Australian Government
Department of Health, Disability and Ageing
Australian Industrial Chemicals Introduction Scheme

Cost Recovery Implementation Statement

Cost recovery for regulatory activities 2026–27

Charging for regulatory activity involves government entities charging individuals or organisations in the non-government sector some or all of the minimum efficient costs of a specific government activity. The Cost Recovery Policy and the Australian Government Charging Framework set out the policy under which government entities design, implement and review charging for regulatory activities. The Cost Recovery Implementation Statement (CRIS) is a public document that ensures transparency and accountability for the level of the charging. It also demonstrates that the purpose of charging, as decided by government, is being achieved.



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1. Introduction

1.1 Purpose of the CRIS

This Cost Recovery Implementation Statement (CRIS) provides information on how the Australian Industrial Chemicals Introduction Scheme (AICIS) implements cost recovery charging for its regulatory activities. This document demonstrates how AICIS has developed its regulatory charges in compliance with the Australian Government Charging Framework (AGCF) and Australian Government Cost Recovery Policy (AGCRP). It also outlines the regulatory charges that will apply from 1 September 2026. It reports actual financial and non-financial performance information for regulatory charging, showing financial and demand forecasts for Financial Years (FY) 2026–27 through to 2029–30.

1.2 AICIS's role and functions

The *Industrial Chemicals Act 2019* (IC Act) establishes AICIS as the regulatory scheme for the introduction (importation and manufacture) of industrial chemicals in Australia. The scheme is administered by the AICIS Executive Director, supported by staff within the Australian Government Department of Health, Disability and Ageing (DHDA). Under a service-level agreement with AICIS, the Department of Climate Change, Energy, the Environment and Water (DCCEEW) complete the environmental component of AICIS assessments and evaluations.

AICIS assessments and evaluations are available to state, territory and other Commonwealth agencies to inform their regulation on the use, release and disposal of industrial chemicals. The information also supports chemicals management legislation designed to protect human health and the environment.

Main activities:

- regulate the introduction of industrial chemicals in Australia
- assess and evaluate the introduction and use of industrial chemicals
- provide information about the risks of introducing and using industrial chemicals, and ways to eliminate or minimise those risks
- collect and publish information and statistics relating to industrial chemicals
- meet obligations under international agreements for regulating industrial chemicals.

See details of AICIS's activities in Section 3.

1.3 AICIS's purpose

AICIS's main purpose is to help protect Australia's people and the environment from industrial chemical risks through robust scientific risk assessments, risk-proportionate regulation, and the information we make available. It also promotes safer innovation by encouraging introducers to import or manufacture lower-risk chemicals. AICIS's regulation is designed to be proportionate to the risks posed by industrial chemical introductions.

1.4 How fees and charges recover costs

AICIS applies fees for services and an annual registration charge (levy) to all regulated entities, which are industrial chemical importers and manufacturers (introducers).

Fees for services apply to a service provided to a specific introducer, such as:

- pre-market assessments and commercial evaluation authorisations
- adding chemicals to the Inventory or amending Inventory listings
- applications to protect confidential business information
- authorisations to import or export severely restricted industrial chemicals subject to international agreements, for example the Rotterdam Convention.

All introducers pay an annual registration fee to be added to the Register of Industrial Chemical Introducers.

An annual registration levy is paid by introducers of relevant industrial chemicals above a threshold of $49,999. The registration charge funds regulatory activities that cover all industrial chemical introducers and are not attributable to a service provided to a specific introducer.

Activities supported by the annual registration charge include:

- post-market evaluation of industrial chemicals
- investigation, compliance monitoring and enforcement of the IC Act
- updating and amending industrial chemicals regulations and rules
- promoting international harmonisation of regulatory controls or standards for industrial chemicals and best practice assessment
- maintaining the Australian Inventory of Industrial Chemicals (Inventory) and making it publicly available on the AICIS website
- maintaining the public database of registrants – the Register of Industrial Chemical Introducers
- corporate activities to support the efficient and effective operation of the scheme.

1.5 AICIS's regulated entities and appropriateness of cost recovery

In line with the government's cost recovery policy, AICIS recovers the full cost of the scheme's activities from industrial chemicals introducers that it regulates. These include:

- large national and international businesses
- research companies and universities
- medium to small businesses
- small-scale soap and cosmetic importers and makers
- individuals.

Cost recovery is applicable because their introduction of chemicals creates a risk to Australia's people and the environment, which warrants regulations to identify, assess and manage those risks. Industry groups incur varying fees and charges based on the regulatory costs their activities generate.

Fees for services are applicable for:

- assessment certificates
- commercial evaluation authorisations (CEA)
- early listing of chemicals on the Inventory
- protection of confidential business information (CBI).

Although they are directly attributable to specific introducers, introductions under the 'Exempted' and 'Reported' categories do not currently attract a fee. This is specifically to encourage low risk introductions.

All introducers pay the same annual fee to register their business on the Register of Industrial Chemical Introducers. Those with a total introduction value above $49,999 also pay a registration levy based on a statutory formula. The levies are tiered based on the value of relevant industrial chemicals introduced in the previous financial year. By applying registration levy in tiers, introducers contribute proportionately to the regulatory effort required to manage the industrial chemicals they introduce.

The levy funds regulatory activities that are not attributable to individual introducers. For example, most introducers must use the Inventory in the process of working out which introduction category applies. This means that it is appropriate to recover the cost of maintaining the Inventory through the levy. Another example is that introducers must meet the requirements of an introduction category – which are based on the level of risk to human health and the environment – and comply with record keeping and reporting requirements. The levy funds monitoring activities to check that introducers are compliant with these requirements.

The levy also funds post-market chemical evaluations, compliance case management and corporate functions that support the scheme.

2. Policy and statutory authority to cost recover

2.1 Government policy authority to cost recover for this regulatory activity

The 1994–95 Budget included the policy authority to fully recover the cost of regulatory activities for industrial chemical regulation under the measure 'Implementing full cost recovery in 1996–97 for National Industrial Chemicals Notification and Assessment Scheme (NICNAS)'.

Established on 1 July 2020, AICIS introduced reforms to the regulation of industrial chemicals and replaced NICNAS.

Since its establishment, AICIS has implemented the government's policy position where the scheme recovers the full cost of regulatory activities through fees and charges paid by regulated entities. This approach continues to apply, and this is appropriate because introducers continue to create the need for industrial chemicals in the marketplace to be regulated. See Section 3 for more details.

2.2 Statutory authority to charge

Fees for services are specified in Ministerial rules made under the:

- *Industrial Chemicals Act 2019*

Charges are specified in regulations made under the:

- *Industrial Chemicals Charges (Customs) Act 2019*
- *Industrial Chemicals Charges (Excise) Act 2019*
- *Industrial Chemicals Charges (General) Act 2019*.

These three Acts provide the statutory basis for AICIS to align registration charges based on annual introduction values. As AICIS regulates both the importation and manufacture of industrial chemicals, the registration charge can be legally characterised as either a tax, a duty of customs, or a duty of excise. Therefore, three different Acts are needed for these charges.

3. Cost recovery model

3.1 Outputs and business processes of regulatory activities

To help protect human health and the environment, AICIS carries out regulatory and support activities across several areas. In line with the AGCRP, AICIS organises its activities according to their regulatory outputs, ensuring they are accomplished through their relevant business processes. **Table 1** below shows the breakdown of an activity into outputs and processes – these are representative, not exhaustive.

Table 1 – Activity, outputs and processes concept

Activity	Outputs Aligns to charge point	Processes
Activities are made up of outputs, which together form regulatory and supporting activities to control or influence behaviour, manage risk and/or protect the community and the environment.	A regulatory output is the aggregated total of its associated business processes, which are transformed into cost recovered outputs.	Business processes encompass a series of tasks that are performed by people or systems to produce an output.

See the breakdown of the AICIS's activities into outputs, processes and charging methods in Tables 2 to 10 below.

