Australian Chamber of Commerce and Industry

Consultation on the prohibition on the use of engineered stone

Safe Work Australia

ACCI Submission

April 2023

Australian Chamber of Commerce and Industry

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Media Enquiries
[redacted]

Canberra Office
[redacted]

Melbourne Office
[redacted]

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[redacted]

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Introduction

The Australian Chamber of Commerce and Industry (ACCI) and our member network strongly supports additional work being undertaken on silica related exposure risks and we acknowledge the concerning rates of preventable lung disease caused by uncontrolled dust exposure, particularly when working with engineered stone.

ACCI is a member of Safe Work Australia (SWA) and its Strategic Issues Group – Work Health and Safety (SIG-WHS), which has oversight of the development and evaluation of the Model Work Health and Safety (WHS) Laws. ACCI has participated in discussions surrounding the development of the model Code of Practice for engineered stone, model guidance and amendments to the regulations around the prohibition of dry-cutting of engineered stone, the Consultation RIS *Managing the risks of respirable crystalline silica at work* and progressing the outcomes of the DRIS and WHS Minister's meeting decision. We support SWA in taking positive and risk proportionate steps to ensure the protection of workers exposed to silica dust.

In considering any additional regulatory responses, decision makers must be provided with a full understanding of the costs and benefits of the options proposed and have sufficient evidence that implementation of any additional regulation will achieve the desired outcomes.

In preparing this submission, ACCI consulted with members of our Silica Reference Group which include Chambers of Commerce and Industry and Industry Associations across construction, manufacturing, quarrying, mining, tunnelling and demolition.

ACCI does not support any option as presented in the consultation paper.

Our strong view is that the focus should be on systemic changes towards better work practices, not prohibition or 'banning' of a product. All products and activities have some level of risk that should be identified, assessed and controlled through good risk management practices informed by evidence and research. It is detrimental to shift thinking towards a defining line or label of 'safe' or 'unsafe'.

We believe that the combination of current regulation appropriately enforced, planned regulation such as the 'prohibition on uncontrolled dry cutting of engineered stone' and agreed further regulation as part of 'Option 5a' of the DRIS are significant and sufficient regulatory responses to the issue. We also note the agreement to undertake national awareness and behaviour change initiatives which we strongly supported.

In considering the three presented options, ACCI and our members note that there are several elements that require more detail for industry to fully understand the likely consequences and benefits. This includes finalisation of definitions and requirements under Option 5a and further detail on any proposed licensing scheme.

Our submission also addresses the limited cost analysis methodology for Option 6 on a prohibition of engineered stone in the DRIS noting that the outcomes of this consultation will inform an update of the DRIS.

Duplicative processes with unclear consequences

ACCI and our members would like to strongly emphasise our concerns in regard to the simultaneous consultations underway and increasing complexity of regulation in relation to silica.

As per the diagram below, several consultation processes and policy decisions cross over with or have implications for others.

For example:

A **prohibition on 'working with' engineered stone** and an **import ban on engineered stone** would overlap and have implications for the other. At present, consultation is only occurring for a possible prohibition and so there is a concern that by undertaking consultation on related topics at different times we are likely to end up with unintended consequences such as contradictory or duplicative legislation.

