



Representing the Plant Science Industry

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30 April 2008

Chemicals and Plastics Regulation Study  
Productivity Commission  
Locked Bag 2, Collins St. East  
**MELBOURNE VIC 8003**

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To Whom It May Concern

**Re: Productivity Commission Study of Plastics and Chemicals Regulation – Response to Draft Research Report**

CropLife Australia (CropLife) is the peak body representing the plant science industry in Australia. CropLife welcomes the opportunity to make this submission to the Productivity Commission Study of Plastics and Chemicals Regulation and to provide the Commission with the views of CropLife members with respect to recommendations made in the draft research report.

CropLife has prepared the attached submission in response to the specific recommendations that have the potential to significantly impact on the operations of our members. In particular, this submission notes:

- That many of the draft recommendations will result in improvements to the regulatory system for agricultural chemicals management in Australia should they be implemented. However, additional clarification should be included in several recommendations to ensure that the potential benefits are realised.
- The importance of risk management, as opposed to hazard identification, for agricultural chemicals assessment in Australia. The current hazard based system identifies the acceptable set of uses for the ant particular pesticide product and provides users with superior information to manage the risks of chemical use.
- That while improved control of use arrangements would result in greater consistency of regulation, more details are required to prevent regulatory fragmentation as states and territories create large numbers of exemptions for regulatory control.

CropLife welcomes this study as a means of realising economic, health and environmental benefits from more consistent and less burdensome regulation.

Yours sincerely

(SIGNED)

Paula Matthewson  
**Chief Executive Officer**

**Attachment:** Productivity Commission Study of Plastics and Chemicals Regulation – Response to Draft Research Report



**SUBMISSION TO THE  
PRODUCTIVITY COMMISSION ON  
DRAFT RESEARCH REPORT ON CHEMICALS  
AND PLASTICS REGULATION**

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## 1. EXECUTIVE SUMMARY

CropLife Australia (CropLife) is the peak body representing the plant science industry in Australia. CropLife welcomes the opportunity to provide comment to the Productivity Commission on its Draft Research Report on Chemicals and Plastics Regulation. Our submission represents the views of CropLife's members with respect to the Draft Research Report.

In summary, CropLife considers that many of the draft recommendations contained within the draft report would positively contribute to improving the efficiency and effectiveness of agricultural chemical regulation. However, the report could be improved by clarifying many of the recommendations and their intended application.

This submission highlights those recommendations that CropLife considers would benefit from greater explanation. These are detailed in part three of this submission.

## 2. GENERAL COMMENTS

CropLife considers the draft report has a number of very useful recommendations that would greatly enhance the efficiency and effectiveness of chemicals and plastics regulation in Australia. While CropLife agrees with their broad intent, many of the recommendations within the report would be enhanced with the addition of greater detail about their application and scope. CropLife has highlighted areas where it sees additional explanation is required.

The terms of reference for the study required the Productivity Commission to "investigate the costs and benefits of differences between Australian and international regulatory practice". The draft report contains very little comparison of Australia's system with those employed overseas. Additional international benchmarking of the Australian regulatory system would serve to highlight particular areas that need to be prioritised for reform.

Hazard and risk assessment for agricultural chemicals requires a high-level regulatory assessment that reflects the particular circumstances in which agricultural chemicals are used. In contrast to industrial chemicals which can be seen as point sources that enter the environment through escape (through spills or accidents) or disposal, agricultural chemicals are legitimately and broadly applied within the environment to control pests, weeds and diseases. The first sentence of Section 4.1 (page 46) does not reflect this legitimate chemical use.

Indeed the report could be improved with a greater recognition of the importance of risk management of agricultural chemicals. In contrast to industrial chemicals, which may be used for a wide variety of applications, agricultural chemicals are to be used for a specific purpose. In Australia that purpose is specified on the label. This means that appropriate regulations can be created that address the risks associated with the chemical use. Indeed, the APVMA will not register a product unless all its human health, trade and environmental risks can be effectively managed. This approach is rigorous, science based and effective. It allows users to apply chemicals in the knowledge that a risk assessment has been undertaken that ensures the chemical can be used safely when label instructions are followed. CropLife would not support any derogation away from current principles of managing agricultural and veterinary chemicals for risk.