Table 2 – Scientific assessment and evaluation of industrial chemicals

Activity	Outputs	Key business processes	Charging method
AICIS undertakes pre- and post-market assessments/evaluations to identify potential risks to human health and/or the environment that may be associated with the introduction and use of industrial chemical(s) in Australia. AICIS issues assessment certificates and commercial evaluation authorisations for the introduction of unlisted industrial chemicals into Australia following a pre-market assessment.	Assessment certificate and assessment statement	Consider application by: • obtaining general requirements for application • confirming introduction category and chemical identity • assessing risks to human health and environment • consulting and considering advice from prescribed bodies • drafting assessment statement • considering any submissions on draft statement Decision on application: • issue or not issue an assessment certificate and provide written notice	Fee for service

Activity	Outputs	Key business processes	Charging method
AICIS makes recommendations to relevant risk management agencies, where required, to ensure appropriate controls are in place.	Commercial evaluation authorisation	Consider application by: • obtaining general requirements for application • confirming introduction category and chemical identity • considering risks to human health and environment • consulting and considering advice from prescribed bodies • Decision on application: • issue or not issue commercial evaluation authorisation and provide written notice	Fee for service
	Evaluation Statement	Initiate evaluation by: • prioritisation processes • providing written notice and reason if chemical is under certificate Evaluation of chemicals: • request of information either voluntary or mandatory • assessing risks to human health and/or the environment	Levy

Table 3 – Maintain the Australian Inventory of Industrial Chemicals

Activity	Outputs	Key business processes	Charging method
AICIS maintains the Inventory database of chemicals available for industrial use in Australia, containing chemical identity details, regulatory obligations or conditions relating to the importation and manufacture of industrial chemicals. Chemicals listed on the Inventory are authorised for introduction, so long as those introductions meet the relevant associated regulatory obligations.	Listing on Inventory before 5 years from certificate issue date	Consider application by: • obtaining general requirements for applications • reviewing and verifying information • providing written notice to confidence holders and/or other certificate holders • listing chemical	Fee for service
	Listing on Inventory at 5 years from the certificate issue date	• List chemical	Levy
	Variation of Inventory listing	Consider application by: • obtaining general requirements for application • assessing risks to human health and environment • consulting and considering advice from prescribed bodies Decision on application: • vary or not vary the term of the Inventory listing and provide written notice	Fee for service

Activity	Outputs	Key business processes	Charging method
		• The terms of an Inventory listing can be varied, or a listing be removed following the evaluation process outlined in Table 2.	Levy
	Continued protection of confidential information	Provide written notice of review of protection: • provide written notice to each confidence holder Consider application by: • requesting further information • assessing prejudice of commercial vs public interest (statutory test) • consulting and considering advice from prescribed bodies Decision on application: • approve or not approve application • provide written notice of decision to applicant	Fee for service
	Confidential Inventory searches	• Complete confidential search of the Inventory and response to requestor.	Levy
	Applying to be a confidence holder in relation to confidential listings (transitional chemicals)	Consider application by: • obtaining general requirements for application • reviewing and verifying information • assessing prejudice of commercial interest Decision on application: • approve or not approve application • provide written notice of decision to applicant	Fee for service

Table 4 – Provide information and recommendations about the risks and uses of industrial chemicals

Activity	Outputs	Key business processes	Charging method
Assessment / evaluation statements are published on the AICIS website for use by all stakeholders, including other Australian Government and state and territory regulatory agencies such as public health, worker health and safety, environmental, transport and consumer product safety agencies.	Industrial chemical notices and statements	Publish notices and statements on the AICIS website with related terms and reasons for: • Authorisations • Certificates • Evaluations • Inventory updates • Regulatory notices	Levy
	Risk Management Recommendations Register	• Provide timely access to the status of risk-management recommendations for assessed and evaluated industrial chemicals, that are referred to relevant prescribed bodies.	Levy

Table 5 – Fit-for-purpose regulation

Activity	Outputs	Key business processes	Charging method
The Industrial Chemicals (General) Rules 2020 and the Industrial Chemicals Categorisation Guidelines are regularly reviewed and updated to ensure AICIS regulation remains contemporary and fit-for-purpose, within existing policy settings.	Set and maintain the Industrial Chemicals Rules, Categorisation Guidelines, and guidance	• Technical input into policy and policy development • Maintaining legislative instruments • Maintain, develop and implement changes to the General Rules • Maintain, develop and implement changes to the Categorisation Guidelines • Pre-implementation planning	Levy

Table 6 – Meet obligations under international agreements for import and export of restricted industrial chemicals

Activity	Outputs	Key business processes	Charging method
AICIS can approve, restrict or prohibit the introductions or export of industrial chemicals listed in international conventions and assists Australia to meet its obligations by undertaking compliance monitoring and enforcement activities relating to industrial chemicals under the Rotterdam and Minamata Conventions.	Approved / Not Approved import or export of restricted industrial chemicals subject to international agreements	Process applications, decide and provide response to: • Import chemicals under the Rotterdam Convention • Export chemicals under the Rotterdam (Category A, B or C)	Fee for service
		Compliance monitoring of restricted industrial chemicals under the Minamata or Rotterdam Convention agreements including: • Utilisation of Customs data • Education and awareness raising • Case management	Levy

Table 7 – Enhance scientific, data and chemical intelligence expertise, and harmonise international best practice

Activity	Outputs	Key business processes	Charging method
AICIS scientific assessments incorporate the best available scientific evidence, use modern risk assessment tools and approaches, use data driven decisions, and risks and means for managing risks are clearly described. AICIS works with other countries to harmonise and adopt (where applicable in the Australian context) international standards and risk assessments methods.	Chemical intelligence	• Develop data driven decision making and chemical data intelligence with computational science, for risk-proportionate chemical introduction.	Levy
	Strengthened international arrangements and active participation in international activities	• Harmonise, develop and adopt international standards and methods through international activities, horizon scanning and scientific development.	Levy
	High-quality scientific risk assessments	• Implementation of the AICIS regulatory science strategy	Levy

Table 8 – Compliance monitoring and investigate breaches of the *Industrial Chemicals Act 2019*

Activity	Outputs	Key business processes	Charging method
AICIS undertakes activities such as compliance monitoring of introducers and introductions of industrial chemicals under the IC Act, managing compliance cases, and liaising with other Australian enforcement agencies.	Introducers are registered	Compliance monitoring of: • Unregistered introducers • Registration level • Risk profiling • Utilisation of Customs data • Education and awareness raising • Case management	Levy
	Reported introductions are authorised	• Compliance monitoring • Requests for data • Review of data against criteria • Education and awareness raising • Case management	Levy
	Exempted introductions are authorised	• Compliance monitoring • Requests for data • Education and awareness raising • Case management	Levy
	Listed introductions are authorised	• Risk profiling • Compliance monitoring • Requests for data • Review of data against criteria • Education and awareness raising • Case management	Levy
	Compliance of annual declarations for all introduction categories	• Submissions management and reminder campaign related activities • Compliance monitoring • Education and awareness raising • Case management	Levy

Table 9 – Registration of industrial chemical introducers

Activity	Outputs	Key business processes	Charging method
Registration of industrial chemical introducers enables AICIS to identify entities introducing industrial chemicals and supports effective regulatory oversight.	Register of Industrial Chemical Introducers	• See Table 15 for detailed process	Fee for service

Table 10 – Corporate and regulatory support activities

Activity	Outputs	Key business processes	Charging method
Corporate and regulatory support activities support the efficient and effective administration of the scheme.	Industrial Chemicals Special Account	• Management of operational and capital budget • Cash management • Management of accounts payable and receivable • Prepare financial statements	Levy
	AICIS website and communication	• Manage and maintain the AICIS website. • Publish various regulatory notices related to the inventory, assessments and evaluations. • Prepare and publish guidance material and online tools to help introducers understand their obligations under the IC Act.	Levy
	Stakeholder Engagement Committee	• Providing secretariat support to the Stakeholder Engagement Committee. • Meeting with the Stakeholder Engagement Committee at least 2 times per year.	Levy
	Business planning and regulatory reporting	• Undertake planning activities incorporated into DHDA's Corporate Plan and Portfolio Budget Statements. • Reporting AICIS's regulatory performance in DHDA's annual report.	Levy
	AICIS Business Services	• Supporting users of the AICIS Business Services portal to transact online with the scheme.	Levy

3.2 Costs of the regulatory activity

3.2.1 Cost drivers

AICIS is committed to effectively delivering legislative and regulatory functions at the minimum and most efficient cost. The scheme estimates its cost base using 3 key cost drivers:

- **effort** required to deliver each business process and activity
- **resource cost** to conduct each business process and activity
- **annual volume** of each activity performed.

On this basis, AICIS's cost base can be summarised as:

The total effort (hours) to undertake required business processes and activities, multiplied by the applicable hourly rate, multiplied by the annual volumes of business processes completed.