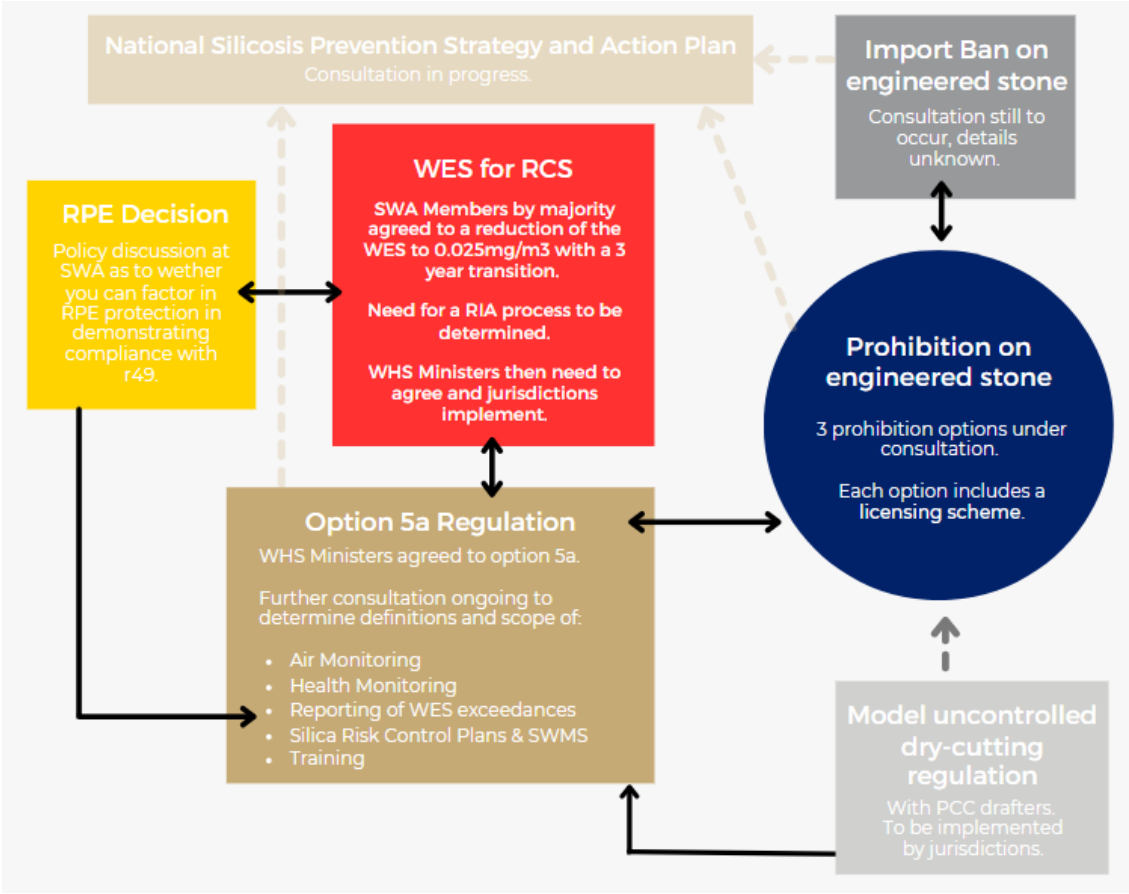
Similarly, the options for a **prohibition on engineered stone** are to be combined with **option 5a regulatory amendments** however the specific details of 5a such as definitions and scope of changes are still to be settled.

The **elements of option 5a** were originally included in option 4 which was the proposed licensing scheme. **Option 4 now forms the basis for how a licensing scheme** would operate under the three **prohibition options for engineered stone**.

Compliance with the **silica WES** applies to all regulatory options being considered with particular impact on how **option 5a** will operate and consequently any **prohibition on engineered stone**.

Clarity on the use of **RPE** for determining compliance with regulation 49 and ensuring exposure to silica is not above the silica WES will then have significant implications for **option 5a** and compliance with a new **WES**.

Diagram depicting the current consultative and regulatory activities in relation to silica and engineered stone and their interrelationships.



If we want to achieve genuine improvements in WHS practices and outcomes, then it is critical that any proposed regulatory changes are well scoped, undergo appropriate consultation and are evidenced-based. Agreed changes should then be clearly communicated to industry with sufficient information on how to comply.

At present, multiple regulatory changes (at both Federal and State and Territory levels) are being consulted on in a piece-meal manner and with potentially contradictory or duplicative elements which are not necessarily fully scoped or with sufficient evidence provided.

Businesses are increasingly frustrated and confused as to what the current legislative requirements are versus what is being proposed, what the implications of changes may mean and when any changes may be implemented.

This overlapping consultation is having a detrimental impact on PCBUs ongoing ability to comply with duties and their willingness to engage in consultation.

