



Vinyl Council of Australia

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20 January 2020

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Industrial Chemicals Environmental Management (Register) Bills 2020

We refer to the inquiry by the Senate Environment and Communications Legislation Committee regarding the Industrial Chemicals Environmental Management (Register) Bills 2020.

The Vinyl Council of Australia (VCA) is the peak association for the vinyl, or PVC, industry in Australia. Our members represent the vinyl value chain in Australia and include a number of companies importing resins and intermediate chemicals for the local manufacture of vinyl compounds, stabilisers and finished products. It is estimated that in excess of A\$1 billion of raw materials are consumed by Australia's PVC, or vinyl, manufacturing industry.

The Council has monitored, provided feedback and engaged with the regulator at a number of stages of the process of developing a new national framework to manage the ongoing use, handling and disposal of industrial chemicals replacing the National Industrial Chemicals Notification and Assessment Scheme (NICNAS). We support the need to reduce impacts from industrial chemicals use on human health and the environment and the transition from NICNAS to the Australian Industrial Chemicals Introduction Scheme (AICIS).

With respect to the Bills currently before Parliament, we recognise the intention that annual scheduling charges on registered introducers of industrial chemicals should be implemented on a government cost recovery basis.

However, our members have experienced significant adverse impact from the new fee schedules introduced by the AICIS and currently operational in the market. The issue lies in the Registration fee bands based on the value of industrial chemicals introduced in the previous financial year, the upper band of which - Level 8 - is just \$5,000,000 or more.

The fee for a relatively small business introducing \$5 million worth of chemicals is over \$40,000, which means small local businesses importing chemicals for their use or for supplying manufacturers are being charged the same rate as the large, multinational chemical producers and trading companies who introduce hundreds of millions of dollars' worth of chemicals.

As a result of the change in registration fees between NICNAS and AICIS, several of our relevant members have experienced registration fee increases of 50-75% as they fall into the Level 8 band, albeit at the low end of the scale.

The \$40,000 AICIS Registration fee for the smaller companies has a disproportionate impact on relatively thin margins for commodity chemicals.





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ASIC considers a 'small business' is one with revenues of \$50 million or less. We therefore ask the Committee to consider that the Registration Charges Bill recognise both the need for government to recover costs of administering the AICIS yet also provide a level of 'protection' or a buffer for small businesses whose introductions of chemicals are less than \$50 million p.a to ensure they do not bear an undue burden in AICIS charges relative to the major global chemical trading companies.

We ask AICIS to consider amending the Registration fee schedule to introduce more appropriate fee bands for larger businesses (suggested bands below) and amend the fee for the lower scales to reduce the jump in fee between Level 7 (\$5,072) and the current Level 8 (\$40,072).

\$5 million to \$9,999,999;
\$10 million to \$49,999,999;
\$50 million to \$250 million and
over \$250 million.

Thank you for considering this submission.

Yours sincerely

Sophi MacMillan
Chief Executive

cc. Acting Executive Director, Dr Roshini Jayewardene,
AICIS,