

Answers to the questions proposed through the NICNAS cost recovery Impact Statement Discussion Paper:

Q1. What Services do Tier 1 registrants require from NICNAS.

A1. N/A

Q2. Are there other fee structures which would provide more equitable distribution of funding burden.

A2. This is complex as it has to include segment noncompliance as much as relative number of chemicals in commerce.

Q3. 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?

A3. The minimum threshold implies a need to be aware of the law and its obligations.

Q4. Is the application of a late penalty fee a deterrent to late payment of fees?

A4. Being a good corporate citizen this is not relevant.

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

A5. Holding goods at Customs for serious, intentional non compliance.

Q6. 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?

A6. No the interest on the tier 3 at normal commercial rates mean the money can be put to better use than paying 2 or 3 years company registration.

Q7. Would the alignment of the NICNAS registration cycle with the financial year be beneficial?

Please supply supporting information.

A7. Yes it would be useful to align with either calendar year or June - July financial year as the quantity data for NICNAS yearly reporting will then be available in a routine format than needing to specially calculate for NICNAS.

Q8. 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?

A8. Given the intent is not to have year on year cross subsidization and the magnitude is not greater than 15% this is within tolerance and no further time should be wasted considering the matter.

Q9. 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?

A9 The screening process is arguably inefficient and is unacceptable as the clock does not start when screening starts even though work has started if the file is found acceptable to issue a screening letter. The non-refundable screening component is a fair charge for work expected to be done but the clock must start if the charge is to be levied.

Q10 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?

A10 If the discount is supported by proportionate productivity gains by NICNAS then the rebate is justified. (What happens if the electronic template is used and rebate not claimed???)

Q11. 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?

A11 If there are very clear guidelines for determining a secondary notification then a fee for service is justifiable otherwise it is incumbent on NICNAS to provide the expertise.

Q12. What factors should be considered in determining the level of reform activity NICNAS undertakes?

A12 The level of reform is determined by the quality of the Act Vs global benchmarks. The ICNA Act 1989 has been found require modification to more closely align with jurisdictions such as Canada and USA that and has required significant change. Further the NICNAS Act failed to embody many of the efficient features of TSCA so there has been significant economic pressure to reduce cost.

Q13 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.

A13. The more economically successful industry will acquire gains from NICNAS while the more economically challenged industries that need cost reductions will be left behind. This will result in NICNAS servicing an ever decreasing level of customers and government NICNAS policy playing a contributory role in pressuring/eliminating industries from the Australian economy.

Q14. How could this levy be structured alongside a multi-year funding cycle?

A14 Such a levy as in Q13 above will not be welcomed.

Q15. 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? Should the cost of regulatory impact analyses be included as an overhead cost and therefore funded from the registration levy?

A 15 These are government focussed government required expenditure of resources that industry gets very little information quality and detailed information from as it specifically talks about an inwardly focussed government view. The main audience is Government and the user should pay.

Q16. What is an adequate level of reserves for NICNAS to enable the organisation to continue its business?

A16. The current level of reserves is adequate but greater flexibility in the way these may be temporarily used needs to be allowed by the government.

Q17. What strategies could be used to improve the predictability of NICNAS annual income?

A17 Industry is the life blood of NICNAS. Other than acting in a way assist industry rather than tax industry, NICNAS must pragmatically accept the economic ups and downs that Industry has to endure.

Q18. What factors should be considered when determining the appropriate level of investment in training and new assessment technologies?

A18 3-6 months term reduced costs and time of assessment

Q19 What factors should influence the amount of compliance effort spent on a particular activity?

A 19. The risk to workers, the public and environment.

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

A 20 International outreach has to be aligned with government trade policy and time and resource transfers paid by DFAT or other departments that are the direct beneficiaries.

Q21. Are there any specific items you would like to see included in a document outlining NICNAS's cost recovery policy and procedures?

A21 When will NICNAS work directly attributable to "public good" not be required to be funded by Industry.

Q22. 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?

A22 No comment

Q23. What factors should influence the indexation model for adjusting fees and charges?

A23 The common index that is based on WPI that effect everyone.

Q24. What are the implications of introducing an automatic annual adjustment?

A24 NICNAS charges will be non responsive to economic peaks and troughs

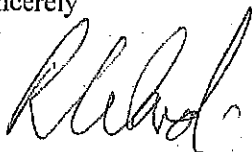
Q25. What do you believe is the most equitable manner in which to cost recover these (international) activities? Should it be through a fee for service or a levy?

A25 No it should be by government as this is a consequence of a foreign agreement made by government.

Q26. Are there any other issues with the NICNAS fees and charges you would like to see addressed in the CRIS?

A26 Yes a significantly improved focus on efficiency and effectiveness through productivity gains. And as standard process a highly detailed transparent justification for any circumstance where foreign data has to be reworked by NICNAS and the increment in risk attributable to not reworking the data and accepting with simple modification.

Sincerely



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4th August 2010