The current activity is on top of the last few years of activities where businesses have reviewed and implemented changes to WHS practices in order to comply with the change to the silica WES, introduction of engineered stone and silica Codes of Practice and in some jurisdictions, the introduction of a prohibition on dry-cutting of engineered stone.

ACCI and our members urge greater coordination and integration of silica related activities so as to reduce the likelihood of unintended consequences and to ensure as much clarity for businesses who are trying to remain across and implement these changes.

A new base case

The original base case presented in the CRIS includes the existing duties under the model WHS Act, model WHS Regulations and relevant model Codes of Practice as well as measures that have yet to be fully implemented, such as:

- the implementation of the model Code of Practice: Managing the risks of respirable crystalline silica from engineered stone in the workplace (Safe Work Australia 2021a) in all states and territories covered by the model WHS laws apart from Queensland, and
- amendments to the model WHS Regulations prohibiting uncontrolled processing of engineered stone and implementation by jurisdictions.

Following the WHS Ministers decision on 28th February, the updated base case will now also include DRIS options 2 and 5a.

The particulars of option 5a (forming part of the base case) however are not yet finalised.

In discussing any prohibition and licensing option the consultation paper refers to options being in addition to regulation on the use of engineered stone as described in option 5a as well as referencing the DRIS option 4 as the recommended licensing framework. The majority of elements making up option 4 mirror those of option 5a.

Without having finalised option 5a there is significant uncertainty around how regulatory changes would interact. This has impacted our ability to identify direct and indirect consequences of the options in this consultation process and the associated costs and benefits.

Options for prohibition on the use of engineered stone

The *Decision Regulation Impact Statement: Managing the risks of respirable crystalline silica at work* was considered by Work Health and Safety (WHS) ministers at their meeting on 28 February 2023. Consistent with the recommendations in the Decision RIS, WHS ministers agreed to:

- implement Option 2 - National awareness and behaviour change initiatives
- implement Option 5a - Regulation of high-risk crystalline silica processes for all materials (including engineered stone) across all industries, and
- **further analysis and consultation on Option 6 - Prohibition of use of engineered stone, including consideration of silica content levels and other risk factors, and a national licensing system for products that are not subject to a ban or legacy products.**

Option 6 as outlined in the DRIS

Under this option the processing of engineered stone would be prohibited, except under specific circumstances.

This option is modelled on Chapter 8 (Asbestos) of the model WHS Regulations.

There are multiple elements to the proposed prohibition as per below:

- A PCBU would be **prohibited from** carrying out, or directing or allowing a worker to carry out, work involving the ***processing*** **of engineered stone**, including manufacture, manipulation, fabrication or installation.
- ***Processing*** would include using power tools or other mechanical plant to cut, grind, trim, sand, abrasive polish or drill the engineered stone.
- The prohibition would apply to any product meeting the **definition of engineered stone** in the model WHS Regulations.

Similar to those that are in place for asbestos, **exemptions would apply** to PCBUs undertaking work with engineered stone for the purposes of:

- sampling and identification
- maintenance work on engineered stone surfaces installed before the date prohibition is enacted
- removal or disposal of engineered stone (including transport for disposal)
- demonstrations, education pr practical training, and
- genuine research and analysis.

PCBUs wanting to undertake exempt work with engineered stone would require a **licence** as outlined in option 4.

ACCI does not support any option presented in the consultation paper.

We believe that the combination of current regulation appropriately enforced, planned regulation such as the 'prohibition on uncontrolled dry cutting of engineered stone' regulation and agreed further regulation 'Option 5a' of the DRIS are significant and sufficient regulatory responses to the issue. We also note the agreement to undertake national awareness and behaviour change initiatives which we strongly supported.

In considering the three presented options, ACCI and our members note that there are several elements that require more detail for industry to fully understand the likely consequences and benefits. This includes finalisation of definitions and requirements under Option 5a as outlined earlier and further detail on any proposed licensing scheme.

Our main concern is the proposed licensing scheme.

