

6 July 2006

Inquiry into Waste Generation and Resource Efficiency
Productivity Commission
Locked Bag 2, Collins Street East
MELBOURNE VIC 8003
waste@pc.gov.au

Dear Sir

Re - Submission on the Draft Report on the Inquiry into Waste Generation and Resource Efficiency

Product Stewardship in the Agricultural Chemical Industry

Agsafe Limited (*Appendix 1*) supports the concept of voluntary product stewardship initiatives specifically for the agricultural chemical industry. Industry sustainability is concurrent with the responsibilities of product life cycle management.

Key Finding

A key component not adequately covered in the Productivity Commission Draft Report into Waste Management that may impact the successful management of voluntary product stewardship schemes is the need for exemptions to possible breaches that may occur under the Trade Practices Act. This is accomplished through authorisation by the Australian Competition and Consumer Commission (ACCC).

Key Principles

As pressure increases to reduce the amount of recyclable waste going into landfill, most state and local governments have set targets for recycling and are placing restrictions on the type of material that will be accepted at landfill sites. Old practices of burying and or burning unwanted containers is both outdated, potentially dangerous and becoming less acceptable as a means of waste disposal.

Industry is dependent upon Agsafe's ability to provide fully-funded, voluntary stewardship initiatives supported by industry and government. Industry requires that Agsafe programs represent value for money, support business and extended producer responsibility objectives, while government requires that Agsafe address perceived risks effectively and transparently.

With this in mind, Agsafe's programs actively embrace many of the concepts outlined within the UN's Rio Principles of Sustainability (Agenda 21) and supports the National Strategy for Ecologically Sustainable Development (NSED):

- **Wide community participation and ownership** - every Agsafe program has a complex array of active stakeholders. Their involvement, participation and ownership has been vital in developing programs that “work” for all, and in ensuring ongoing participation and involvement of growers and resellers.
- **A long-term perspective** - the programs have been developed to run indefinitely, and independently of any single stakeholder. Funding models for each program direct responsibility appropriately and sustainedly, guaranteeing long-term viability. Each model has been agreed by all stakeholders – even when funding has been at stakeholders’ cost.
- **Equity and fairness both within and between generations** – Agsafe’s programs (*Appendix 2*) recognise that current issues must be dealt with now and not permitted to develop into problems for the future (*drumMUSTER*) and that the time to fix issues of the past is now (ChemClear[®]).
- **Integrity of natural capital and life-support systems** – by encouraging recyclable containers and providing a clear route for return and processing, packaging and chemical residues can be managed without long term environmental impact.
- **Integration of social, economic and environmental considerations** – Perceived risk, political risk and community concern must be addressed as thoughtfully as physical hazard reduction. Agsafe is part of the agchem industry’s evolution alongside an increasingly urbanised society demanding improved standards and increased regulatory involvement. Agsafe and its stakeholders share the conviction, now reinforced by over ten years’ experience, that industry self-regulation can be extremely effective in ensuring compliance.
- Agsafe also appreciates that programs must be structured to encourage involvement in rural communities - particularly *drumMUSTER* and ChemClear[®], where participation is voluntary.
- **A culture of innovation and creativity** – The Agsafe triage of programs is unique worldwide. While the technologies are not new, the breadth and complexity of the stakeholder relationships, the challenges of leading communication to change farmer and reseller practices and the task of setting up programs for geographically remote areas right across Australia require innovating thinking and a “must-succeed”, high-energy mindset.
- **Avoid the risk of serious or irreversible damage** – Agsafe programs aim to mitigate any risk of serious harm to people and the environment. Our programs emphasise practices that improve human safety and reduce the risk of environmental contamination, whether it be through best practice warehousing design and management, practical recycling programs, or the safe disposal of unwanted chemical.
- **Hope for the future** – Agsafe doesn’t have all the answers. But each year, participation increases; waste is managed more effectively; thinking and acting safely becomes more culturally ingrained; and agricultural sustainability improves.