See below for details on the methodology and approach for estimating each driver. This calculation is shown in the Cost Calculation Methodology Section 3.2.3.

AICIS has identified the most efficient costs across the organisation's key business processes, where each staff member records the effort and time taken to complete activities and outputs. AICIS reviews its effort capture data on an ongoing basis to understand any shifts in effort requirements. AICIS also reviews its business practices to ensure continued efficient service delivery.

Effort

When AICIS was established, the scheme based its regulatory charging on historical effort data from similar NICNAS activities (where available) in combination with estimates for new activities. Through ongoing monitoring and analysis of its effort data, AICIS has identified fundamental differences between the 2 schemes that limit the value of historical data as a reliable representation of the true effort and associated costs for all regulatory activities.

To refine effort and cost estimates, historical data is replaced with actual AICIS data collected through detailed effort and time capture activities as it becomes available. AICIS staff continue to record the effort spent across all functions.

Resources

AICIS operates efficiently by drawing on a broad and flexible mix of resources.

Its primary workforce comprises ongoing Australian Public Service employees who assist the Executive Director. This includes staff of the Department of Health, Disability and Ageing, as well as DCCEEW staff who deliver the environmental component of risk assessments under a Service Level Agreement. The cost of this work is included in AICIS's cost base.

To respond to changing demand and scale capacity, AICIS occasionally supplements APS capacity and capability with modest use of external suppliers, including consultants and contractors. This flexible approach supports delivery at minimum viable cost while maintaining service standards and enables AICIS to achieve cost-effective outcomes without compromising its regulatory responsibilities.

AICIS's forward year cost base is indexed to recognise inflation. It also ensures that budgets and forecasts reflect any likely future costs. The applied indexation rate is weighted to reflect the relevant proportion of both:

- **Employee costs** – recognised through the Wage Price Index (WPI)
- **Supplier costs** – recognised through the Consumer Price Index (CPI) or equivalent rate.

Volumes

AICIS forecasts its annual volumes of each activity by using the previous year's actual volumes as a baseline. AICIS staff then analyse the data and model their upcoming estimate volumes on market trends. They use the technical analysis results and overlay with existing business knowledge to calculate the forecast volumes for each charge point. As more introducers register with AICIS, the depth of technical analysis increases as the scheme matures, due to greater availability of data and annual sample sizes over time. Regulated entities are also gaining a better understanding of their regulatory obligations and improving their relationships with AICIS. The scheme improved its registration revenue forecasting by introducing real-time intervention in 2025–26. AICIS staff identified introducers who under-declared their introduction value and upgraded them to the actual introduction value.

3.2.2 Cost base

The cost base entirely covers the total estimated costs of efficiently and effectively delivering AICIS's regulatory functions. Costs such as those incurred for policy functions by areas within DHDA are specifically excluded from the cost base, as these are funded by government or other mechanisms.

Table 11 – AICIS's estimated cost base, 2026–27 to 2029–30 ($'000)

Expenses	2026–27	2027–28	2028–29	2029–30
Employee and contractor expenditure	16,461	16,971	17,497	18,040
Non-employee expenses:				
Supplier (including DCCEEW)	7,854	8,039	8,159	8,281
Total[1]	24,315	25,010	25,656	26,321

AICIS's activities to regulate the introduction of industrial chemicals under the IC Act can be grouped into 2 broad categories: regulatory and support outputs.

Regulatory outputs are those that AICIS provides to an individual or organisation, or those it provides to a broader group of individuals and organisations. In 2026–27, AICIS will continue to recover the costs of its regulatory activities using both fees and charges (levies), based on the demand for a government activity or intervention. These can include both direct and indirect costs. Direct costs can easily and accurately be traced to a regulatory output. Support outputs include indirect costs which are those that cannot be easily linked to an output. Indirect costs usually relate to overhead costs such as support staff salaries and technical support or property and are therefore distributed across outputs using appropriate cost drivers.

From 2025–26 onwards, depreciation will only be reported for IT products that meet the capitalisation criteria under 'AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets'. Following a 2023–24 review by the department, AICIS's IT build at the time was reclassified as a Software as a Service (SaaS) arrangement. Under this model, IT costs will be recognised as expenses when incurred, rather than AICIS owning capitalised assets that depreciate over time.

Table 12 outlines regulatory outputs and support activities classified as either direct or indirect costs.

Table 12 – Examples of AICIS regulatory and support outputs as direct and indirect costs

Regulatory outputs: Direct costs (fees for services)	**Regulatory outputs: Direct costs (cost recovery levies)**	**Support outputs: Indirect costs**
Registration of introducers	Compliance monitoring and enforcement	Management of the Special Account
Assessment Certificate applications	Post-market evaluation of chemicals	Enhancing scientific expertise

[1] The total estimated cost base includes the cost of activities considered non-recoverable under the AGCF. These costs will not be recovered through the proposed fees and charges as indicated in Table 11. Increases across the forward estimates reflects forecasted indexation (i.e. wage and supplier cost indices) rather than real growth in AICIS's underlying activities.

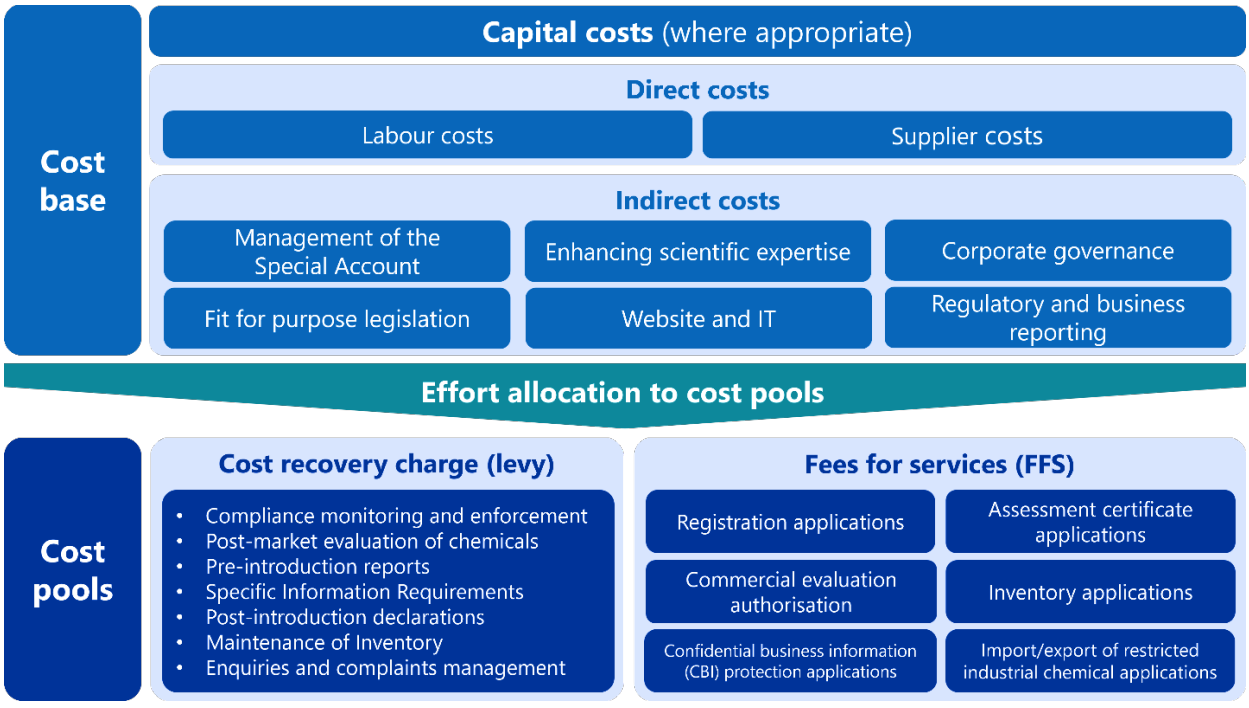
Commercial Evaluation Authorisation applications	Pre-introduction reports and post-introduction declarations	Corporate governance
Inventory early listing and variation applications	Maintenance of Inventory	Fit for purpose legislation
Confidential business information protection applications	Stakeholder engagement/education	Website and IT
Applications for import / export of restricted industrial chemicals into or out of Australia	Enquiries and complaints management	Regulatory and business reporting

AICIS uses an **activity-based costing (ABC)** methodology to allocate all direct and indirect costs incurred by AICIS for each activity and its charge point. The cost base includes:

- **Direct costs** – costs that can be directly linked to a specific activity such as labour costs, supplier costs, etc
- **Indirect costs** – costs that cannot be directly linked to a specific activity and is shared across activities, assigned to activities based on appropriate activity drivers. The drivers demonstrate the relationship between the service costs and reflect how much each activity uses those services shared across activities, such as corporate costs (e.g. finance, human resources and property etc)
- **Capital costs** – including depreciation and capital investment, where appropriate.