Our CRIS submission and the DRIS did not recommend a licensing scheme stating:

- *"ACCI and our members are concerned that the way this option is phrased in the CRIS would result in unintentionally capturing a range of businesses that undertake minor and infrequent work with engineered stone such as cutting excess stone to fit to cabinetry, drilling a hole for electrical cable connections etc. The risks of this work are already sufficiently addressed in current legislation (including the need for a SWMS as applicable and when used as intended).*

  We do not believe that the benefits would be achieved as described nor that they would outweigh the significant costs, practical barriers and regulatory burden this option as drafted would have on industry."

- *"While a licensing scheme offers additional benefit of increased awareness for WHS regulators of those PCBUs working with engineered stone, WHS regulators in most jurisdictions are likely to already have this information through their education and compliance activities.*

  WHS regulators also stated in their feedback that the administrative burden of a licensing scheme would likely draw resources from other risk-based compliance activities. There would also be additional costs and significant administrative burden to industry.

  ***The benefits of a licensing framework would not outweigh the added administrative and financial burden on both business and government**."*

It should be noted that this outcome was when comparing a proposed licensing scheme to the original base case. Now that the base case includes Option 5a, the costs are even more disproportionate to any perceived benefit.

If a licensing scheme were to be progressed, we would strongly argue that the scheme should be targeted to those areas of highest risk.

The most practicable option in this case would be option 2 with an expanded exemption for licensing to ensure that lower-risk construction trades are not significantly impacted and disadvantaged.

	Option 1	Option 2	Modified Option 2	Option 3
Prohibition on "*carrying out, or directing or allowing a worker to carry out, work involving the processing of engineered stone, including manufacture, manipulation, fabrication or installation*".	Prohibited on **all ES** unless exempt work	Prohibited for **40% silica ES or more**, unless exempt work	Prohibited for **40% silica ES or more**, unless exempt work	Prohibited for **40% silica ES or more**, unless exempt work
Licensing scheme	Yes (all) exempt work requires PCBU to be licensed	Yes – only for 40% or more silica exempt work requires PCBU to be licensed	**Exemption to license for broad ranging 'minor works' for ES**	Yes (all) work requires PCBU to be licensed
Awareness initiatives & further regulation as agreed by WHS ministers (option 2 and 5a) and once finalised the regulation on uncontrolled dry cutting of engineered stone.	Yes	Yes	Yes	Yes

We would reason that:

- A full prohibition with licensing would have significant costs to SMEs and flow on impacts to the economy with little articulated benefits once the base case is adjusted to include Option 5a requirements.
- The 40% threshold is consistent with the Victorian regulations and so promotes a 'harmonised' approach.
- Industry stakeholders have confirmed they have products available under 40% silica content which would minimise the impact on the market, and a 40% threshold would then still allow for further industry innovation of reduced silica products.

Reducing the impact of licensing

In the DRIS, Option 6 proposed that similar to those regulations that are in place for asbestos, **exemptions to working with engineered stone would apply** to PCBUs and **exempt work would require a license** for the purposes of:

- sampling and identification
- maintenance work/minor modifications on engineered stone surfaces installed before the date prohibition is enacted
- removal or disposal of engineered stone (including transport for disposal)
- demonstrations, education pr practical training, and
- genuine research and analysis.

We would argue that these exemptions to undertaking work with engineered stone should also apply to the requirement for a license.

A license should only be required for PCBUs who are manufacturing, fabricating or installing engineered stone.

The exempt work definition and licensing exemption we are proposing should adopt additional aspects of the asbestos regulations and cover the following:

ACCI suggested change to exempt work and licensing requirements

- PCBUs using engineered stone **containing 40% or more crystalline silica would not require a licence for** undertaking **exempt work** with engineered stone for the purposes of:
  - sampling and identification
  - maintenance work/minor modifications on engineered stone surfaces installed before the date prohibition is enacted
  - removal or disposal of engineered stone (including transport for disposal)
  - demonstrations, education pr practical training, and
  - genuine research and analysis.

