

NICNAS Cost Recovery Impact Statement

Questions

1. What services do tier 1 registrants require from NICNAS?

What services are available? No literature is sent out defining services available and at what cost?

2. Are there other fee structures which would provide a more equitable distribution of the funding burden?

There should be a reduced company registration fee

There should also be a product registration fee.

The registered products should be categorized into groups of perceived danger, based on OH & S requirements.

The product registration fee structure should then be based on the product group and levied according to the actual dollar value NOT tonnage or weight.

Revenue would be generated by a levy on dollar value of all chemicals arriving in Australia. The more goods that arrive in Australia, the more revenue NICNAS will be able to receive. Similar to the import duty imposed by Australian Customs Service.

An Alternative would be to have a NICNAS levy on the Customs Entry form which is generated on all imports at the border. A levy based on the custom tariff classification would make revenue collection so simple.

3. If a higher minimum threshold value for tier 1 registration is introduced, how does NICNAS ensure the introducers who fall below this threshold are aware of their obligations under the IC(NA) Act?

All importers who are registered with the Australian Customs Service should be registered. The agencies of the ACS and the NICNAS should have a closer working relationship to share information.

4. Is the application of a late penalty fee a deterrent to late payment of fees?

The current fee structure is not conducive to larger businesses as the rate of penalty is small.

5. What other mechanisms could be used to encourage registration payments to be made on time?

The rate of penalty should be commensurate with the value of the registration fee.

6. Would the introduction of an optional multi-year registration cycle be beneficial to industry and why? If so what would be the optimal period per cycle, e.g. 2 years, 3 years?

The multi year registration fee would be suitable for larger industrial concerns, but should be available to all. A cap of 3 years would be suitable, but with reporting on an annual basis.

7. Would the alignment of the NICNAS registration cycle with the financial year be beneficial? Please supply supporting information.

Alignment with financial year is of no value, as many major industrial concerns have a reporting year outside of the fiscal year. It is currently beneficial as the EOFY internal reporting enables quick access to data.

8. What issues would need to be considered in relation to the appropriateness and extent of cross subsidisation of new chemical assessments, and what approaches could be taken to manage these?

No comment

9. Should the funding mechanism for screening submissions be changed? What are the advantages and disadvantages of a non-refundable screening fee for new chemical assessments as an incentive to achieving better quality submissions?

No comment

10. What are the advantages and disadvantages of industry receiving a rebate of up to 15% of the new chemicals application fee when submissions are made using an agreed electronic template?

Cancel the rebate and make it compulsory that the electronic template be used for all new applications. Get with the times and do like the ATO requires with group certificates on disc.

11. What are the advantages and disadvantages of changing the mechanism for recovering the cost of the preliminary review of changed circumstances (of an assessed new chemical) and making a decision on whether a secondary notification is warranted? Should this be a fee for service?

The charges should be built into the product registration fee, and the fee should also be influenced by some level based on toxicity or flammability or other criteria.

12. What factors should be considered in determining the level of reform activity NICNAS undertakes?

The level of reform activity should be based on cost benefit to the registered companies. If the reform is purely for NICNAS use only then the costs should be absorbed by general revenue.

13. What are the implications of NICNAS charging a special levy or a fee to a particular industry sector where the reform activities are specific to that sector only? E.g., cosmetics and disinfectants.

If the reforms are of benefit to the applicable industry, then the industry should contribute to the reforms. If the reforms are only to benefit NICNAS, then general revenue should be used. If the reforms are for the improvement of OH & S standards, then they should not be charged, however, they should be levied according to the danger of the chemicals involved.

14. How could this levy be structured alongside a multi-year funding cycle?

See Item 2. Varying levies on category items according to revenue required.

15. What is the best manner in which the cost of regulatory impact assessments can be recovered? Should these costs be incorporated into the fee when it relates to a fee for service activity? therefore funded from the registration levy?

See item 2. The costs should be an overhead and part of the product registration fee.

16. What is an adequate level of reserves for NICNAS to enable the organisation to continue its business?

15%

17. What strategies could be used to improve the predictability of NICNAS annual income?

As per item 2 – A levy based on cents per import \$ value would improve the predictability of NICNAS annual income

18. What factors should be considered when determining the appropriate level of investment in training and new assessment technologies?

As per item 2 – A levy based on cents per import \$ value would provide funding for training and equipment

19. What factors should influence the amount of compliance effort spent on a particular activity?

The import \$ value should influence the amount of compliance effort spent on a particular activity

20. What factors should be considered when determining the level and type of outreach activities undertaken?

The demand from Industry and/or consumers would determine the requirements. Where information is of a major importance, then emails or letter drops to registrants based on product category would be useful.

21. Are there any specific items you would like to see included in a document outlining NICNAS's cost recovery policy and procedures?

One would like to see the running accounts of the department. What costs for training, equipment, vehicles, transport, accommodation, venue hire and all other charges expended in the previous 3 financial years? What was the cost benefit to the registrants from this expenditure? I am sure that there are cost savings to be had.

22. Is there a reason to expand the definition of a chargeable person to include down stream users of industrial chemicals? What factors should be considered in coming to this view?

The downstream users who convert or combine the imported chemicals, should also be registered and liable for the same charges as the importer. More expenses shared would reduce the levy rate across the board.

23. What factors should influence the indexation model for adjusting fees and charges?

Once a fee is struck, the fee should then only be changed under an act of parliament. In much the same way as the Australian Customs duty rate on specific products.

24. What are the implications of introducing an automatic annual adjustment?

Fees can get out of hand in AUTOMATIC adjustments.

25. What do you believe is the most equitable manner in which to cost recover these activities? Should it be through a fee for service or a levy?

Definitely a LEVY based on dollar value of imports.

26. Are there any other issues with the NICNAS fees and charges you would like to see addressed in the CRIS?

No

27. What are your views on the benefits of addressing the regulatory gap through prioritisation and undertaking this project within a reasonable period of time? Can you see any additional benefits other than those identified?

Make sure that the plans work before implementation. We do not want the debacle of the new system to follow the Integrated Customs System ICS, on 12th October 2005.

28. What is the most equitable manner to raise funds to support prioritisation of chemicals on the inventory?

A simple levy on the \$ value of the chemical at importation, via the customs entry.

These answers are based on my experiences with government departments and private companies in the general day to day running of a business.

Signed

Adriaan Commijs

Galvin Hardware Pty Ltd

PO Box 1192

Osborne Park

Perth

Western Australia