CropLife also suggests that Table 8.1 on self-regulatory agreements should include a description of the Agsafe Guardian program. This program ensures that sellers of agricultural chemicals are compliant with all state and territory regulations relating to the supply of agricultural chemicals. Further details of the Agsafe Guardian program can be found in CropLife's previous submissions.

The executive summary of the report does suggest (at Page xxxi) that more emphasis should be put on the APVMA using overseas assessments. CropLife notes that while it strongly supports the work sharing arrangements entered into by the APVMA for using another country's hazard assessment, this should not diminish the need for local Australian data taking into account local circumstances. The need for locally protected data ensures that there is a financial incentive for registrants to introduce newer and more beneficial crop protection products. Indeed, the lack of data protection has been identified as one of the causes of the failure of the APVMA process for registering low regulatory concern chemicals.

## 2. GENERAL COMMENTS (cont.)

Finally, Pages 122 and 127 make references to efficacy testing conducted by state governments for the APVMA. CropLife notes that testing the efficacy of products is done by applicants prior to registration. Rather, states and territories conduct efficacy *evaluation* and *review* for the APVMA.

## 3. COMMENTS ON SPECIFIC RECOMMENDATIONS

### RECOMMENDATION 3.1

**Subsequent to the COAG Ministerial Taskforce on Chemicals and Plastics Regulation having completed its reference, the Commonwealth, states and territories should establish, under the Australian Health Ministers' Conference, a Standing Committee on Chemicals, comprising representatives of all ministerial councils that have responsibility for chemicals regulation. It would:**

- **provide an ongoing forum for assessing:**
  - **the consistency of chemicals-specific policy settings across the various areas of concern, including public health, workplace and on-farm safety, transport safety, environment protection and national security**
  - **the effectiveness and efficiency of the overall chemicals-specific regulatory system**
- **address emerging issues, such as nanotechnology**
- **oversee the consistent application of chemicals hazard and risk-assessment methodologies**
- **make recommendations for specific actions by individual ministerial councils.**

While CropLife cautiously supports the recommendation to create a Standing Committee on Chemicals with representatives from all Ministerial Councils with responsibility for chemicals regulation, this support is dependant upon the detail of any proposal to implement this recommendation. There may be a significant risk that this Standing Committee simply adds another layer of bureaucracy to an already complicated system, especially if the committee goes beyond broad policy and begins assessing the regulatory operational level.

Further, CropLife considers it would be inappropriate for this taskforce to sit under the Australian Health Ministers' Conference.

Human health and safety and environmental health are important considerations in developing chemical policies. However, not all impacts are associated with human health and safety. The Australian Pesticides and Veterinary Medicines Authority (APVMA) must also consider the trade implications of approving a chemical for use in Australia, an impact that is not related to human health but Good Agricultural Practice (as indicated by maximum residue limits (MRLs)).

CropLife recognises that the intended remit of this Standing Committee is to be one of oversight of the consistency of policy and the effectiveness and efficiency of regulation. CropLife also understands that this approach does not preclude broad policy responsibility for agricultural chemicals from remaining with the Primary Industries Ministerial Council. However, there may be a risk that important policy considerations (such as trade risks from chemicals) may not be given adequate consideration within a health-based framework. This may lead to poorer policy decisions that do not adequately accommodate the specific needs of particular industry sectors.

### 3. COMMENTS ON SPECIFIC RECOMMENDATIONS (cont.)

#### RECOMMENDATION 3.1 (cont.)

The recommendation could be improved by clarifying the sorts of recommendations that this Standing Committee could make. For example, it is assumed that this Standing Committee could only make recommendations to other Ministerial Councils for specific actions that promote consistency of chemicals policy setting, or that promote the efficiency and effectiveness of the overall chemicals regulatory system.