  - Or, a worker or self-employed person may perform engineered stone processing work without a license, if –
    - the exempt work **does not exceed 10 minutes in total; and**
    - **the worker or self-employed person does not perform more than 1 hour of engineered stone processing work in total during a 7-day period.**

An additional time-based element is suggested in order to capture low duration and exposure activities that may not be expressly captured by the other examples. This time-based provision mirrors Victorian Regulation 250 which is used for asbestos-contaminated dust and is viewed by our members as a practical option to minimise the complexity of regulatory interpretation for business owners/sole-traders as time-based restrictions are already commonly used.

This addition is proposed in order to allow grater flexibility for trades activities such as:

- removal of gas appliances from existing stone benchtops for a more energy efficient electric alternative.
- installing an alternative or new powerpoint where there is a stone splashback in place (this work may only require a 6mm hole drilled for example)
- relocating tapware/basins in a kitchen/bathroom/laundry renovation
- cutting into a splashback to install a rangehood
- minor modification of benchtop to suit new stove or cooker.

Again, we would stress that any of the work described above would need to comply with current construction work and other relevant regulations (e.g., SWMS), the dry cutting prohibition (e.g. use of local exhaust ventilation, on tool dust extraction and/or water suppression when using a power tool or mechanical plant to process engineered stone) and proposed option 5a requirements.

Our time limited approach is to enable flexibility for 'lower risk' work (as the time restriction would likely result in compliance with the WES with relevant controls in place). We would also note that Appendix 4 of the Queensland *Managing respirable crystalline silica dust exposure in construction and manufacturing of construction elements* stipulates that handheld power saws cutting with appropriate dust collection systems and RPE is lower risk if done for a limited duration and drilling with an appropriate dust collection system does not need RPE or health monitoring.

Option 6 of the DRIS notes that "1*,000 was a realistic estimation of the number of sole traders, small and medium sized businesses working with engineered stone in Australia*." As expanded upon below, our construction trade members have indicated approximately 68, 569 businesses could be captured by the prohibition and licensing requirements. **Without a license exemption for the described types of trades work above, the cost burden of a license and ongoing auditing would be significant for thousands of businesses with little additional benefit given the new base case.**

Proportion of businesses covered by the engineered stone options

As previously provided in our CRIS submission, we do not believe the figures and costings for Option 4 are accurate and should be re-worked.

Based on the scope as described in the CRIS and consultation paper (and if our suggested exemption were not adopted), several construction sub-categories would be captured under option 4 in regard to licensing.

Table 1: Proportion of businesses covered by the CRIS options 4 and 5a by industry classification

Industry	ANZIC industry classification – 4 digit level	**Option 4** - National licensing framework for PCBUs **working with engineered stone**	**Option 5a** Additional regulation of defined high risk crystalline silica processes, **including** engineered stone (all)
Construction	House Construction, Other Residential Building, Construction, Non-Residential Building Construction, Land Development and Subdivision, Concreting Services, Bricklaying Services, Roofing Services, Structural Steel Erection Services, Plumbing Services, Electrical Services, Air Conditioning and Heating Services, Fire and Security Alarm Installation Services, Other Building Installation Services, Plastering and Ceiling Services, Carpentry Services, Tiling and Carpeting Services, Painting and Decorating Services, Glazing Services, Landscape Construction Services, Hire of Construction Machinery with Operator Other Construction Services	25% (Includes: Plumbing Services, Electrical Services, Carpentry Services, Tiling and Carpeting Services, Glazing Services)	90%
(Construction) Tunnelling Demolition	Other Heavy and Civil Engineering Construction, Road and Bridge Construction, Site Preparation Services	Nil	95%
Manufacturing	Cement and Lime Manufacturing, Clay Brick Manufacturing, Other Ceramic Product Manufacturing, Other Non-Metallic Mineral Product Manufacturing, Plaster Product Manufacturing, Ready-Mixed Concrete Manufacturing	5%	90%
	Concrete Product Manufacturing	Nil	100%

Quarrying	Gravel and Sand Quarrying, Other Non-Metallic Mineral Mining and Quarrying	Nil	100%
Mining	Bauxite Mining, Coal Mining, Copper Ore Mining, Gold Ore Mining, Iron Ore Mining, Mineral Sand Mining, Nickel Ore Mining, Other Construction Material Mining, Other Metal Ore Mining, Silver-Lead-Zinc Ore Mining, Other Mining Support Services, Site Preparation Services	Nil	50-65%

Note that businesses in the Oil and Gas industry also indicated that they would be captured which wasn't scoped in the CRIS.

