

29 September 2026

Productivity Commission
Locked Bag 2, Collins Street East, Melbourne VIC 8003
By email: businessreporting@pc.gov.au

Re: Call for submissions – Business reporting requirements

Dear Commission,

Chemistry Australia is the peak body representing and advocating for Australia's chemical sector. The industry underpins much of the broader economy - from manufacturing and agriculture to construction, water treatment and healthcare. So, it is important that regulation is administered effectively and efficiently across the entire supply chain. Chemistry Australia advocates for a regulatory framework that promotes efficiency, while safeguarding public health, safety and security.

Chemistry Australia welcomes the opportunity to contribute to the Commission's inquiry into non-financial business reporting requirements. This submission addresses Information Request 4 (other reporting requirements warranting attention), Information Request 5 (interactions between reporting requirements) and Information Request 6 (options to reduce adverse interactions).

Chemistry Australia supports strong and appropriate controls to prevent the diversion and misuse of chemicals and equipment for illicit drug manufacture. However, the current end-user declaration (EUD) arrangements impose a significant burden on legitimate industrial users, disrupt seamless trade, and are compounded by several issues within jurisdictional drug precursor frameworks.

**End-user declarations a reporting burden warranting the Commissions attention
(response to Information Request 4)**

End-user declarations (EUDs) are reporting requirements imposed under state and territory laws governing precursor chemicals. When supplying certain chemicals or equipment that could be used to manufacture illicit drugs, suppliers must obtain information from the customer, complete a declaration about the transaction. An EUD is a formal statement certifying that the buyer or recipient of these sensitive goods will use them only for a declared, legitimate commercial purpose.

EUDs are relevant to this inquiry because they require businesses to report, collect, verify, retain and manage information about commercial transactions. These are a non-financial reporting requirement which fall within the scope of paper, and they impose a recurring administrative burden each time a scheduled chemical or a sensitive piece of equipment is supplied.

Issues with EUDs and reporting obligations (response to Information Request 5)

EUD requirements differ significantly between jurisdictions and can be complex to administer. For businesses operating nationally, these differences create duplication and uncertainty and, in practice, can require compliance systems to accommodate the most demanding requirements across the jurisdictions in which they operate and fundamentally creating a greater burden for industry within supply chain

management. The Attorney-General's Department's 2016 Decision Regulation Impact Statement on Precursor Chemicals and Equipment (DRIS 2016) provides a useful, government-sourced order of magnitude: it estimated approximately 58,000 EUDs were being completed annually across the sector nationally. However, we consider that this underestimated - as national businesses are likely to adopt a worst-case scenario within any transaction regardless of the jurisdictional requirement.

Below are key issues with EUDs:

- **Different reporting and record-keeping requirements:** States and territories apply different approaches to EUDs. Some require a declaration to be completed and submitted to police for every transaction, while others require suppliers to manage this through a passive reporting process to retain records and provide them only when requested by the authorities or where a transaction raises concerns. Furthermore, there are difference in record retention requirements.
- **Personal information requirements:** Some EUD processes require customers to provide sensitive personal information, such as passport or driver's licence details. These requirements can create practical barriers to transactions, particularly where customers are reluctant to provide personal information to suppliers. They can also create additional obligations for businesses in collecting, handling and retaining that information.
- **Different scope of chemicals and thresholds:** The same chemical can be subject to different requirements depending on the jurisdiction (differing chemical and equipment lists), including different quantity thresholds and rules about whether obligations apply to the neat substance, mixtures, or related substances such as salts, derivatives and isomers. For example, some jurisdictions apply requirements to chemicals contained in mixtures, while others focus on the neat substance. Where mixtures are captured, the reporting burden can increase substantially, because regulated chemicals may be present in a wide range of products at relatively low concentrations with a very low risk of diversion.
- **limited recognition of trusted suppliers for traded chemicals and equipment:** for commonly traded, lower-risk chemicals and equipment, most jurisdictions apply the same transaction-level requirements to every sale, regardless of an established, low-risk customer relationship. Some jurisdictions do recognise these relationships, such as, Western Australia for category 2 scheduled chemical or equipment.
- **Reliance on paper-based processes:** EUDs are largely manual, paper-based instruments – completed by hand at the point of sale and, depending on the jurisdiction, physically forwarded to police or retained in hard-copy files for several years. This creates a duplicative administrative burden that sits on top of, and is separate from, the substantive differences between jurisdictions: time is spent completing, processing, filing and retrieving records that could otherwise be captured and shared electronically.
- **Lack of national coordination:** There is no consistent national process for determining which precursor chemicals should be regulated, or for coordinating changes to jurisdictional lists. States and territories can therefore add chemicals or amend requirements through siloed processes, instead through a coordinated national approach.

These differences in reporting requirements and their application are set out in full in Appendix 1.