In mid 2005 the sustainability of these programs was further enhanced with the granting of a three year ACCC authorisation to establish a revised Industry Waste Reduction Scheme. This means that ChemClear[®] is funded from the new Industry Waste Reduction (*drumMUSTER*) levy, and from a continuing manufacturer contribution giving purchasers of eligible agvet chemical products access to the additional services of ChemClear[®] without additional cost. This provides a

significant public benefit for post consumer waste collection and disposal and encourages farmer support and involvement.

Product Stewardship Measures

For programs to be sustainable, they must:

- Address government requirements and support environmental targets, for example the Industry Waste Reduction Scheme and National Packaging Covenant;
- Work for stakeholders, for example, as low farmer participation is a major risk, policies have been developed in conjunction with farmer groups to balance the need to reduce hazards with the need to make compliance easy for farmers;
- Meet measurable targets;
- Be financially self-sustaining.

Industry needs of Regulators

With a significant number of non-returnable chemical containers now recycled through the *drumMUSTER* program there has been a significant reduction of used containers being dumped at landfill sites or burying or burning on farm.

Similarly unwanted rural chemicals have a defined collection and safe disposal route.

To assist Industry further it is imperative that Federal, State and local governments promote the programs to relevant user groups and enforce existing regulations that prevent burying, burning or long term storage of containers or obsolete, unwanted rural chemicals on farm.

Please do not hesitate in contacting this organisation to answer any specific questions in respect to the management of the programs.

Yours sincerely



Sam Ponder
GENERAL MANAGER



Mike Goodyer
NATIONAL BUSINESS MANAGER

Appendix 1

The Organisation

Agsafe Limited is an independent, industry driven, non-profit, wholly owned subsidiary of CropLife Australia Limited (formerly Avcare), the national body for the plant science industry.

Agsafe demonstrates industry's commitment to duty of care by providing best practice stewardship solutions throughout the supply chain. It operates as a cost recovery business and every attempt is made to streamline the organisation by automating processes and systems. Agsafe receives no government assistance.

Product stewardship began in the rural chemical industry in 1993 with a self-regulatory program to improve chemical handling, storage and recommendation; today this encompasses three stewardship programs aimed at addressing the risks associated with:

- transporting, storing and selling agricultural chemicals and fertilisers; and
- post-consumer waste, including packaging and unwanted product *drumMUSTER* (since 1999) to reduce farm chemical packaging waste by collecting and recycling containers.
- ChemClear[®] (since 2004) to reduce the risk of unwanted rural chemicals on-farm by collecting them for appropriate disposal. ChemClear[®] completed its national launch last year.

Each Agsafe program is the result of a comprehensive research and consultation process to ensure that "general" risks are identified at a national level, and that this translates into practical and sustainable strategies to identify and mitigate specific local risks.

Agsafe provides non-tangible benefits to agricultural and veterinary chemical businesses in improved standards of:

- professional conduct;
- quality of service;
- product knowledge;
- government, consumer and community confidence; and
- sustainability of the industry.

Agsafe was founded on partnerships, with programs developed with active involvement from stakeholders, including CropLife Australia, Animal Health Alliance (Australia), the National Farmers' Federation, the Veterinary Manufacturers and Distributors Association and, for *drumMUSTER* specifically, the Australian Local Government Association. These organisations remain actively involved to ensure stakeholder needs are balanced in meeting Agsafe's objectives.

Defining sustainable program models is complex requiring an agreed position between all parties and answering fundamental questions;

- What would be environmentally sustainable?
- What would remove the unacceptable risks?
- How would it be economically sustainable for farmers, resellers and industry?

Sustainability is defined by stakeholders to meet environmental, community and economic expectations.

Governance and Operational Structures

The Board

The Agsafe Board has ten members – four CropLife Australia representatives (three from the distribution industry and one from the supplier industry); one representative from the Animal Health Alliance (Australia); two NFF representatives; one VMDA representative; one FIFA representative; and one Business Member representative. The Board's authority extends to statutory and constitutional matters and policy and strategic direction setting.

The Secretariat

Agsafe's secretariat, led by the General Manager, manages operational matters within the policy framework and strategic direction set by the Board and the Committees.