"Yeah, Oil and Gas would be affected. As a minimum, we would have to develop a SWMS under Option 3 (i.e. various maintenance activities [particularly refurbishment, demolition work] would occasionally use power tools on materials with >1% of silica). I'm fairly comfortable that the activity would be low risk and wouldn't be classified as a "high risk crystalline silica process" but we would have to complete a targeted baseline assessment just to confirm that assumption."

Table 26 from the CRIS is also replicated below in Table 2. The red shaded rows are the CRIS figures and the blue rows underneath these are ACCI's industry figures.

Given that the Consultation paper refers to Option 4 of the Decision RIS for licensing requirements under the three options presented in the consultation paper and Option 6 of the DRIS (prohibition on engineered stone) we refer to option 4 figures.

In calculating the construction totals we have excluded the Victorian count of businesses but note our comment above that we believe additional Victorian businesses that operate cross border should be counted and that preparation for updating the DRIS should include these reworked figures.

Table 2: Comparison of CRIS and ACCI estimated number of businesses per industry category covered by Options 4/6 and 5a (Australian Bureau of Statistics 2021b)

	Small		**Medium**		**Large**		**Total**	
Industry category	**Total number of businesses**	**Businesses covered by regs**	**Total number of businesses**	**Businesses covered by regs**	**Total number of businesses**	**Businesses covered by regs**	**Total number of businesses**	**Businesses covered by regulations (Option 4)**
Construction	92,745	16,979	1,293	129	34	3	**94,072**	Presented as a total across options 3, 4, 5a, 5b – 17,111
Construction							**274,278**	68,569
Manufacturing	2,075	415	114	11	27	3	**2,216**	429
Manufacturing							**2,216**	111
Total	**117,498**	**21,848**	**2,308**	**359**	**138**	**31**	**119,944**	**22,239**
Total							**300,147**	**68,680**

The methodology and underlying assumptions used to estimate the total costs to industry and government for each option are presented in CRIS Tables 29 and 30.

In regard to the number of PCBUs working with engineered stone in Australia (#) the figure used is 1000 which is taken from the Australian Engineered Stone Advisory Group 2019 submission to the ACCC. This figure only captures 'fabrication businesses' or those who employ stonemasons.

Given the phrasing of Option 4 that it would cover "all PCBUs working with engineered stone" and "engineered stone processes including cutting, grinding or abrasive polishing of engineered stone" **construction members have indicated that a percentage of construction businesses may be captured in this definition. Particularly so for plumbing services, electrical services, tiling and carpeting services and carpentry services. At a minimum, the count of businesses in these sub-sectors should be used as the relevant input**. If so, it would be significantly more businesses impacted by Option 4.

DRIS Option 6 assumptions and methodology

In the DRIS, section 6 covers a high-level assessment of the costs associated with a prohibition on working with engineered stone.

Feedback on the assumptions and methodology used to estimate cost are provided below.

Cost analysis methodology – define the market

Step 1 of the methodology is to define the market. This section of the DRIS is an estimate of how many fabrication and installation businesses are working with engineered stone in Australia.

We believe this is inaccurate as the prohibition and licensing requirements would apply to businesses that undertake removal and disposal work, maintenance or minor modification work including several trades e.g. electricians, plumbers, tilers, carpenters etc.

As per the section above, our figures total **68,680 businesses impacted**.