Figure 1 below shows AICIS's activity-based cost model. See an example of how AICIS calculates a fee-for-service item under 3.2.3 of 'Cost calculation methodology'.

Figure 1 – Activity-based cost model



Using the ABC methodology, Table 13 shows the estimated total cost of regulatory activities, including AICIS's support function cost.

Table 13 – Estimated cost by regulatory output for 2026–27 ($'000)

Regulatory Output	Fee or Levy	Direct Costs	Indirect Costs	Total Costs
Registration applications	Fee for Services	318	314	632
Certificate applications	Fee for Services	450	285	735
Authorisation applications	Fee for Services	10	6	16
Inventory Listing applications	Fee for Services	33	32	66
Confidential business information (CBI) protection applications	Fee for Services	42	35	77
Import / export of industrial chemicals into or out of Australia applications	Fee for Services	11	10	21
Compliance monitoring and enforcement	Levy	3,300	2,510	5,810
Post-market evaluation of chemicals	Levy	8,778	5,063	13,841
Pre-introduction reports	Levy	129	105	234
Specific Information Requirements	Levy	321	261	583
Post-introduction declarations	Levy	190	155	345
Maintenance of Inventory	Levy	704	573	1,277
Stakeholder engagement/education	Levy	158	129	287
Enquiries and complaints management	Levy	197	161	358
Total		**14,643**	**9,639**	**24,282**

Note: Total cost figures include direct and indirect costs and may not total due to rounding

3.2.3 Example of cost calculation methodology

The charge for any specific regulatory output should recover the full efficient cost of delivering that specific service.

Table 14 provides an example of how the methodology is applied to calculate the cost of a regulatory output, specifically for 'Registration of industrial chemical introducers'. The table details each component by outlining the relevant business processes and activities.

Table 14 – Total cost calculation of 'Registration of industrial chemical introducers

Activity	Regulatory output	Effort required (hours)	Average cost per hour ($)	Cost per delivery of regulatory output ($)	Volume delivered annually	Total cost of regulatory output ($)
Registration of industrial chemical introducers enables AICIS to identify entities introducing industrial chemicals and supports effective regulatory oversight.	Register of Industrial Chemical Introducers	0.56	155.17	86.72	7,285	631,755

Table 15 details the subtasks of each business process completed to achieve the regulatory output. It specifies the role, effort and cost required to perform each task.

Table 15 – Detailed cost calculation breakdown of the business processes for 'Registration of industrial chemical introducers

Regulatory output	Business processes	Role performing task	Hours of effort	Cost per role ($)
Register of Industrial Chemical Introducers	• Responding to enquiries from registrants • Manual processing of hard copy registration forms submitted by some registrants • Payment processing • Assessment and processing of write-offs/refunds • Maintaining integrity of register	Registration Support Officer	0.36	55.30
	• Supervision of registration and administration processes • Development and maintenance of outreach and communication products • Responding to enquiries regarding legislative obligations to register a business	Registration Officer	0.10	14.94

	• Management of registration related correspondence • Management of registration related campaigns (e.g. renewal, reassessment, unregistered introducers) • Maintenance of registration related components of IT system	Assistant Director of Corporate	0.10	14.97
	• Refund/write-off approvals • Overall responsibility for registration processes and systems	Director of Corporate	0.01	1.51
Total			**0.56**	**86.72**

Table 16 details the subtasks for each of the 5 activities completed by an AICIS Registration Support Officer as part of the business process for 'Maintaining register of industrial chemical introducers'. The table shows the hours of effort required to complete the tasks and the cost per hour of the role, which totals the cost of the task.

Table 16 – Total cost calculation of 'Registration Support Officer'

Business processes	Role performing task	Role cost per hour ($)	Hours of effort per task	Cost per role ($) [Role cost per hour] x [Hours of effort per task]
• Responding to enquiries from registrants • Manual processing of hard copy registration forms submitted by some registrants • Payment processing • Assessment and processing of write-offs/refund • Maintaining integrity of register	Registration Support Officer	155.17	0.36	55.30

Table 17 shows both the direct and indirect costs per hour for the role of a Registration Support Officer.

Table 17 – Cost calculation breakdown of Registration Support Officer by direct and indirect cost

Role	Direct cost per hour ($)	Indirect cost per hour ($)	Total cost per hour ($)
Registration Support Officer	78.1	77.07	155.17

3.3 Aligning charging to regulatory effort

3.3.1 Aligning fees for services to regulatory effort

AICIS's approach to activity-based costing aims to:

- confirm the level of effort used for a regulatory activity is relative to the risk
- ensure the scheme delivers the outputs at the minimum efficient costs.

As shown in Table 13, certificate applications and registration applications are the 2 largest regulatory outputs AICIS recovers through cost recovery fees, followed by Inventory listing applications and CEA applications.

Registration applications

The IC Act imposes an annual registration fee and levy (where relevant) on all introducers of industrial chemicals. Annual fees recover the registration application costs for individuals and businesses to register with AICIS, and for AICIS to maintain the Register of Industrial Chemical Introducers. The Corporate Services function of AICIS provides these activities to the individual or organisation, and manages the schemes:

- registration enquiries
- helpdesk support for the Business Services portal
- registration refunds.

This work uses a high level of regulatory effort to meet the volume of registration applications. See Section 3.2.3 'Example of cost calculation methodology' for more about the cost calculation methodology for registration applications, including the detailed breakdown of related activities.

Assessment certificate applications, CEA applications and Inventory Listing applications

AICIS is responsible for conducting pre-market assessments as part of its assessment function for a range of applications. These include assessment certificates, CEA, Inventory listings, and confidential business information applications.

The cost of completing assessment certificate applications is determined by the regulatory effort needed. This approach ensures that AICIS:

- identifies chemicals accurately
- checks that introductions are correctly categorised
- gathers sufficient data and information from studies to include for assessment
- determines exposure appropriately
- assesses hazards using various scientific methods, including
    - Quantitative Structure–Activity Relationship (QSAR) predictions
    - Adverse Outcome Pathways (AOPs)
    - read-across approaches
- assesses risks of the introduction thoroughly
- recommends any identified risks to risk management bodies

3.3.2 Aligning levies to regulatory effort

The AGCRP states that the levy payable by an introducer should have a reasonable relationship to the driver of regulatory activities. This should be in a way that approximately matches the level of resources required to provide the activity across the regulated group.

As shown in Table 13 above, the evaluations and compliance programs are the 2 biggest regulatory outputs recovered through the cost recovery levy by AICIS. These programs are responsible for:

- compliance monitoring and enforcement
- post-market evaluation of chemicals
- pre-introduction reports (PIRs)
- post-introduction declarations (PIDs).

The details below show the link between risk and regulatory effort for these key regulatory outputs. This reflects the post-market nature of the scheme's design.

Post-market evaluation of chemicals

AICIS evaluates the risks from industrial chemicals that are already authorised for introduction and use in Australia. This mainly covers chemicals which are already listed on the Inventory and do not have a current risk assessment.

As a response to emerging concerns and/or new information, AICIS can also evaluate chemicals that are introduced under an assessment certificate or the 'Reported' or 'Exempted' categories. AICIS has committed to identifying industrial chemicals of high concern that are currently in use but do not have a current risk assessment and prioritise them for evaluation. See Table 2 for more details.

Available data suggests that as annual introduction values increase, businesses generally introduce:

- larger numbers of different chemicals, and in larger volumes, which leads to increased exposure and a greater likelihood of risks to humans and/or the environment
- more complex chemicals, which require greater regulatory effort to characterise risk and therefore more complex risk management considerations
- a higher proportion of PIRs and PIDs, driving greater effort in post-market regulatory activities to confirm these introductions were correctly categorised.

Compliance monitoring and enforcement

AICIS uses a risk-based approach to promote introducers' obligation awareness, maintain their record-keeping requirements and identify and manage cases of non-compliance. AICIS monitors activities in response to emerging risks, and focuses on:

- introducers at higher risk of non-compliance
- introductions that pose a higher risk to human health and the environment.