The Committees

Two specialist committees assist with policy and strategic direction setting for Agsafe's compliance and waste management programs.

The *Industry Waste Reduction Advisory Committee* has nine members – four NFF representatives (one of whom is Chair); one CropLife Australia representative; one Animal Health Alliance (Australia) representative; one VMDA representative; one ALGA representative; and Agsafe's General Manager.

The *Accreditation Advisory Committee* has seven members – three CropLife Australia representatives; one business representative; one NFF representative; one FIFA representative; and Agsafe's General Manager.

Committees:

- implement direction and strategy determined by the Agsafe Board;
- ensure operational efficiency and transparency;
- recommend amendments to scope and/or operational detail;
- consider reports from the Board on program operations;
- develop business plans and budgets;
- report to the Board as necessary;
- approve program expenditure;
- establish a trust account to hold levy funds;
- review and approves proposals for research and development;
- publicise and promotes the program; and
- undertake any other activity consistent with, or desirable to further, program objectives.

More information - Agsafe and its programs can be obtained from:

www.agSAFE.com.au

Appendix 2

The History of Industry Waste Reduction

Given the potential that waste packaging problems pose to the rural industry, the Australian Government identified back in 1990, that container management required industry action. CropLife Australia, took up the challenge by launching its own Container Management Strategy in 1992, which over time, developed into a full stewardship program, resulting in successful negotiations between four industry stakeholders (CropLife Australia, Veterinary Manufacturers & Distributors Association, National Farmers Federation and Australian Local Government Association) of an Industry Waste Reduction Scheme Memorandum of Understanding to develop and manage a container collection program.

The national container management scheme, *drumMUSTER* was developed and implemented to collect and recycle cleaned (triple-rinsed) one-way containers, targeting primarily the 20L container.

In a second initiative, the Australian Government sponsored a one-off collection and disposal scheme between 1999-2002, to collect any unwanted chemicals at farm level. This initiative (ChemCollect) resulted in approximately 1700 tonnes of unwanted and deregistered agricultural and veterinary chemical waste being collected from chemical users, thereby improving both the environment and protecting the food chain.

Finally, in order to prevent a repeat build-up of chemical waste at farm level over time, the Federal Government obligated industry to manage the future collection and disposal of any unwanted registered rural chemical at regular intervals. As a result, ChemClear[®] began operating in July 2004 under the extended producer responsibility charter and was launched by industry under an Agreement for the Management of Unwanted Rural Chemicals between CropLife, VMDA and the NFF. The collection of applicable ChemClear[®] chemicals is free of charge to the waste holder.

drumMUSTER

drumMUSTER is the national program for the collection and recycling of empty, cleaned non-returnable crop production and on-farm animal health containers.

The program was developed co-operatively with **CropLife Australia, Animal Health Alliance (Australia)**, (CropLife & Animal Health Alliance were formerly Avcare), **The National Farmers Federation**, the **Veterinary Manufacturers and Distributors Association** and the **Australian Local Government Association**.

The program operates through the farm chemical supply, distribution and use chain. Manufacturers, resellers, chemical users/farmers, local councils/collection agencies, inspectors and processors are all involved in the *drumMUSTER* process. With the program crossing a variety of levels, its success depends largely on the participation and co-operation of all those involved.

One of *drumMUSTER*'s main aims is to encourage local councils to sign up and participate in the program. This involves a commitment from the council to organise a collection site and run collections for chemical users/farmers to drop off their empty

clean containers for inspection. The other main aim is to encourage chemical users/farmers to use the program and make rinsing their containers common practice. The *drumMUSTER* program provides a range of environmental, economical and social benefits to grower and the community as a whole.

drumMUSTER is funded from the four cent per litre or kilogram levy on crop production and animal health products. The levy is initially paid by the manufacturer and then passed on to the reseller and consumer as they purchase products. The levy is later used to reimburse Local Councils or other collection agencies for any costs incurred by them in the implementation of the program.

The *drumMUSTER* program has effectively established this defined route. 476 Collection Agencies including 442 Councils operating from 692 collection points now participate in the program accounting for approximately 97% of an estimated 3.5 million non-returnable crop protection and on-farm animal health chemical containers sold annually.

