

EXPLANATORY STATEMENT

Issued under the authority of the Assistant Minister for Health and Aged Care

Industrial Chemicals Charges (Excise) Act 2019

Industrial Chemicals Charges (Excise) Amendment Regulations 2022

The *Industrial Chemicals Charges (Excise) Amendments Regulations 2022* (the Regulations) reduce registration charge amounts set out in the 2022-23 Cost Recovery Implementation Statement (CRIS) for the Australian Industrial Chemicals Introduction Scheme (AICIS) from 1 September 2022.

Authority

The *Industrial Chemicals Act 2019* (the Act) establishes the Australian Industrial Chemicals Introduction Scheme (AICIS), the national regulatory framework for the introduction (importation or manufacture) of industrial chemicals.

Section 13 of the Act provides that a person who introduces (imports or manufactures) an industrial chemical must be registered with AICIS. Section 20 of the Act provides that a person who is registered under the Act is liable to pay a registration charge. Paragraph 21(a) of the Act provides that the amount of registration charge payable by a person in relation to a registration year is the amount prescribed by regulations made under the *Industrial Chemicals Charges (Excise) Act 2019* (the IC Charges (Excise) Act), so far as the charge is a duty of excise.

Section 9 of the IC Charges (Excise) Act provides that the Governor-General may make regulations prescribing matters required or permitted by this Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to this Act.

The *Industrial Chemicals Charges (Excise) Regulations 2020* (the principal Regulations) prescribes the amount of registration charge payable by a person in relation to registration under the IC Act, so far as the charge is a duty of excise, for the purposes of section 7 of the IC Charges (Excise) Act. The principal Regulations set out an eight-level charging structure where the amount of registration charge payable is based on the value of relevant industrial chemicals introduced by the person in the previous financial year

Purpose

The purpose of the *Industrial Chemicals Charges (Excise) Amendment Regulations 2022* (proposed Regulations) is to reduce the amount of registration charge within the existing eight-level charging structure prescribed in the principal Regulations from 1 September 2022.

Background

It is government policy that the full costs of AICIS activities are recovered from the regulated industry through fees for services and charges.

Consultation

A draft CRIS was published for public consultation in June 2022 demonstrating how regulatory charging has been developed to comply with the Australian Government Charging Framework and Cost Recovery Guidelines. It also detailed the proposed regulatory charges (a reduction to registration charge amounts by approximately 8%) from 1 September 2022. A total of two submissions were received during the four-week consultation period from industry stakeholders (including an industry association). All submissions were considered in finalising the CRIS which includes a summary of main stakeholder views and corresponding responses. The CRIS was approved by the Assistant Minister for Health and Aged Care in August 2022 and published on the AICIS website.

Details of the Regulations are set out in the Attachment.

The Act specifies no conditions that need to be satisfied before the power to make the Regulations may be exercised. The Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*.

The Regulations commence on 1 September 2022.

Details of the *Industrial Chemicals Charges (Excise) Amendment Regulations 2022*

Part 1 – Preliminary

Section 1 - Name of Regulations

This section provides that the title of the Regulations is the *Industrial Chemicals Charges (Excise) Regulations 2022*.

Section 2 - Commencement

This section provides for the Regulations to commence on 1 September 2022

Section 3 - Authority

This section provides that the *Industrial Chemicals Charges (Excise) Amendment Regulations 2022* is made under the *Industrial Chemicals Charges (Excise) Act 2019*.

Section 4 - Schedules

This section provides that each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1 - Amendments

Industrial Chemicals Charges (Excise) Regulations 2020

Item [1] - subsection 5(2)

Subsection 5(2) of the principal Regulations sets out the amount of registration charge that persons must pay in order to introduce industrial chemicals into Australia. The amount of the registration charge is based on an 8-level system determined in accordance with the value of the relevant industrial chemicals introduced by a person in the financial year preceding the registration year, with persons who introduce industrial chemicals of higher total value for a year, paying a higher charge. This item reduces the amount of registration charge for each level (except level 1 which has a nil registration charge) maintaining the existing 8-level system from 1 September 2022 as set out in the approved AICIS CRIS 2022-23.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Industrial Chemicals Charges (Excise) Amendment Regulations 2022

This Disallowable Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Disallowable Legislative Instrument

The *Industrial Chemicals Act 2019* (the Act) establishes the Australian Industrial Chemicals Introduction Scheme (AICIS), the national regulatory framework for the introduction (importation or manufacture) of industrial chemicals.

It is government policy that the full costs of AICIS activities are recovered from the regulated industry through fees for services and charges.

The purpose of the Regulations is to amend the *Industrial Chemicals Charges (Excise) Regulations 2020* (the principal Regulations) to reduce the amount of registration charge (by approximate 8%) payable by a person in relation to registration under the Act, so far as the charge is a duty of excise, for the purposes of section 7 of the IC Charges (Excise) Act. The Regulations maintain the existing eight-level charging structure where the amount of registration charge payable is based on the value of relevant industrial chemicals introduced by the person in the previous financial year.

Human rights implications

As the Regulations do not introduce any changes to the principal Regulations other than to implement the changes outlined above, this Disallowable Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Disallowable Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

The Hon Ged Kearney MP

Assistant Minister for Health and Aged Care