CropLife suggests that when considering the full breadth of issues that are likely to be considered by this Standing Committee, it may be more appropriate for it to sit underneath a broad Industry-based Ministerial Council. This recognises that chemicals regulation covers a broad industry – and not just its health impacts.

However, CropLife recognises that whichever Ministerial Council this Standing Committee sits under, it is unlikely to have the breadth of skills and experience necessary to be able to adequately cover all the potential issues raised by the Standing Committee. It may be beneficial for the Productivity Commission to consider a structure where the Standing Committee on Chemicals does not immediately fall under the purview of a Ministerial Council.

This approach could result in a more objective approach to allocation and coordination of policy responsibilities and better decision making when considering the appropriate way to address emerging issues such as nanotechnology. Such an approach would also recognise that all issues associated with the management of chemicals are of equal importance. This structure would also reinforce that the Standing Committee should focus on improving the consistency, effectiveness and efficiency of the current system, rather than reviewing the policy decisions made by other Ministerial Councils.

#### RECOMMENDATION 4.4

**NICNAS should implement a program to greatly accelerate the assessment of existing chemicals that:**

- **screens all existing chemicals to develop a list of high priority chemicals for assessment**
- **makes greater use of simulation techniques based on the hazards of chemical analogues**
- **urgently reviews the scope for recognising the assessment schemes of a range of other countries as ‘approved foreign schemes’. Priorities should be the schemes operated by Canada, the European Union and the United States.**

**The incremental cost of this program, which is in the broader public interest, should be met from budget funding.**

CropLife understands that this recommendation primarily relates to the assessment of industrial chemicals by NICNAS that were grandfathered prior to the commencement of the NICNAS scheme. CropLife does note that the Productivity Commission recognised that there are significant public good benefits associated with the prompt review of previously unassessed chemicals.

CropLife notes that NICNAS prioritises the assessment of existing industrial chemicals on the basis of concerns about their possible impacts on people and the environment. The draft report also recognises that there are significant public interest benefits associated with the assessment of existing industrial chemicals.

Similar to industrial chemicals there are significant public benefits from reviews of agricultural chemicals. Similar to existing industrial chemicals, agricultural chemicals are also subject to review on the basis of their potential human health or environmental impacts. However, rather than being publicly funded, the cost of reviews of agricultural chemical products are recovered from industry.

### 3. COMMENTS ON SPECIFIC RECOMMENDATIONS (cont.)

#### RECOMMENDATION 4.4 (cont.)

CropLife believes that where there are significant public benefits associated with the review of an agricultural chemical (such as where it is being reviewed for public health or environmental concerns) that these reviews should be funded with a government appropriation.

Such an approach may permit more timely consideration and assessment of agricultural chemicals that are subject to review.

#### RECOMMENDATION 4.5

**An objective of the National Registration Scheme for agricultural and veterinary chemicals should be to maximise net community benefit, and its assessment requirements and outcomes should be supported by analysis of the associated costs and benefits.**

CropLife considers that at this stage the case for the addition of a new objective to “maximise net community benefit” has not been made. The APVMA currently assesses chemicals based upon science and risk. The APVMA will only approve a chemical in circumstances where the risks associated with the use of that chemical can be effectively managed. CropLife considers that a change in this approach to one where a cost and benefit analysis occurs would be problematic for a number of reasons.

Firstly, conducting cost/benefit analyses are problematic for a number of reasons. The APVMA's assessments include human health assessments (conducted by the Office of Chemical Safety) and environmental assessments (conducted by the Department of the Environment, Water, Heritage and the Arts). It is very difficult to establish accurate estimations on the value of the impacts that an agricultural chemical may have.

For example, agricultural chemicals may enter the environment from an application of pesticides and then move through the environment in a number of ways. Transport of chemicals can occur through evaporation and deposition, runoff into streams and rivers, and through soil erosion. Human exposure can occur through inappropriate transport and storage and through the failure to wear the appropriate personal protective equipment. Additionally, if not used appropriately, the application of chemicals can impact upon the amenity and enjoyment of individuals located well away from the chemical source. A sound assessment of net community benefit will need to consider the costs to human health and the environment from these impacts as well as the economic costs and benefits from the use of the chemical.