It is not possible for AICIS to confirm every introducer's degree of compliance before monitoring for compliance, nor to base the funding model on the degree of risk chemicals introduced.

When monitoring compliance, if there are no other risk indicators – for example, among a group of industrial chemical introducers with no prior compliance history – AICIS prioritises regulatory effort using introduction values as a proxy for exposure, and therefore risk. This is because in a group of introducers who are introducing similar products, those introducing a greater introduction value will also most likely import or manufacture a greater volume. This will result in greater risk and therefore require a proportionately greater regulatory effort.

Use of introduction value as a proxy for regulatory effort

To develop a charging system that aligns with the AGCRP, AICIS determines the most appropriate method for funding regulatory activities through its registration levy. The main principle of the AGCRP is that charging must align with the drivers of relevant regulatory effort.

The risk posed by a chemical is a function of hazard and exposure, where exposure is a function of use pattern and volume. As the hazard of a chemical cannot be changed, risk management involves minimising exposure, where required. The approach to recovering costs of regulatory activities that are not services provided to identifiable recipients is also primarily based on levels of exposure of humans and the environment.

It is a long-established international practice for the annual volume of introduced chemicals to function as a proxy for exposure. As a larger volume generally translates to:

- more workers exposed
- more consumer products on the shelves (public exposure)
- more of the chemical flowing down drains and into waterways (environmental exposure).

AICIS does not hold nor have legal authority to gather data on the volumes of all industrial chemicals introduced into Australia. Collecting such data would involve an added regulatory burden on the industrial chemicals industry, which is contrary to the policy aims of the reforms which established the scheme.

In contrast, the value of introductions is readily available to government at the least burden to industry stakeholders. As established above, there is a correlation between introduction value and introduction volume. This includes an increase in the number and complexity of chemicals introduced, which is indicative of the risks that will require a proportionate regulatory effort. On this basis, introduction values underpin the legislative framework designed by the former scheme, NICNAS, which the levy was established on. This has been the case for over 25 years and still applies under AICIS.

Based on the data collected to date, AICIS considers introduction value to be the most appropriate proxy for regulatory effort. The data set will become clearer as AICIS and DCCEEW staff continue to capture effort data for all their work processes. AICIS will analyse and use their updated data sets to determine whether alternative charging approaches are better suited to align costs with charges.

3.4 Design of the regulatory charge

3.4.1 Design of fees for services

AICIS charges **fees for services** when there is a direct relationship between the regulatory activity and the individual or organisation requesting the specific activity. AICIS charges all regulated entities the same fee for the same activity. Under these circumstances, the applicant creates the specific need and demand for the activities completed by AICIS (i.e. processing an application) and is the driver of their associated costs.

Each fee-for-service item can be broken down into several functional processes as set out in the IC Act. For example, certificate applications:

- Certificate (s32) consider application
- Certificate (s33) request further information
- Certificate (s34) consult with prescribed bodies
- Certificate (s35) consult with Gene Technology Regulator
- Certificate (s36) Submissions on draft statement
- Certificate (s37) Issue certificate and statement.

3.4.2 Design of levies

When the cost of the AICIS activity can be reasonably attributed to a broader group of organisations (or individuals) rather than a single entity, AICIS will continue to fund these activities through a **cost recovery levy**. In these instances, the industry as a whole, drives the level of demand for government activity or regulatory intervention, rather than a single entity within it. The registration level and charge each registrant must pay is determined for each registrant based on their annual introduction value using prior financial year introductions. This is as defined in Section 6 of the:

- *Industrial Chemicals Charges (General) Regulations 2020*
- *Industrial Chemicals Charges (Customs) Regulations 2020*
- *Industrial Chemicals Charges (Excise) Regulations 2020.*

As part of an ongoing commitment to continuous improvement, AICIS refined its approach to cost recovery in the 2024–25 CRIS. This included adjusting registration level thresholds to better align charges with the effort required to deliver regulatory activities and their associated costs.

AICIS will continue to apply the 8-level model from 2025–26 to determine its annual registration charge, ensuring charges are informed by the effort required for activities that require a levy. This approach upholds the charging principles set out in the AGCRP, ensuring that fees remain efficient, effective, and transparent.

An exemption from paying the levy applies for introduction values less than $50,000 in the previous financial year. See section 3.4.4 for the full breakdown of AICIS's registration level structure and related prices for 2026–27.

3.4.3 Changes to regulatory charges

Fees for services

AICIS monitors the scheme to ensure that ongoing fees and charges appropriately align with the relevant costs. AICIS uses the best available information at the time to inform any changes. When there is systemic deviation of costs and revenue, AICIS will realign its charges to maintain a break-even position. Fees for services have represented a relatively small proportion of AICIS's overall cost recovery (less than 5% of total revenue), with the majority recovered through registration levies.

AICIS staff collect effort data for each regulatory activity to determine the true and minimum efficient cost of providing each service. AICIS has analysed the data to assess whether the current fees charged for assessment certificate applications correspond to the effort required to complete the assessments. At the same time AICIS reviewed the internal application processes to identify efficiency and streamlining opportunities.

The analysis showed:

- The overall level of effort needed to assess certificate applications is significantly higher than historical averages under NICNAS. The main reason for this is that the effort averages under NICNAS included many lower risk and/or lower complexity assessments (including in the highest fee type) that are now mostly authorised under exempted or reported categories without pre-market assessment. In addition, the nature of the hazard information has increased in complexity over time due to a shift away from reliance on standardised animal testing. This has led to increased effort required to assess applications with more complex hazard information.

- AICIS assessment certificate applicants have been consistently under-charged for the service. On average, fees collected for applications did not cover the full costs of assessing and processing them.
- This means the cost of assessing certificate applications made by specific businesses is being subsidised by the registration levy charged to all registered businesses. This does not comply with the AGCRP to allocate costs appropriately and avoid cross-subsidisation.
- The largest cross-subsidisation is for very low to low-risk certificate applications, with the application fee significantly less than the costs of assessing these applications.
- The 3 existing 'focus' (medium to high risk) application certificate types all required similar levels of AICIS assessment effort, regardless of specific focus.
- Very low to low-risk applications for introductions with the higher exposures to humans and/or the environment (exposure band 4) required more effort than other very low to low-risk applications. This is primarily due to these applications needing the same level of information to demonstrate that they are very low to low risk as is required to be submitted for the 'focus' assessments. Data from assessments completed during the first 5 years of the scheme indicates that these very low to low-risk applications account for approximately 15% of completed applications.
- The application preparation and screening stages will become more efficient by changing the structure of certificate applications.

In 2026–27, AICIS will better align the fees with the resources required to assess certificate applications, followed by streamlining the types of applications in 2027–28. AICIS will stagger the certificate application fee increases over 2 years with 50% of the increased cost occurring in 2026–27 using the current certificate types and the remaining 50% occurring in 2027–28 using the new certificate types. See Table 18 for more details. To ensure ongoing scheme cost recovery, all other fees for services will be indexed by 3.3% in 2026–27.

Table 18 – Changes to certificate application structure and fees

AICIS fees for services	Charge per application ($) 2026–27	Charge per application ($) 2027–28
Application for a certificate – very low to low risk	14,530	21,390
Application for a certificate – health focus or environment focus	34,760	45,425
Application for a certificate – health and environment focus	40,740	
Application for a certificate – comparable hazard assessment	20,385	22,715

As the scheme continues to mature, and as the sample size of delivering fee-for-service activities increases, AICIS expects fees for services to reach a steady state (with indexing).

Levies

Historically, AICIS has observed higher-than-forecast levy charge revenue, which resulted in a surplus budget in previous years. This is due to the higher than anticipated:

- number of registrants at the higher registration Levels
- number of upgrades resulting from declarations of introduction values being lower than actual introduction values (i.e. introducers incorrectly registering their business at a lower registration level).

In response, AICIS reduced the levy price by almost 19% over two financial years – 8% in 2022–23 and 11.7% in 2023–24. In 2024–25, AICIS adjusted the introduction value thresholds within the existing 8-level registration model broadly informed by the effort required to undertake leviable activities. This included merging levels 2 and 3 and increasing the level 8 threshold from $5 million to $15 million, helping to reduce inflation-driven movement of introducers into higher registration levels. AICIS did not index the levy pricing in 2025–26 and maintained the same levy pricing as 2024–25. This was broadly informed by the effort required to complete relevant activities that incur a levy. AICIS also introduced a new, real-time intervention during 2025–26 to identify introducers who under-declare their introduction value, reducing unplanned prior year revenue and improving revenue forecasting.

