

NICNAS Cost Recovery Review

CEF Comment

30 November 2011

The Community members of the NICNAS CEF welcome the opportunity to provide comment to NICNAS Draft Cost Recovery Impact Statement for 2012-13 to 2015-16.

The CEF in general supports the proposals made in the Draft CRIS. In our view NICNAS undertook a very thorough consultation process in the development of the Draft CRIS which allowed all relevant stakeholders to express their views and consider various options. A discussion paper was released, workshops were organised and submissions invited. In addition an online survey was run by NICNAS, the results of which also informed the draft CRIS.

Further, the CRIS was informed by the Activity Based Costing (ABC) study which was conducted for NICNAS by independent consultants. This provided an accurate and up-to-date analysis of the costs associated with all the activities undertaken by NICNAS. Consequently, the proposals contained in the CRIS are based on justifiable arguments and solid reasoning.

From the viewpoint of the CEF, it is crucial that NICNAS as a regulator be adequately funded to carry out its functions of assessment and registration. It is also crucial to us that NICNAS be able to raise sufficient funds to initiate the review of 38,000 existing chemicals, the vast majority of which have had little or no assessment. There is a community and union expectation that this process be done following extensive consultation undertaken by NICNAS which commenced in 2006.

This was confirmed by the Productivity Commission report Recommendation 4.6 “that NICNAS should implement a program to greatly accelerate the assessment of existing chemicals that: screens all existing chemicals to develop a list of high-priority chemicals for assessment.”

However, as it is a long-standing Government policy that all of NICNAS activities must be done on a full cost recovery basis, although the PC recommended that the screening of chemicals be funded by the Australian Government, this was not agreed to.

Consequently, full cost recovery of NICNAS activities is a given.

Furthermore the CEF believes that Government should look to implementing the full set of Existing Chemical Review recommendations in line with public expectations and the commitments made by all stakeholders over many years during the process to implement the EC Review. Any funding arrangement through CRIS should account for these remaining recommendations.

The CEF believes that the proposed changes will ensure better alignment of fees to the costs, and are fair and able to be sustained by industry. The amendments suggested to the ‘tiers’ for the annual registration fee are also fair and although some

sectors may suggest that one or other sector is benefitting, the CEF believes that the proposal has been designed to deliver the best and fairest outcome.

With this in mind, a broader consideration and definition of the work NICNAS undertakes within this cost recovery model for regulation is needed. It is important to align the role of NICNAS as a regulator with the expectations of the public and the commitments made by Australia as a signatory to number of International Conventions related to the safe and sustainable use of industrial chemicals here in Australia and globally. The Prioritisation of the AICS is but one overdue aspect of this work.

Capacity Building is an essential component of the work NICNAS undertakes and includes the expansion of important databases for critical volume and use information and the identification of downstream users of industrial chemicals. Stakeholder engagement processes and major reform work such as the Low Regulatory Concern Chemicals Review (LRCC) are critical works that NICNAS must be funded to continue.

Given the more than 20 year history of exclusive industry engagement with NICNAS, it is time for some balance in the way that Australia regulates industrial chemicals for the long term safety and protection of the Australian environment and her citizens. Full cost recovery funding is not only needed to regulate new chemical imports but also to redress historical backlogs and to capacity build for the future. The connection therefore between the work NICNAS provides regulating new chemicals, old unassessed chemicals and the many emerging and internationally recognised chemicals issues in the health and environment sectors, is inextricable and cannot be overstated.

Signed:

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