways to make the introduction of new chemicals simpler and cheaper.

### **Specific comments**

#### **Registration of downstream users**

Arkema does not support this proposal, as to do so would significantly expand NICNAS' role to finished products as well as ingredients. We also suspect it would increase NICNAS' administrative costs with no quantified benefit countering the cost.

#### **Introduction of a Tier 4**

Arkema can see no benefit in the introduction of an additional registration tier without additional details on NICNAS' cost base and proposals for the tier registration costs.

#### **Late penalty fees**

A penalty fee for late payments is normal business practice and is supported but 15% penalty is excessive. In today's climate a 10-12% would seem more normal.

#### **Multi year registration cycle**

A multi year registration would be of no interest to Arkema as regulatory and other costs need to be allocated to our budget year.

#### **Alter the NICNAS registration cycle.**

Arkema would support a change to the NICNAS registration cycle to coincide with the calendar year. The current cycle does not line up with any other reporting and creates unnecessary difficulties in identifying the information needed.

#### **Cross subsidisation**

The discussion paper canvasses the idea of cross subsidisation but does not identify the amount anticipated, however in general Arkema does not support the concept of cross subsidisation between registration tiers or between registration fees and chemical assessments. We believe all activities should be self funded.

#### **Screening fee**

Arkema does not support this idea as suggested without additional information on the likely level and assurance the fee would be deducted from the current overall fees. Our concern is that it might lead to an increase in overall costs.

#### **Electronic template rebate**

Arkema supports this proposal.

#### **Secondary notification preliminary review**

Arkema does not support a fee for this. We feel the likelihood of an additional fee would tend to reduce the level of post-assessment reporting and it would become another cost burden.



### **Annual indexation of fees and charges**

We do not support the concept of automatic indexation of fees as there is then no incentive for NICNAS to improve its processes. In our own business we must continually make productivity improvements to counter the effects of inflation and we would expect NICNAS to do similarly. NICNAS could also take into consideration the profitability of the industry and/or individual companies when considering fee adjustments.

### **Fee for service**

Arkema supports the concept of a fee for specific services such as training where the services are not used by all registrants.

### **Accelerated assessment of existing chemicals**

While we support the concept of more detailed knowledge of existing chemicals in use, Arkema's concern in this area is the potentially huge cost which under NICNAS' current model would be recovered from industry. We believe that this is an area where NICNAS could comfortably accept the evaluations of other jurisdictions such as the EU, USA, Japan etc. who will be assessing many of the same chemicals. We would urge NICNAS to liaise with counterparts overseas to avoid different countries re-assessing the same chemicals.

We would want to see a much more detailed proposal of how the prioritisation and assessment would proceed along with timelines and cost estimates before commenting any further.