These actions – reducing levies, adjusting level thresholds, not indexing and new compliance monitoring – have together stabilised the growth of AICIS's cash balance. Prior-year surpluses that these actions have stopped, mean AICIS's cash balance is above the target level (see section 6.1 – Balance management strategy). In 2026–27, AICIS will continue using the 8-level levy structure modified in 2025–26 and provide a 90% discount on the registration levy for the year as a single, one-off measure for reducing AICIS's cash balance to its target level. This does not mean an ongoing decrease in levy charges. From 2027–28, AICIS will reinstate the pre-2026–27 levy charges, likely including 2 years of indexation (i.e. for the prior years of 2025–26 and 2026–27 that AICIS did not index), subject to government approval.

Maintaining appropriate indexation is important to ensure the levy matches increases in AICIS's cost base, including employee and supplier costs. This complies with the AGCRP to balance expenses and revenue, which can be implemented across several years by annual levy adjustments and indexation.

This approach is informed by the projected volumes and expenses, and regulatory effort required to support leviable activities. AICIS would then achieve its target cash balance in reserve, while keeping future levy changes stable and predictable. See section 3.4.4 for more details.

Tiered registration levels will continue as the basis for charging the registration levy. The introduction value thresholds for charging the registration levy will continue as updated in 2024–25 when the registration levels were reset, with higher value of introduction continuing to pay higher levies. For example, higher level registrants tend to:

- introduce higher volumes of chemicals than those at lower-level registrants
- submit more PIRs and PIDs than lower-level registrants
- make more enquiries (where AICIS could identify the registrants).

While regulatory effort increases with higher registration level, the trend plateaus. Beyond this point, charging a higher registration levy would not be proportionate to regulatory effort.

Ongoing commitment to appropriate charging arrangements

AICIS will continue to monitor charging arrangements and adjust where necessary to ensure they remain appropriate and sustainable. This includes continued review and refinement of effort drivers for both levy-funded and fee-for-service activities, to support alignment between fees and charges and the efficient cost of delivering regulatory activities and services. AICIS will also continue to monitor revenue collected and held in the Industrial Chemicals Special Account and take appropriate action to manage balances and maintain alignment with the Australian Government Charging Framework.

3.4.4 Annual fees and charges for 2026–27

AICIS has developed its schedule of fees and charges to align with the AGCRP and to recover the costs of its activities for 2026–27. The fees and charges apply to introducers of industrial chemicals.

Annual registration

Table 19 – Registration fee 2026–27

AICIS fee for service	Fee per application ($) 2026–27	Forecast volume 2026–27	Forecast revenue ($) 2026–27
Application for registration	85	7,285	619,225

Certificate and authorisation

Table 20 – Certificate application fees 2026–27

AICIS fees for services	Charge per application ($) 2026–27	Forecast volume 2026–27	Forecast revenue ($) 2026–27
Application for a certificate – very low to low risk	14,530	6	87,180
Application for a certificate – health focus or environment focus	34,760	7	243,320
Application for a certificate – health and environment focus	40,740	6	244,440
Application for a certificate – comparable hazard assessment	20,385	-	-

Table 21 – Applications related to assessment certificates 2026–27

AICIS fees for services	Charge per application ($) 2026–27	Forecast volume 2026–27	Forecast revenue ($) 2026–27
Consolidated application	7,475	1	7,475
Application to vary the terms of an existing Assessment Certificate	5,050	1	5,050
Application to add a certificate holder	1,595	2	3,190
Application to remove a certificate holder	860	-	-
Application to add a person covered by a certificate	1,595	2	3,190
Application to remove a person covered by a certificate	860	-	-
Multicomponent application	2,825	-	-

Table 22 – Applications relating to commercial evaluation authorisations 2026–27

AICIS fees for services	Charge per application ($) 2026–27	Forecast volume 2026–27	Forecast revenue ($) 2026–27
Application for a commercial evaluation authorisation	6,920	2	13,840
Application to vary the terms of an authorisation	2,695	1	2,695
Application to add an authorisation holder	1,595	-	-
Application to remove an authorisation holder	860[2]	-	-

Table 23 – Applications relating to the Inventory 2026–27

AICIS fees for services	Charge per application ($) 2026–27	Forecast volume 2026–27	Forecast revenue ($) 2026–27
Application for listing on the Inventory before 5 years	1,595	10	15,950
Application for variation of listing	5,050	3	15,150
Application to vary a term of an Inventory listing when an assessment certificate is in force	1,595	-	-

Protection of confidential business information

Table 24 – Protection of confidential business information 2026–27

AICIS fees for services	Charge per application ($) 2026–27	Forecast volume 2026–27	Forecast revenue ($) 2026–27
Application for protection of proper name	1,845	9	16,605
Application for protection of end use	650	9	5,850
Application for continued protection	4,865	10	48,650
Application for protection of confidential business information other	1,230	4	4,920
Application to be a confidence holder of confidential business information for a protected inventory listing	4,370	-	-

[2] Error was identified in the consultation paper published, amount has been rectified

Import and export of restricted industrial chemicals subject to international agreements

Table 25 – Import and export of restricted industrial chemicals subject to international agreements 2026–27

AICIS fees for services	Charge per application ($) 2026–27	Forecast volume 2026–27	Forecast revenue ($) 2026–27
Application for Category A export of restricted industrial chemicals out of Australia, subject to international agreements	2,555	2	5,110
Application for Category B export of restricted industrial chemicals out of Australia, subject to international agreements	5,095	3	15,285
Application for Category C export of restricted industrial chemicals out of Australia, subject to international agreements	2,555	-	-
Application to import a Rotterdam Convention banned or severely restricted chemical, subject to international agreements	5,095	-	-

AICIS registration levy

Table 26 – AICIS Registration levy 2026–27

Registration level (prior year introduction value)	Charge per registration ($) 2026–27	Forecast volume 2026–27	Forecast revenue ($) 2026–27
Registration – Level 1 ($1 - $49,999)	NIL	3,050	-
Level 2 ($50,000 - $99,999)	10	731	7,310
Level 3 ($100,000 - $249,999)	20	899	17,980
Level 4 ($250,000 - $499,999)	35	685	23,975
Level 5 ($500,000 - $2,999,999)	210	1130	237,300
Level 6 ($3,000,000 - $4,999,999)	375	234	87,750
Level 7 ($5,000,000 - $14,999,999)	2,450	249	610,050
Level 8 ($15,000,000+)	3,500	307	1,074,500

4. Risk assessment

AICIS has carried out a charging risk assessment to take into consideration its future operating environment in line with the AGCRP, covering:

- **complexity** – structure, processes and implementation of cost recovery activities
- **materiality** – financial value of the cost recovery activities
- **sensitivity** – level of interest from key stakeholders in the cost recovery activities.

The assessment found that the overall cost recovery risk rating for 2026–27 is medium.

Table 27 below shows these identified key risks and their mitigation strategies.

Table 27 – Risks and risk mitigation

Risk	Mitigation
Effort assumptions made for the scheme do not reflect actual regulatory effort or costs.	Regulatory effort and costs will continue to be monitored. Contemporary data will continue to replace assumptions in the cost model. AICIS will continue to gather and improve the quality of internal effort data to inform future pricing.
Under- or over-recovery through levies due to change in introduction value of industrial chemicals per introducer.	Introduction value monitoring will continue to consider the pricing of each level and the appropriateness of the level structure through the annual CRIS process.
Under-recovery of fee-for-service activities due to the low number of applications made under the IC Act. This is especially relevant given the post introduction regulatory focus of the scheme.	Application volumes and associated regulatory effort will continue to be monitored to ensure fees reflect the full efficient cost of service delivery. Fees have been recalibrated based on observed effort data to address historical under-recovery and reduce cross-subsidisation from the registration levy. The streamlining of certificate application types (from five to three) has been proposed to improve efficiency and better align fees with assessment effort.
Cash balance significantly increases or depletes beyond targeted levels.	The impact of charging settings on the reserve balance will continue to be monitored against target levels. A one-off 90% levy discount in 2026–27 will be applied to reduce existing surplus funds, with levy reinstatement and indexation in subsequent years to return and maintain the reserve at target level.

5. Stakeholder engagement

In line with the AGCRP, AICIS conducts stakeholder consultation when the scheme proposes changes to cost recovery arrangements. AICIS also meets with industry associations in bilateral and collective meetings each year to discuss its financial performance and changes to fees and charges with a focus on the upcoming financial year.

