

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2015 - 2016, 1 - 2 June 2015

Ref No: SQ15-000605

OUTCOME: 7 - Health Infrastructure, Regulation, Safety and Quality

Topic: NICNAS Reforms

Type of Question: Hansard Page 33, 2 June 2015

Senator: Moore, Claire

Question:

With regard to increased budget allocation for NICNAS, could a breakdown of the intended purpose of the increased funding please be provided, eg new IT systems, etc?

Answer:

The National Industrial Chemicals Notification and Assessment Scheme (NICNAS) reforms will cost a total of \$12.4 million to implement. \$5.4 million is for operational expenses associated with reform implementation over 2 years (2015-16 and 2016-17). This includes the cost of consultation with stakeholders on the details of implementation, preparation of new guidance material and information resources for stakeholders, implementation of new internal standard operating procedures for the notification and assessment of new and existing chemicals, and staff and consultants to develop required changes to the *Industrial Chemicals (Notification and Assessment) Act 1989* and associated regulations. \$7 million is capital expenditure for new ICT systems to support the notification of lower risk chemicals and streamlining of risk assessments.

The following table summarises the expenses and revenue agreed by Government.

	2015-16 (\$)	2016-17 (\$)	2017-18 (\$)	2018-19 (\$)	2019-20 (\$)	2020-21 (\$)	2021-22 (\$)
Operational expenses	2.5M	2.5M		0.4M			
Capital expenses (initially offset by equivalent capital injection)	3.5M	3.5M					
Total expenses	6.0M	6.0M		0.4M			

	2015-16 (\$)	2016-17 (\$)	2017-18 (\$)	2018-19 (\$)	2019-20 (\$)	2020-21 (\$)	2021-22 (\$)
Operational revenue (cost recovery)	2.5M	2.5M		0.4M			
Capital revenue (cost recovery of initial capital injection)			1.4M	1.4M	1.4M	1.4M	1.4M
Total revenue	2.5M	2.5M	1.4M	1.8M	1.4M	1.4M	1.4M

The Budget noted “the Government will provide \$4.2 million over four years from 2015-16”. This figure was in relation to the forward years from 2015-16 to 2018-19 and accounts for the \$7 million upfront investment from the Government for ICT minus \$1.4 million to be recovered from industry in the financial years 2017-18 and 2018-19. A subsequent \$1.4 million will be recovered from industry in each of the financial out-years 2019-20, 2020-21 and 2021-22. Thus, the total Government investment of \$7 million will be recovered from industry over a five year period (2017-2022) in a depreciation-like manner.