Options to reduce adverse interactions (response to Information Request 6)

Chemistry Australia recommends that the Commission first support a nationally coordinated approach to precursor chemical management. A consistent national approach to deciding which chemicals are regulated is essential to prevent separate, and potentially divergent, requirements developing across jurisdictions. Without greater coordination, a new EUD system may streamline administration while leaving the underlying duplication, inconsistency and compliance burden unresolved.

Within this national framework, Chemistry Australia recommends the following be addressed:

- **A single national electronic EUD system for reporting:** comprising one form, one set of standard data fields, and one electronic channel accepted across every state and territory scheme. This would replace today's manual, paper-based processes, removing the duplicated cost of completing, processing, filing and retrieving physical declarations across jurisdictions. This mechanism was supported by the DRIS 2016. **However, we consider it is also an opportunity to explore opportunities for alternative arrangements** in managing diversion risks through smarter ways, such as, reduced reporting frequency for trusted account holders, minimising personal information requirements in verifications or a verification and register of legitimate businesses to remove the reporting requirement entirely, etc.
- **A consistent national scope rule:** a clear, nationally consistent basis for determining when a chemical is regulated, focused on the neat (pure) substance rather than extending requirements to every low-risk mixture that merely contains it which has a low-risk for diversion. Harmonise chemical and equipment lists nationally. This approach was supported by the DRIS 2016.

4. Conclusion

End-user declarations are a real reporting burden on the chemical supply chain. Left unaddressed, this burden will continue to grow as jurisdictions regulate independently rather than through a coordinated national approach. Establishing a coordinated national approach would be a natural first step, including through re-establishing a body such as the Precursor Advisory Group, which was disbanded by the Department of Home Affairs earlier this year. Such a platform could bring together key stakeholders to identify and address precursor chemical regulatory challenges within an agreed term of reference, with a focus on reducing unnecessary regulatory reporting burden, driving harmonisation, reactive to new risks and effectively mitigating the diversion of chemicals and equipment from illicit drug manufacture.

Chemistry Australia would welcome the chance to provide further data and member examples, and to discuss this submission further with the Commission.

Kind Regards,

Nick Zovko
Director of Regulatory Affairs
Chemistry Australia



Appendix 1: End-user declaration requirements, retention and its application

The table below sets out, in plain terms, what each jurisdiction requires when a business supplies a precursor or scheduled chemical: what the supplier has to do, whether the rule covers the pure chemical only or mixtures too, whether it also covers close chemical ‘relatives’ (salts, derivatives and isomers), how long the record has to be kept, and what happens to it afterwards.

Jurisdiction	What's required at point of sale	Applies to neat, mixture or both?	Covers salts, derivatives & isomers (analogues)*	Retention period	What happens to the record
Queensland	The supplier checks the buyer's ID, records their details and reason for buying, and completes a declaration.	Neat (pure) chemical only – mixtures are excluded by law.	Yes	2 years	Mandatory and active – a copy of every declaration goes to Queensland Police straight away. No exemption for regular customers.
South Australia	For some chemicals, the buyer needs an account and a completed order form. For others, a full declaration plus photo ID is needed for every sale.	Both – covers the chemical whether pure or mixed into a product.	Yes	5 years	Mandatory but passive – kept by the supplier, given to police only if asked, or if something looks suspicious.
Victoria	A declaration must be completed before selling certain listed precursor chemicals or laboratory equipment.	Neat only.	Yes	5 years	Mandatory but passive – kept by the supplier, given to police only if asked.
Western Australia	The buyer needs an account, or a declaration plus photo ID at the time of sale.	Both – covers the pure chemical, compounds, preparations and mixtures.	Yes	5 years	Mandatory and active. Also accepts account holders under category 2 scheduling of chemicals and equipment (reduced obligations).
New South Wales	Rules vary by chemical. Generally, a licence is required for certain scheduled chemicals & supported by a declaration.	Neat only.	Yes	2 years	Mandatory – structured as a licence to buy, hold or use the chemical. Declarations are passive, kept by the supplier and given to police only if asked.
Tasmania	No standard declaration is required. It is an offence to sell if the seller knows the buyer intends to misuse the chemical.	Both – covers the chemical pure or mixed into a product (Misuse of Drugs Act 2001, Sch 1, Part 1).	Yes	Not specified	Not mandatory – some suppliers use a voluntary declaration anyway, to stay consistent with their national process.
ACT / Northern Territory	No standard declaration is required. It is an offence to sell if the seller knows the buyer intends to misuse the chemical.	Neat only.	Yes. ACT includes other derivatives.	Not specified	Not mandatory – some suppliers use a voluntary declaration anyway, to stay consistent with their national process.

* Differences also exist in how each scheme defines a chemical's salts, derivatives and isomers (‘analogues’) – most schemes extend to these, but the exact wording differs by jurisdiction.