5.1 Industry engagement

5.1.1 Industry association engagement for AICIS's charging arrangements for 2026–27

In December 2025, AICIS met with representatives from Accord Australasia, Chemistry Australia, and the Australian Paint Manufacturers' Federation Inc to discuss future regulatory charging arrangements. During this meeting, AICIS advised industry stakeholders of the ongoing work to refine certificate application arrangements and resolve the causes of accumulated surplus funds in the Industrial Chemicals Special Account. At the time, AICIS also foreshadowed a potential indexation of fees for services.

5.1.2 Public Consultation

AICIS consulted publicly on proposed changes to fees and levies for 2026–27 from 10 April to 15 May 2026. AICIS received 8 stakeholder submissions, including 3 industry associations and 5 introducers.

Stakeholders supported the one-off 90% levy reduction for 2026–27. Feedback on other proposals reflected a range of views, including on the streamlining of certificate application types and proposed changes to certificate application fees.

AICIS used this feedback, together with earlier targeted engagement with peak industry bodies, to inform the final charging arrangements. A detailed summary of stakeholder feedback is provided at Appendix A.

6. Financial performance

Table 28 below sets out the financial results for 2022–23 through to 2025–26. It also includes the underlying assumptions for the 2026–27 budget and forward years, prepared on an accrual basis.[3]

Table 28 – AICIS financial performance ($'000)

	2022–23 actual	2023–24 actual	2024–25 actual	2025–26 actual	2026–27 budget	2027–28 forward estimate	2028–29 forward estimate	2029–30 forward estimate
Operational expenses (A)[4]	21,650	24,069	28,674[5]	22,760	24,315	25,010	25,656	26,321
Cost recovered revenue – includes fees for services and levies (B)	24,323	23,091	21,128	21,918	3,416	23,276	24,040	25,532
Government appropriation – interest equivalency payment (C)[1]	34	760	1,802	1,936	1,753	1,033	1,005	981
Balance = (B+C)-(A)	2,707	- 219	- 5,744	1094	- 19,146	- 701	- 611	192
Cumulative balance	27,125	26,907	21,163	22,257	3,111	2,410	1,799	1,991

6.1 Financial estimates

Material variance commentary

AICIS bases its financial estimates on its:

- predicted levels of fee-for-service applications
- number of expected registrants at each level.

The estimates also include a reduction in appropriation funding. This is in the form of an interest equivalency payment from interest earned on funds held in the Industrial Chemicals Special Account.

[3] Figures reported in the Portfolio Budget Statements may differ as they are reported on a cash basis in line with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*.

[4] Increases across the forward estimates reflects forecasted indexation (i.e. wage and supplier cost indices) rather than real growth in AICIS's underlying activities.

[5] Total 2024–25 expenses included a one-off accounting reclassification of IT costs from capital (capex) to operating (opex), rather than increased spending.

Revenue forecast for 2026–27 is subject to fluctuations in numbers of:

- fees-for-services applications
- businesses per level listed on the Register of Industrial Chemical Introducers.

The annual rolling CRIS and future pricing reviews aim to:

- ensure the scheme is transparent
- maintain accuracy of revenue and expenditure
- detect any upward or downward variations.

Balance management strategy

AICIS uses a reserve as a risk mitigation measure. This allows established charging arrangements to balance and reduce the impact of variable demand on the ongoing delivery of regulatory activities. The reserve helps fund AICIS's ongoing resourcing requirements, which are maintained to facilitate business continuity and allow the scheme to operate sustainably.

The AICIS reserve is fully committed to 3 components:

- **Capital investments** (38%) – funds set aside from the full recovery of government-funded capital investment in the AICIS IT system at establishment, to support its future replacement
- **Three months of operating reserves** (34%)
- **Employee entitlements** (28%) – funds set aside for employee entitlements.

In addition to these committed components, the special account currently holds surplus cash arising from higher than forecast revenues in earlier years, particularly due to greater than anticipated number of higher-level registrants.

The one-off 90 per cent levy reduction for the 2026–27 registration year is intended to return the cash balance to target levels required for committed reserve purposes. This is expected to result in an operating loss of approximately $19.15 million in 2026–27, reducing accumulated surplus cash reserves to target levels by 2029–30, while allowing pricing to stabilise on an indexation-only basis in subsequent years. The technical loss will have no effect on AICIS's regulatory effort during 2026–27.

6.2 Financial outcomes

Table 29 below compares the financial estimates and actuals for 2022–23 through to 2025–26.

Table 29 – Financial outcomes ($'000)

Financial Item	2022–23	2023–24	2024–25	2025–26
Estimates				
Revenue = W	22,016	20,880	20,759	20,535
Government appropriation – interest equivalency payment = X	34	753	1,802	1936
Expenses = Y	22,488	21,628	22,135	22,905
Balance = (W+X) – Y	- 438	5	426	- 434

Actuals				
Revenue = W	24,323	23,091	21,128	21,918
Government appropriation – interest equivalency payment = X	34	760	1,802	1,936
Expenses = Y	21,650	24,069	28,674	22,760
Balance = (W+X) – Y	2,707	-219	- 5,744	1,094

AICIS recovers the costs of its activities from industry, except for appropriation funding in the form of an interest equivalency payment. This is from interest earned on funds held in the Industrial Chemicals Special Account.

- Revenue from industry fees and charges totalled $21.9 million, $1.4 million above the estimate of $20.5 million.
- The higher revenue was primarily due to registration level adjustments. In addition to retrospective adjustments relating to the previous registration year, AICIS introduced real-time monitoring in 2025–26. This enabled AICIS to correct registration levels for introducers who had under-declared their introduction values during the current registration year. As this approach becomes established, retrospective adjustment volumes are expected to reduce.
- Total revenue for 2025–26 including IEP is $23.9 million. Total expenses for 2025–26 were $22.8 million, which represents a variance of less than 1% of budgeted expense.

The AICIS net result for 2025–26 is a surplus of $1.1 million, which has been factored into the overall departmental result.

7. Non-financial performance

AICIS has reported on its non-financial performance for 2025–26 against the criteria included in the 2025–26 Portfolio Budget Statements in the DHDA annual report. This includes a performance report from the AICIS Executive Director as required under section 146 of the IC Act.

In line with the *Public Governance, Performance and Accountability Act 2013*, DHDA's corporate plan sets out the performance measures that AICIS uses to determine whether the scheme is achieving its purpose. These measures align to the outcomes, program and key activity presented in the DHDA Portfolio Budget Statements.

Completing assessments and evaluations within statutory timeframes helps Commonwealth, state, and territory governments to implement risk management controls, and facilitates the safe use of chemicals by workers and the public.

Table 30 – Non-financial performance

Output description		2022–23	2023–24	2024–25	2025–26	2026–27
Proportion of industrial chemical risk assessments completed within statutory timeframes	Actuals	100%	100%	100%	100%	TBC
	Estimated	≥ 95%	≥ 95%	≥ 95%	≥ 95%	≥ 100%
Registration applications	Actuals	7,323	7,341	7,381	7,599	TBC
	Estimated	7,818	7,326	7,197	7,243	7,285
Certificate applications	Actuals	18	55	19	15	TBC
	Estimated	73	63	60	42	25
Authorisation applications	Actuals	7	17	3	1	TBC
	Estimated	9	6	17	3	3
Inventory listing applications	Actuals	10	39	7	6	TBC
	Estimated	21	4	19	23	13
Confidential business information (CBI) protection applications	Actuals	23	53	19	15	TBC
	Estimated	38	24	43	35	32
Import / export of industrial chemicals into or out of Australia applications	Actuals	7	11	26	14	TBC
	Estimated	5	0	0	8	5

8. Key forward dates and events

Table 31 shows key forward dates and events.

Table 31 – Key forward dates and events

Key forward events schedule	Next scheduled update
Publish a Regulatory Charging Statement (RCS) (formally the CRIS) for 2027–28	July 2027

9. CRIS approval and change register

Table 32 below shows the history of changes that AICIS has made to the CRIS and their documented approvals.

