



Australian Government

Department of the Environment and Energy

NRSIEE Cost Recovery - Questions and Answers

The Australian Government is introducing new law to reduce air pollution from non-road spark ignition engines and equipment (NRSIEE). The new emissions standards will strengthen Australia's capacity to manage air quality nationally and deliver an estimated \$1.7 billion in avoided health costs over the next 20 year period. As part of this important reform, cost recovery arrangements will be implemented.

What is cost recovery?

Cost recovery involves the Australian Government charging the non-government sector some or all of the efficient costs of a specific government activity. That activity may include the provision of goods, services or regulation, or a combination of them. The Australian Government Cost Recovery Guidelines set out the framework for the Commonwealth's cost recovery activities at www.finance.gov.au.

Why is cost recovery being introduced for the NRSIEE emissions standards?

The introduction of cost recovery is consistent with the Australian Government Cost Recovery Guidelines in that those who create the need for regulation should incur the costs, rather than the costs being borne by the wider community.

Which activities will be cost recovered?

Cost recovery for the NRSIEE scheme will cover the full costs of implementing the scheme by government.

- Fees will apply for the assessment of applications for Australian certification under the NRSIEE emissions standards
- Fees will apply for the assessment of applications for exemptions from the NRSIEE emissions standards
- A levy will apply to NRSIEE products that are imported into Australia and to NRSIEE products supplied by local manufacturers¹.

¹ Local manufacture refers to the manufacture of NRSIEE engines in Australia and not to the assembly of NRSIEE products using imported engines. Such imported engines would have already been subject to a levy at import.

When will the charges be introduced?

Cost recovery for the new NRSIEE emissions standards cannot take effect until the new laws are made and the Cost Recovery Implementation Statement (CRIS) has been approved. This is expected to be completed by late 2017. The CRIS sets out the detail of the proposed charges.

Applications for certifications and for exemptions will then be able to be made from **early 2018**.

The levy on those importing new NRSIEE products into Australia and on engines that are manufactured domestically¹ and supplied to the Australian market will commence **1 July 2018**.

The levy amount will be based on the total imports or domestic manufacture for the financial year. For example the levy payments for the first financial year, 1 July 2018 to 30 June 2019, will become due for payment after 1 July 2019.

If you wish to receive updates on the implementation process, please call the Department's Community Information Unit on 1800 803 772 or email the Product Emissions Mailbox at productemissions@environment.gov.au.

How much will I be charged?

The fees for certification and exemption applications will cover the Government's costs in processing those applications. The levy on imports and engines manufactured domestically will represent a very small proportion of the value of the product.

After 1 July 2018 importers of NRSIEE products will be notified that their imports may be subject to a levy. After 1 July 2019 importers will be provided with a levy liability notice setting out their levy liability for imports over the previous year. Importers can check their liabilities against their own records and if necessary can make adjustments in their import data through the Integrated Cargo System. The department will re-calculate levy liabilities (picking up any adjustments made by importers) and send final levy invoices to importers by around October each year.

Domestic manufacturers will be required to report on the supply of their product to the market each financial year. This will be the basis for their levy.

Do I need to apply for Australian Certification?

If you plan to import or manufacture and sell NRSIEE that has been certified in a jurisdiction recognised by the new legislation then you **do not** need to apply for Australian certification. This means products certified by the US EPA, California Air Resources Board, Canada, or the European Union.

If you plan to import or manufacture and sell NRSIEE that does not have certification from one of these jurisdictions, you will need to apply for Australian Certification.

What happens if I don't pay the certification or exemption application fees?

The assessment of applications for certifications or exemptions will not commence until the application fee is paid and all relevant information provided to the Department.

How will fees for certification or exemption and the levy be paid to the Department?

Payment will be accepted by credit card via the Department's online NRSIEE application portal.

Will the Department consider requests for application fee waivers?

The Department may consider requests for application fee waivers in exceptional circumstances, such as in cases where it is considered to be justified on grounds of financial hardship, or where waiving a fee would be in the public interest.

Will the Department refund application fees?

The Department may consider refunds for application fees that have been paid on a case by case basis depending on the circumstances. For guidance the proposed approach is that the department may consider a refund where the applicant has withdrawn their application within two weeks of submission **and** no work has commenced on assessing the application.

Does paying a fee guarantee approval?

No, paying a fee does not guarantee you will be granted Australian certification or an exemption under the legislation.

Cost recovery will cover the cost of assessing applications and these costs are incurred whether the assessment is approved or not.

How can I have my say?

The draft 2017 Cost Recovery Implementation Statement is an opportunity for you to comment on the proposed cost recovery arrangements. The Department is accepting feedback through our Citizen Space Consultation Platform until the closing date of XX November 2017. You can submit your comments at <https://environment.au.citizenspace.com/>.

If you are unable to access the Citizen Space Consultation Platform contact the Product Emissions Mailbox at productemissions@environment.gov.au for help.

After the consultation period, the Department will consider stakeholder feedback in finalising cost recovery arrangements.

What if I have some additional questions on the proposed cost recovery model?

If you have any additional questions, please call the Department's Community Information Unit on 1800 803 772 or email your query to the Product Emissions Mailbox at productemissions@environment.gov.au.

When will the final Cost Recovery Impact Statement containing the final fee structure be published?

The final 2017 Cost Recovery Impact Statement is expected to be published on the Department's website in late 2017 together with guidance for importers and manufacturers on the fees and levy.

The Cost Recovery Impact Statement will contain the final fee arrangements for cost recovery.

Where can I get more information?

Visit the Department's website:

<http://www.environment.gov.au/protection/air-quality/non-road-spark-ignition-engines-and-equipment>

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