These human health and environmental cost assessments are very difficult to conduct with a reasonable degree of accuracy. In particular, the estimates of cost to the environment are potentially very large, and highly dependant upon a subjective assessment of the acceptable level of risk to establish a cost figure. Despite the draft report's indications to the contrary, there is the potential for this approach to be more restrictive than is currently the case.

CropLife considers that further discussion on the nature of the net community benefit test is necessary to support this recommendation. CropLife and its member companies take responsibility for industry products seriously, and are committed to ensuring that all the risks from the use of pesticide products can be effectively managed.

Additionally, as the APVMA currently recovers its costs from the agricultural and veterinary chemicals industry, it is expected that the cost of conducting this additional assessment would also be recovered from industry. CropLife therefore considers that this approach may result in higher assessment and registration fees to recover the costs of expanded APVMA assessments. This would not be supported, unless this additional consideration results in a reduction of existing assessment requirements.

### 3. COMMENTS ON SPECIFIC RECOMMENDATIONS (cont.)

#### RECOMMENDATION 4.5 (cont.)

The draft report indicates that consideration of a net community benefit objective may result in the APVMA being less conservative in its assessment of agricultural chemicals. CropLife does not believe that the case for this conclusion has yet been made and would invite the Productivity Commission to expand its reasoning in coming to this conclusion. Without further discussion CropLife would prefer that the current approach that seeks to manage the risks from chemicals, without an added assessment of its net costs or benefits to industry being assessed.

This approach will enable users of chemicals to conduct their own cost and benefit analyses that take into account the particular circumstances of their application, the benefits likely to accrue from that application and the costs of meeting the requirements to minimise the risks from the use of the chemical. This approach enables users to make an informed choice with respect to chemical application and use.

CropLife believes that where the risks to human health, the environment and trade can be managed, that a chemical should be approved by the APVMA for use in Australia. The addition of a partially subjective and debateable net community benefit objective is likely to increase costs to industry, delay registration of new products and reduce user choice.

#### RECOMMENDATION 4.6

**The National Registration Scheme for agricultural and veterinary chemicals should be extended to cover regulation of agricultural and veterinary chemical use after the point of retail sale, provided:**

- **the new national regime contains appropriate exemption provisions and is administered at state and territory level, to allow adequate flexibility to address local issues**
- **there is a commensurate reduction in regulatory burden at state and territory level.**

CropLife fully supports the concept of extending the APVMA's regulatory responsibility beyond the point of final retail sale to include control of use. However, CropLife does consider that this recommendation should be clarified with respect to three issues.

1. *Interstate consistency:*

The balance between providing for national consistency and allowing individual jurisdictions to make specific rules that take account of a jurisdiction's special circumstances must be carefully considered. The current system has allowed a significant amount of latitude for states and territories to make particular rules. This has resulted in a large amount of inconsistency associated with the management of agricultural chemicals in Australia. This indicates that the balance has swung too far in favour of taking account of individual circumstances.

While Australian climatic conditions do vary significantly from one jurisdiction to the next, this is not of itself justification for differing regulatory restrictions. Indeed many growing regions with very similar growing conditions spread across state and territory borders. Further, almost all states and territories also have differing climatic conditions existing within the one jurisdiction. Specialisation of regulation on the basis of climate therefore does not make sense.

CropLife considers that there are no other significant distinctions that require special regulations to be created for a particular jurisdiction. As a result there should be no need for any new regime to adopt exemption provisions to allow adequate flexibility for local issues. CropLife believes that allowing for this exemption provision will merely result in all jurisdictions calling upon the exemption provisions where it is not called for.

### 3. COMMENTS ON SPECIFIC RECOMMENDATIONS (cont.)

#### RECOMMENDATION 4.6 (cont.)

Further, the APVMA already has effective mechanisms to be able to deal with the different circumstances between regions. The permit system has already been employed by the APVMA to enable continued access to highly volatile esters of 2,4-D in Western Australia while the chemical is under review. The APVMA can also impose label requirements that specify that the chemical can only be used before or after certain dates, or within a specified temperature range. These sorts of label requirements can take into account the specific differences between jurisdictions based on climate and differing risk.

