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SUBMISSION TO PRODUCTIVITY COMMISSION STUDY : CHEMICALS AND PLASTICS REGULATION

My company, Plastral Pty Ltd, is inter alia an importer and distributor of specialty industrial chemicals and as such has had considerable exposure to the Government's industrial chemicals regulatory organisation, NICNAS.

Because we are a supplier of specialty products as distinct from commodity we have a higher than normal exposure to NICNAS - as a company we are more likely to be at the forefront of technical innovation in the chemical industry. We are also more likely to deal in smaller volumes of chemicals and hence the NICNAS barrier is more significant.

I contend that NICNAS has and is severely hindering the development of the chemical industry in Australia. It is a significant barrier to the introduction of new chemicals, new technology, more environmentally sound and safer chemicals.

Over the years since the introduction of NICNAS my company has become conditioned in its evaluation of the introduction of new technology based on whether NICNAS approval is likely and the cost thereof compared with the potential economic gain.

I have seen instances where new technology and safer technology has not been introduced because of NICNAS.

A highly annoying aspect of NICNAS is its terminology - reference is made to "new" chemicals. Of course if you ask the man in the street who has little or no exposure to industrial chemicals the question "should new chemicals coming into Australia be regulated" he will most likely answer "yes". He will envisage people in lab coats with test tubes and beakers inventing some new chemicals and of course any newly invented chemical needs a wide range of testing before release. In the NICNAS context a new chemical is simply one which is not on the existing inventory (AICS) - it can actually be a very "old" chemical - it just happens not to have been placed on the inventory and hence under the NICNAS nomenclature it is called a new chemical. This is quite ridiculous and should be changed so that lay people can have a better understanding of the role of NICNAS.

Of some approximately 120,000 existing chemicals, I believe that there will be less than 50,000 on AICS. How do you get a chemical onto AICS? Back when the inventory was first being created (the mid - late 80's) and in a subsequent amnesty all you had to do was list it (provided it was currently in use in Australia) - and it was on the inventory - no testing / evaluation / assessment and no cost. Just straight onto the inventory. To get a chemical (new or old) onto the inventory today takes lots of time, effort and money. This is out of balance.

I attach herewith copies of three other letters about NICNAS which I have written to Government over the years. These are self explanatory.

Yours sincerely

JOHN K SHARP
Managing Director