Table 32 – CRIS approval and change register

Date of change	CRIS change	Approver	Basis for change
26/06/2020	Certification of the CRIS	Acting Secretary, Department of Health	New cost recovered activity
29/06/2020	Approval of the CRIS	Responsible Minister	New cost recovered activity
30/06/2020	Agreement to CRIS release	Minister for Finance	High-risk rating for the activity
9/06/2021	Certification of the CRIS	Secretary, Department of Health and Aged Care	New cost recovered activity
23/06/2021	Approval of the CRIS	Minister for Regional Health, Regional Communications and Local Government	New cost recovered activity
30/06/2021	Agreement to CRIS release	Minister for Finance	High-risk rating for the activity
1/12/2021	Update on 2020–21 financial performance	AICIS Executive Director	Reporting on financial performance
1/08/2022	Certification of the CRIS	Secretary, Department of Health and Aged Care	Reduced registration charge amounts
2/08/2022	Approval of the CRIS	Assistant Minister for Health and Aged Care	Reduced registration charge amounts
30/11/2022	Update on 2021–22 financial performance	AICIS Executive Director	Reporting on financial performance
24/07/2023	Certification of the CRIS	Secretary, Department of Health and Aged Care	Reduced registration charge amounts
1/08/2023	Approval of the CRIS	Assistant Minister for Health and Aged Care	Reduced registration charge amounts
30/11/2023	Updated on 2022–23 financial performance	AICIS Executive Director	Reporting on financial performance
11/06/2024	Certification of the CRIS	Secretary, Department of Health and Aged Care	Indexed fees for service, revised registration level thresholds and charge amounts
24/06/2024	Approval of the CRIS	Assistant Minister for Health and Aged Care	Indexed fees for service, revised registration level thresholds and charge amounts
26/11/2024	Update on 2023–24 financial performance	AICIS Executive Director	Reporting on financial performance
17/07/2025	Approval of the CRIS	AICIS Executive Director	No change to fees and levies
28/11/2025	Update on 2024–25 financial performance	AICIS Executive Director	Reporting on financial and non-financial performance
4/6/2026	Certification of the CRIS	Secretary, Department of Health, Disability and Aging	Reduced registration charge amounts, recalibrated certificate application structure and fees, indexed fees for all other service fee
23/6/2026	Approval of the CRIS	Assistant Minister for Health and Aged Care	Reduced registration charge amounts, recalibrated certificate application structure and fees, indexed fees for all other service fees
23/11/2026	Update on 2025–26 financial performance	AICIS Executive Director	Reporting on financial and non-financial performance

Appendices

Appendix A – submission feedback and AICIS responses

Table 33 summarises the key themes raised during the consultation on the proposed 2026-27 fees and charges, along with AICIS's responses.

Table 33 – Feedback from public consultation for AICIS proposed charging arrangements 2026–27

Industry Feedback	AICIS Response
Proposed changes to registration levies	
Stakeholders supported the one-off 90% discount to the 2026–27 registration levy as a means of returning accumulated surplus funds to industry.	Stakeholder support noted.
Some stakeholders expressed concern regarding the proposal to reinstate pre-2026–27 levy pricing in 2027–28. Feedback included comments that accumulated surpluses suggest levy settings have been higher than required in previous years, and a return to these settings may lead to continued over-recovery.	Reductions (almost 19%) to levy pricing made since 2022 (see section 3.4.3) have stabilised the growth in the Industrial Chemicals Special Account. The proposed one-off levy discount in 2026–27, followed by a return to pre-2026–27 levy pricing with consideration of indexation in 2027–28, is intended to return surplus funds to industry in the shortest time possible while maintaining the financial sustainability of the scheme in accordance with the Australian Government Cost Recovery Policy. This approach also provides a return to stable and predictable pricing to support industry with forward planning. AICIS will continue to review its charging arrangements through the annual CRIS process to ensure fees and levies align with the efficient cost of operating the scheme.
Some stakeholders raised concerns that the method for calculating introduction value may result in some finished products disproportionately attracting higher levies. Feedback included comments that this may lead to charging disproportionate to the level of risk associated with the chemical introduction.	In keeping with the Charging Framework principles for the efficient implementation of cost recovery arrangements, information required to determine introduction value is readily available to introducers and does not impose an additional burden. In limited cases where the customs value does not reasonably reflect the introduction value of an industrial chemical, AICIS engages with introducers on a case-by-case basis when approached. This requires sufficient supporting information to justify a revised calculation of their introduction value; for example, where the value includes items other than the relevant industrial chemical in a combined package.

Some stakeholders raised concerns about registration level thresholds and the impact of inflation on movement between registration levels.	In 2024–25, AICIS adjusted the introduction value thresholds within the existing 8-level registration model. This included merging levels 2 and 3 and increasing the level 8 threshold from $5 million to $15 million, helping to reduce inflation-driven movement of introducers into higher registration levels. AICIS will continue to consider appropriate adjustments to registration levy thresholds through future annual CRIS processes.
Proposed changes to certificate applications	
Most stakeholders supported reducing the total number of certificate application types and commented on the potential for administrative efficiencies and benefits to applicants.	AICIS acknowledges this support.
Some stakeholders raised concerns that reducing the number of application types is inconsistent with a risk-proportionate regulatory framework.	AICIS is a risk-based scheme, with regulatory effort intended to be proportionate to the level of risk to human health or the environment from the introduction and use of industrial chemicals. Certificates are just one part of that scheme. Certificate applications are only required for chemical introductions with - higher indicative risks. Businesses may choose, however, to apply for an AICIS assessment certificate to gain access to future Inventory listing, instead of using the fee-free reported or exempted introduction categories. The fees for certificate applications reflect the resources needed to assess them and avoid subsidisation of costs by the registration levy.
One stakeholder group questioned the 'comparable hazard assessment' application type, indicating that it was not referenced in either the *Industrial Chemicals Act 2019* or *the Industrial Chemicals (General) Rules 2019*.	The legislative basis for the certificate application types is found in the *Industrial Chemicals (Fees and Charges) Rules*. 'Comparable hazard assessment' is a defined term in these Rules and paragraph 5(2)(b) sets out that a reduced application fee applies when an application includes a comparable hazard assessment.
Feedback indicated the need for clear guidance on assessment application types and information required to support applications.	AICIS welcomes advice on how guidance can be updated to improve clarity and consistency for applicants. A new assessment certificate application guide was published on the AICIS website on 12 May 2026.
Some stakeholders supported the principle that fees should reflect regulatory effort but acknowledged challenges in setting fees associated with regulatory effort where applications of varying quality are being submitted. Further suggestions to align fees with effort and/or provide efficiencies were also provided.	AICIS acknowledges this support and constructive suggestions. AICIS is considering ways to increase the quality of submissions and reduce AICIS effort associated with screening applications.

Some stakeholders did not support proposed increases to certificate application fees and highlighted a perceived lack of clarity on the basis for increases in assessment costs.	AICIS notes stakeholder feedback. Information has been included in the relevant section of this CRIS to clarify the basis for the increase in assessment costs. This includes the reasons for the increase in effort compared to assessment effort averages under the old scheme NICNAS, which were used as the basis for setting the initial fees under AICIS. The increase in assessment fees is required to address the current cross-subsidisation of fee for service assessments by the registration levy.
Some stakeholders highlighted concerns that proposed fee increases may result in longer assessment timeframes, particularly for introductions with lower indicative risk.	The proposed fee increases are based on effort already expended by AICIS to assess these applications. Increasing the fees will not result in longer assessment timeframes – the statutory timeframes will continue to apply and total assessment effort will remain linked to application content.
One stakeholder commented that it may be more appropriate to review and streamline data requirements to reduce AICIS work effort (rather than increase assessment fees)	The information that is required for certificate applications is set out in the application form and includes the information needed to undertake an assessment in accordance with the IC Act to determine: • the risks to human health and the environment from the proposed introduction and use of a chemical • whether those risks can be managed. Where applicants have identified that their application is for a lower risk introduction, they must provide the information that confirms that the introduction meets the criteria to be very low or low risk to human health and/or the environment. As chemical introductions issued an assessment certificate will be listed on the Inventory - and therefore available for other introducers – AICIS must assess the provided information to confirm that the introduction is actually of very low or low risk to human health and/or the environment. The level and type of information about the hazard characteristics of a chemical to demonstrate low or very low risk varies depending on the expected exposure of humans and the environment to the chemical. For introductions that will have the highest exposure to human health and/or the environment, more information is required. Certificate applications are only required for chemical introductions with higher indicative risks. Businesses may choose, however, to apply for an AICIS assessment certificate to gain access to future Inventory listing, instead of using the fee-free reported or exempted introduction categories. The fees for certificate applications reflect the resources needed to assess them.