If excessive exemption provisions are allowed to persist, there must be a strong commitment on the part of states and territories to national harmonisation. Without this commitment it is likely that the current inefficiencies would be maintained or exacerbated. As the draft report notes, despite the intention to create a nationally consistent system for the control of security sensitive ammonium nitrate, the system is characterised by significant differences between states and territories. Consequently, the draft report recommends that additional chemicals of security concern apply a different Chemical Security Management Framework.

CropLife therefore suggests that the draft report should either remove the reference to appropriate exemption provisions allowing for sufficient flexibility, or there should be significantly greater discussion about the sort of circumstances where flexibility is needed and cannot be accommodated by the existing APVMA controls.

#### 2. *Reduced cost to suppliers*

The draft report recommends that the APVMA should extend its controls beyond the point of final retail sale to include control of use. CropLife supports this approach as it will result in a much more effective and efficient compliance scheme. However, the draft report does state that this approach “would decrease the costs to suppliers and users of agricultural and veterinary chemicals”. CropLife disagrees with this statement.

While national consistency is likely to reduce compliance costs across the whole supply chain, it is also likely to concentrate a larger proportion of compliance costs with agricultural and veterinary registrants. As the APVMA is currently almost completely industry funded, unless there is a corresponding change in cost recovery arrangements there would be a net increase in the necessary cost recovery arrangements with industry.

In its original submission, CropLife argued that increasing the role of the APVMA should not result in shifting compliance costs from governments to industry. As the benefits from the responsible and safe use of agricultural chemicals are shared across the entire Australian community, CropLife seeks a more equitable sharing of compliance costs with government.

In short, the benefits from an effective and efficient compliance regime are not solely enjoyed by the agricultural and veterinary chemicals industry. Rather, they are enjoyed by the entire Australian community. Farmers are able to access high quality and effective chemicals that work as intended, and are less likely to suffer from the off target movement of pesticides from neighbouring farms, or are able to manage such movement, and the community is able to access high quality, abundant and low cost food that is free from excessive pesticide residues.

Effective compliance regimes also prevent undesirable environmental impacts associated with the misuse of chemicals. This includes impacts from water running off farms into streams, rivers and marine environments, erosion of soil with some pesticide residues as well as chemicals drifting onto non-farm land after application. These primarily environmental impacts are associated with the inappropriate use of the chemicals, an issue that is beyond the control of the chemical registrant.



### 3. COMMENTS ON SPECIFIC RECOMMENDATIONS (cont.)

#### RECOMMENDATION 4.6 (cont.)

To be effectively targeted, a monitoring and compliance regime must highlight the areas of highest risk of non compliance. Currently, the highest risk of undesirable human health, trade and environmental impacts is associated with the use, as opposed to the supply or formulation, of agricultural chemicals. Agricultural and veterinary registrants should not cross subsidise a compliance regime that is targeted at end users of chemicals.

While the administration of a nationally consistent scheme is expected to continue to remain within the remit of states and territories, the report could be improved with increased detail of what state and territory administration would involve, what functions would be transferred to the APVMA and whether the new APVMA functions would be cost recovered.

#### 3. *Off-label uses*

The draft report highlights that one of the areas where interstate consistency could be improved is the treatment of off-label uses. While the Productivity Commission notes that allowing off-label uses may have economic benefits for some agricultural chemical users, there is an insufficient discussion of the consequent risk management that must occur.

Off-label use occurs when a product is used in a way not specified on the label. Doing so can have significant impacts on residues remaining on food or feed crops with resultant trade impacts. Off-label use does not take account of existing risk management activities and may result in pest resistance problems. Further, chemicals used off label have not been through an appropriate safety or efficacy assessment.

Off-label uses of chemicals substantially increase the risks to human health, trade and the environment from chemical use. Encouraging off-label uses reduces the incentive for agricultural and veterinary chemical companies to invest in the research data necessary to demonstrate safety and efficacy of a product.

