



AS/ ISO 9002



REGN. No 042

5 April 2001

The Hon Tony Abbott MP
 Minister for Employment, Workplace Relations and
 Small Business
 Suite MF 24
 Parliament House
 CANBERRA ACT 2600

Dear Minister

RE NICNAS

I understand that you have responsibility for overseeing the operations of NICNAS.

My business, Plastral Fidene Pty Ltd, is an importer and distributor of specialty industrial chemicals and plastics, and as such we deal daily with NICNAS issues. Since NICNAS was introduced we have spent huge amounts of time and money to ensure we are compliant.

There have been numerous occasions since the introduction of NICNAS to Australia when I have made business decisions which I would not have made were it not for NICNAS. The increasing frequency of these occasions and some degree of frustration about the effect of NICNAS on my business has prompted me to write to you to put forward my views on the matter.

The role of NICNAS is to assess industrial chemicals for their health and environmental effects. I have no argument with this.

My problems with NICNAS are really twofold:

1 NICNAS hinders technological advancement in Australia (and potentially hinders the introduction of safer chemicals).

We have a situation at present (typical of the number of situations which have arisen over the years) with a client who is a subsidiary of a major European company. Our European supplier has conducted some development work directly with the major European company to introduce a new version of a chemical utilised by the major European company. In addition to technological improvements this new chemical actually provides handling and safety improvements over the existing chemical which is used by our Australian client. We will not be introducing the new improved products to our Australian client because of the complexity, time and money involved in obtaining a NICNAS approval for the new chemicals (there are actually three).

Plastral Fidene Pty Ltd

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Typically this will cost \$12,000 for the assessment, \$10 - \$20,000 for the consultant to put the assessment documentation together and will take anything up to 6 - 9 months. The data required for the assessment is often so extensive that it may cost the supplier hundreds of thousands of dollars to attain it (if he does not already have it).

One of the ramifications of this decision is that new, safer technology is not introduced. An irksome aspect of it for me is the hindrance of the development of my business.

In the specialty chemicals area the Australian market is so small that its size does not justify the expenditure on information for an assessment. As a result the technology stagnates.

2 NICNAS is trying to reinvent the wheel

The NICNAS system starts from scratch - even though there was provision in the original Act for "Approved Foreign Schemes". This was never put in place and as a result NICNAS goes back to basics on each assessment. This requires duplication of much information and does not make sense. The chemical industry worldwide is extremely health, safety and environmentally conscious to the extent that it is largely self regulating. For a small country like Australia to take on this style of assessment regime without considering work already carried out is a waste of resource.

I am very much in favour of the tenets of NICNAS and to a lay person they would be admirable objectives. However from the point of view of industry they are often an unnecessary hindrance to development and commerce in the chemical industry.

It is my belief that legislation should be introduced to scrap NICNAS as it exists today and replace it with a more user friendly, pragmatic and internationally compatible mechanism to achieve the same outcome.

Yours sincerely



JOHN K SHARP
Managing Director

cc Dr M Hartley, NICNAS ✓



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REGN. No 042

26 July 2001

The Hon Tony Abbott MP
 Minister for Employment, Workplace Relations and
 Small Business
 Suite MF 24
 Parliament House
 CANBERRA ACT 2600

Dear Minister

RE NICNAS

I wrote to you on 5 April 2001 saying (amongst other things) that NICNAS hinders technological advancement in Australia.

Since that time I have met with the Director of NICNAS together with one of your staff, and received a letter from you dated 22 May 2001.

I remain gravely concerned that over-regulation of the chemical industry by the NICNAS legislation is dramatically depriving our country of new technology. This has been happening since the introduction of NICNAS in 1990 and I fear it will set us back technically by decades.

I cite the following example.

A highly reputable US manufacturer began work to have an assessment by NICNAS of a tin stabilizer for rigid PVC in March 2000. My company is a joint notifier. The application went to NICNAS in September 2000. As at today an approval has still not been granted nor do we have any sign of when we will get one. The manufacturer's estimated direct costs to have the assessment carried out by NICNAS is A\$23,892 to date and this makes no allowance for the vast cost in time from the manufacturer. This submission consisted of approximately 800 pages of data and as a result of questions from NICNAS a further 500 pages of data was generated.

This product has been in continuous use throughout the US, Canada, Latin America and Japan for about 12 - 14 years. It has many approvals in these countries including most recently FDA approval for use in water piping systems in food processing plants.

One of the main reasons for the proposed introduction of this chemical is as a replacement for lead stabilizers for PVC which have known toxicity and which have been banned for use in potable water pipes in Australia.