How it works

1. *drumMUSTER* has established agreements with local councils and collection agencies in rural areas around Australia to take delivery of containers for the program.
2. Chemical resellers collect a 4 cent per kilogram/litre levy, which is passed back to the *drumMUSTER* program via participating manufacturers. .
3. Collections are scheduled by the local council or collection agency, and promoted locally through resellers (some of whom run very active programs!), advertising and public relations campaigns.
4. Farmers bring their clean, empty containers to the collection point. *drumMUSTER* provides advice on the standards of cleanliness required. Drums are inspected before collection.
5. Farmers are given a receipt for their collected drums. This receipt can be used as proof of proper disposal for growers' quality assurance programs.
6. Approved processors collect and transport the drums for further processing and sale to manufacturers which use recycled plastic and metal in their products.
7. Councils and collection agencies are reimbursed for the costs incurred in running *drumMUSTER* collection through the levy.

For growers and chemical applicators

Eligible containers – steel and plastic – are indicated by a *drumMUSTER* logo on the pack (very few containers are ineligible). Growers are advised to clean the container immediately upon using it, for example by flushing, pressure-rinsing or triple rinsing as containers with visible residue are not accepted.

drumMUSTER supports growers with recommendations on proper cleaning and tracking research on container clearing.

For Resellers

drumMUSTER helps resellers support the program by providing information and support material. This includes:

1. The Agsafe Standard for Effective Rinsing of Farm Chemical Containers;
2. Easy Steps Rinsing Brochure;
3. *drumMUSTER* collection posters; and
4. *drumMUSTER* stickers

drumMUSTER depends strongly on the active involvement on resellers in promoting the program in their local area and to their clients.

For Processors

drumMUSTER approves processing organisations to collect containers from council/collection agencies and process both steel and plastic containers for recycling.

Approved Processors must show they meet current statutory and regulatory business requirements and be able to demonstrate adherence to all relevant Occupational Health and Safety requirements. They must also be able to provide ongoing markets for recycling the materials processed.

They provide an auditable tracking system to ensure proper financial tracking and reporting as well as providing data for industry and government reporting requirements.

ChemClear[®]

The ChemClear[®] program was developed by Agsafe under the Industry Waste Reduction Agreement in conjunction with CropLife Australia Limited, Animal Health Alliance (Australia), the Veterinary Manufacturers Distributors Association and the National Farmers Federation, collects and disposes of unwanted rural chemicals.

Currently registered chemicals are collected and disposed of through funds contributed by participating chemical manufacturers and from the existing industry waste reduction levy. Chemicals that aren't currently registered, or are produced by a non-participating manufacturer, are collected at a cost negotiated with the waste holder and the ChemClear[®] Contractor.

With many unwanted chemicals having accumulated in the community, in particular on rural properties the safe management of these surplus chemicals is a concern for all property owners or managers. This includes recent land purchasers who may have limited knowledge and information about the chemicals that remained present on their property after purchase.

ChemClear[®]'s objectives are to:

- minimise the generation of unwanted rural chemicals;
- minimise the accumulation of unwanted rural chemicals and any associated risks of impact to the environment, public health and trade;

- provide for a collection and disposal service for rural chemicals; and
- provide a management system for unwanted registered rural chemicals which is:
 - effective in achieving a high rate of participation of waste holders;
 - accessible by all users who may hold those chemicals; and
 - provided at lowest possible cost

How does it work?

1. Growers contact ChemClear[®] through its web based booking system at www.chemclear.com.au or its free call booking number.
2. Growers book their unwanted chemical in for collection. The booking system requires that they identify what chemical they hold, and the quantity.
3. If the booking requires that the grower pays a fee, ChemClear[®] provides the farmer with a quote. The booking is finalised when the grower accepts the quote.
4. When bookings in an area reach a threshold level, ChemClear[®] schedules a collection in that region or State. Growers who have chemical booked into the program are notified, and ChemClear[®] publicises the collection locally.
5. ChemClear[®] retrieves the booked in chemical, and disposes of it environmentally.