The impact a prohibition on working with engineered stone will have on businesses

The DRIS goes on to note that "*As the vast majority of work with engineered stone is fabrication and/or installation of new benchtops, it is anticipated that only a **small proportion of sole traders and small businesses would continue to work with engineered stone for exempt activities on an ongoing basis**.*"

Once again, we would argue that up to 68,680 businesses may be working with engineered stone for exempt activities due to the prevalence of existing engineered stone in households and workplaces and the nature of these businesses work (e.g., electrical, or plumbing modifications).

Example – electrical works

If a consumer/homeowner buys a new electrical stovetop to replace an old one. This stovetop sits within an engineered stone benchtop. They hire an electrician to rewire and fit the new stovetop.

The works would likely require a cut of for example 500mm to fit the new stove. Most domestic electricians won't get a license 'for engineered stonework' and they can't subcontract out to someone else. The Owner then needs to get another licensed business to come and do the cut.

This would apply to rangehoods, sinks, stoves, power points etc.

There would be substantial market disruption for trades as well as home owners requiring small jobs.

We have no comments on the aspects of the DRIS which are specifically looking at fabricators or installers and the impacts on these businesses.

Identifying costs to industry

The DRIS notes that "*the costs to sole traders, small and medium sized businesses resulting from a prohibition on working with engineered stone would differ according to their ability to pivot to an alternative product*".

The costs incurred as a result of a prohibition are likely to include:

- **capital costs to purchase new equipment** to switch to a non-stone product (e.g. wood)
- **training costs** associated with:
  - a switch to an alternative product
  - ensuring employees can work safely with engineered stone for exempt activities
- **lost revenue during the transition period** to an alternative product
- **payment of redundancy packages** resulting from business closure
- lost revenue as a result of business closure
- **cost to acquire a licence to work with engineered stone** for exempt activities.

ACCI members have raised the following additional costs to be included:

- **lost revenue from loss of sale of existing product** – cost impacted by transition period.
  - In the stone industry it is common for fabricators to have stock of full and partially cut slabs, sometimes referred to as "offcuts" which can range in size and cost. One business alone has advised they have approximately $100 000.00 worth of current stock, which can sometimes remain in stock for up to 5 years. Compensation to businesses for having remaining stock that was purchased in good faith but will become unusable due to new government legislation must also be considered.
- the cost of **safely disposing of the banned product**.
- cost to source alterative products and **change business model**, lost revenue from time operations paused to do this (dependent on transition period)
- **Contract issues and payouts** for work in pipeline
- **Consumer cost** – needing to hire licensed businesses for small works potentially in addition to trades. Costs passed onto consumers from change of product or increased operational costs.

We note the comment that "*While a number of these costs will be immediately borne by industry, **government compensation may be required under circumstance where sole traders and businesses working with engineered stone have suffered financial loss as a consequence of the prohibition.***"

This is particularly relevant for small businesses who have recently invested significant funds into changing operations to meet the change to the WES to 0.05 and the NSW, ACT and WA Regulations for uncontrolled dry cutting of engineered stone. If further changes to equipment are needed then government rebates or compensation should be provided.

Scenario analysis and cost models

The focus of our feedback is on the cost of a license to do exempt work with engineered stone.

The DRIS provides the following:

> *"Desktop research has been conducted to determine the estimated cost to business under Scenario 1 as presented in **Error! Reference source not found.** below. The proposed licence fee for PCBUs to work with engineered stone under Option 4 in the DRIS has been used as a proxy to determine the cost implications for sole traders, small and medium sized business to continue working with engineered stone following the prohibition."*

Table 1: Cost to business – Scenario 1

Impact	Cost	Cost per PCBU ($)
Cost to acquire a licence to continue working with engineered stone	Cost to acquire a licence to work with engineered stone	$302

The proposed license fee is a significant underestimate.

The most appropriate indicator of licensing costs is to examine current asbestos removal license fees. These are significantly higher on average than the $302 provided as seen below.

Table 3: comparison of jurisdictional license fees for asbestos removal licences 2022/2023.