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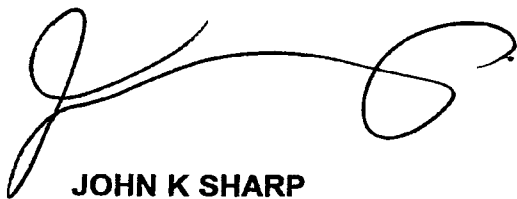
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Mr Abbott, I am a businessman, not a politician or a legislator.

I do have a small vested interest in having this chemical approved for importation but my agenda in drawing this to your attention is far greater than my vested interest. The plastics and chemical industries in Australia are in severe decline and one of the major reasons is over-regulation. I think the above example clearly demonstrates this.

Ultimately, I care about my industry and my country and I draw this to your attention in the hope that quick action can be taken to repair the damage already done.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John K Sharp', with a large, stylized flourish extending to the right.

JOHN K SHARP
Managing Director

cc Dr M Hartley, NICNAS ✓



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25 February 2002

Senator The Hon Kay Patterson
 Minister for Health and Ageing
 270 Clayton Road
 CLAYTON VIC 3168

Dear Senator Patterson

RE: OVER REGULATION OF THE CHEMICAL INDUSTRY BY NICNAS

I had previously written (26 July 2001) to the Hon Tony Abbott about this matter. He advised me in an undated letter which I received 5 February 2002 that this matter now falls within your portfolio and that he had passed my letter on to you. On 8 February I received advice (attached) that my letter had been passed on to The Hon Ian Macfarlane.

I am writing to you now to ensure that you are aware of this important issue.

My concern is that over regulation of the chemical industry in Australia by the NICNAS legislation is dramatically depriving our country of new products.

These new products may provide new technology or safer or more environmentally sound products to our industry.

The purpose of NICNAS is to assess the health and environmental affects of new chemicals before they are used in Australia. I have no argument with that. The problem is that the costs and assessment requirements for new chemicals may outweigh the immediate potential commercial benefits. Thus the introduction of new chemicals may not proceed, thereby depriving Australian industry of new or potentially safer technology.

I believe that this is an extremely serious matter which has been occurring since the introduction of NICNAS in 1990. I know that many others in the chemical industry share my views.

I have made my views known to NICNAS in the past and I am aware that some consideration is being given to easing the requirements for the introduction of new chemicals. My view is that this is not happening fast

Plastral Fidene Pty Ltd
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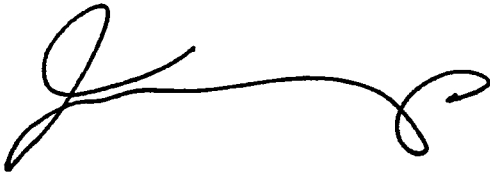
enough, not going far enough, and that NICNAS will continue to hinder the introduction of new technology in Australia.

I believe a complete audit should be conducted of the value and cost of continuing to operate NICNAS with a view to closing it down or completely revamping it as a matter of urgency.

You may be aware that our industry group PACIA (the Plastics and Chemicals Industries Association) has recently put forward to the Federal Government an Industry Action Agenda of which regulatory reform is an important component.

I would be happy to provide further information and have copied this letter to other parties listed below.

Yours sincerely



JOHN K SHARP
Managing Director

cc The Hon Ian Macfarlane, MP
Minister for Industry, Tourism and Resources

Mr Stephen Smith, MP
Shadow Minister for Health and Ageing

Senator Bob Brown,
Australian Greens

Senator Meg Lees,
Australian Democrats

Dr Margaret Hartley
NICNAS

Mr Martin Jones
Plastics & Chemicals Industries Association



COMMONWEALTH OF AUSTRALIA
Corporate Services Division



Commonwealth Department of
Health and
Aged Care

RECEIVED

- 8 FEB 2002

Mr John Sharp
Managing Director
Plastral Fidene
PO Box 1095
WATERLOO DC NSW 2017

Dear Mr Sharp,

Thank you for your letter of 26 July 2001 to the Minister for Employment and Workplace Relations, the Hon Tony Abbott MP, concerning the over-regulation of the Australian chemical industry. Your letter has been referred to the Minister for Health and Ageing, Senator the Hon Kay Patterson for reply.

Your comments and concerns have been noted, however, as the matter raised falls within the portfolio responsibilities of the Minister for Industry, Tourism and Resources, the Hon Ian Macfarlane MP, I have forwarded your letter to his office for appropriate action.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'A Dimkovski'.

Anna Dimkovski
Ministerial Liaison Officer
Public Affairs, Parliamentary and Access Branch

6 February 2002