Jurisdiction	License fee type	Fee
WA	Application for a NEW Class A	$5,716.00
	Application for a NEW Class B	$1,287.00
QLD	Application for asbestos removal licence or asbestos assessor licence	$202.64
ACT	Term fee for five year class A asbestos removal licence -	$2,118.00
	Term fee for five year class B asbestos removal licence -	$1,971.00
NT	Application for grant	$3,276
NSW	Asbestos Removal – Class A	$6129
	Asbestos Removal – Class B	$1112

The average cost of a license fee is closer to **$3,488.**

Not only would businesses need to pay the licensing fee, but as shown in the DRIS Option 4 costing they would also incur costs associated with preparing the license application and preparation for and participation in compliance audits.

The number of businesses used in costing the below was 1,000. We once again note that the licensing aspect of the prohibition as propose in the consultation paper would also potentially impact **68, 680 businesses**.

Therefore, all four estimated costs as per below are incorrect.

Table 2: Estimated net present cost to industry of a national licensing framework for PCBUs working with engineered stone (Option 4) over 10 years (modified to remove Option 5a aspects given new base case)

Cost	Estimated net present cost over 10-year period ($m)
Licence application	$1.6
Licence fee	$0.6
Preparation for and participation in compliance audits	$6.0
Total	**$8.2**

For the estimate of costs to government, Option 6 only focused on the cost to government for worker displacement under each scenario. It should also include the licensing costs for government given the role of licensing in the consultation paper options.

Table 15 in the DRIS estimated the net present cost to government of a national licensing framework for PCBUs working with engineered stone (Option 4).

Table 3: Estimated net present cost to government of a national licensing framework for PCBUs working with engineered stone (Option 4) over 10 years

Cost	Estimated net present cost over 10-year period ($m)
Implementation of a national awareness campaign to support the regulatory change	$0.9
Purchasing of licensing software	$4.9
Administration of licencing framework	$0.4
Processing of licences	$6.0
Compliance and enforcement	$4.8
Total	**$16.9**

Once again we believe the key assumptions in the costings are incorrect and therefore the total cost calculation is an under estimate.

Table 42 of the DRIS provides the additional cost to government: key assumptions and cost estimate methodology.

The table notes that only 1 worker per jurisdiction would be required to implement the licensing and assess applications. We do not believe this is realistic.

Likewise, the table notes that the average number of scheduled compliance audits per year is 2 and there are 1000 businesses with a license. It is unclear if this is suggesting that there will be two audits of every business with a license each year or not. We do not agree that two audits would be conducted for every business each year and again note that we estimate an additional 68, 860 businesses may apply for a license and require auditing.

Assessment of economic and health benefits

The health and economic benefits presented in the DRIS for option 6 provide very little detail and only address the act of prohibiting the use of engineered stone broadly. We note that this section in particular will need to be updated to reflect the three options presented in the consultation paper and the new base case. It will also need to specifically provide an analysis of the benefits of any proposed licensing scheme in conjunction with the prohibition and the new base case.

Licensing

If we again restrict our comments to the impact of the licensing scheme as proposed, we do not believe the benefits will outweigh the costs. The only difference between the license scheme and option 5a (base case) is the additional requirements to apply for a license, pay the fee and undergo audits.

The benefits of these three additional aspects are purely administrative for the regulators in that regulators would have a license registry where they can more easily identify those PCBUs working with engineered stone for compliance and enforcement purposes.

It was noted however at the recent SWA workshop that the majority of regulators did not believe that the benefits of a licensing scheme beyond that of manufacturers, fabricators and installers would outweigh the costs emphasising the need for a risk-based approach and targeting of highest risk activities.

It was further noted that if the aim of the proposed licensing scheme was to enable identification of PCBUs purchasing engineered stone and using it then a better approach would be to design a regulation that would specifically achieve this. A regulation designed to target and identify who is buying engineered stone and capturing new uses not legacy cases.

Transition period

If a prohibition on engineered stone of over 40% was progressed, there should be a sufficient transition period to allow for existing stock to be used and new stock to arrive. Most transition periods for chemicals are 3 years.

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