#### RECOMMENDATION 5.2

**State and territory governments should:**

- **uniformly adopt regulatory controls through either a template or model approach**
- **adopt poisons scheduling decisions made at the national level directly by reference**
- **report any variations to nationally-agreed poisons scheduling or regulatory decisions at the state and territory level to the Australian Health Ministers' Conference.**

CropLife supports the uniform adoption of regulatory controls as well as adopting poisons scheduling decisions by reference. Implementation of this recommendation will reduce interstate inconsistency in scheduling decisions and promote economic efficiency.

While CropLife supports this recommendation as a mechanism to promote consistency between jurisdictions, there is also potential for the Productivity Commission to make a recommendation that would improve the efficiency of the poisons scheduling process. Currently, scheduling decisions are made by the National Drugs and Poisons Scheduling Committee (NDPSC) in response to recommendations from NICNAS or the Office of Chemical Safety (OCS), as noted in the draft report, often as part of an APVMA assessment.

The efficiency of the scheduling process could be improved by removing the requirement for NDPSC approval of every recommendation received from APVMA or OCS. Rather the NDPSC should be responsible for setting the criteria used by OCS to set the appropriate schedule.

### 3. COMMENTS ON SPECIFIC RECOMMENDATIONS (cont.)

#### RECOMMENDATION 5.9

**Maximum residue limits set by the APVMA, which take account of dietary impacts using methods agreed with Food Standards Australia New Zealand (FSANZ) and the Australian Government Department of Health and Ageing, should be automatically incorporated into the Australia New Zealand Food Standards Code. Any decision to the contrary by FSANZ and the Australia and New Zealand Food Regulation Ministerial Council should be based on a cost-benefit analysis and be reported publicly.**

CropLife fully supports this recommendation as a quick means of increasing the efficiency and effectiveness of agricultural and veterinary chemicals management in Australia. The recommendation will allow agricultural chemicals to be legally applied once they are registered with the APVMA without the additional cost associated with the delay for FSANZ to ratify the MRL specified by the APVMA.

CropLife advocates that in circumstances where the ANZFRMC wished to depart from an MRL established by the APVMA, then this should be done on the basis of a scientific risk assessment, rather than by using a cost-benefit analysis. This ensures a high degree of scientific rigour is applied to the assessment.

#### RECOMMENDATION 6.2

**The Commonwealth, state and territory governments should replace the existing systems of regulation of workplace hazardous substances and dangerous goods with a single system of regulations for the classification, labelling, provision of material safety data sheets and risk assessment for all workplace hazardous chemicals. The new system should be based on the Globally Harmonised System of Classification and Labelling of Chemicals (GHS).**

**Australia should not implement the new system until our major trading partners have implemented the GHS. In this context, the European Union has announced that it intends to move to a GHS-based system in 2015.**

CropLife welcomes this recommendation that GHS should not be introduced until it has been implemented by our major trading partners. However, as aspects of the GHS are still being debated within APEC, in the United States and in the European Union (EU), an assessment of the benefits of GHS cannot be made until more detail surrounding implementation have been made clear. Hence, while the EU may currently be looking at a 2015 implementation, this is not yet settled. Implementation may differ substantially to that agreed under the United Nations framework. An accurate assessment of whether the maximum benefit for Australia would accrue through alignment with the EU or with another trading block is also necessary. This cannot be done until such time as the implementation status of the GHS becomes clear.

While it may be that harmonisation with the EU is of most benefit to Australia, if it is demonstrated that harmonisation with APEC is of greater benefit, then that option should be pursued.

Secondly, the draft report needs to clarify that agricultural chemicals are managed in a fundamentally different way. While GHS is a hazard based labelling system, Australian agricultural and veterinary labels are risk-based. This means that the end user can rely on the risk assessment conducted by risk management professionals in the APVMA and be confident that by following the risk management requirements specified on a pesticide label, they are employing best practice to minimise the chances of negative impacts arising from the use of the product.

This risk-based labelling system is effective in transferring information to chemical users. While GHS labelling may offer some benefits for communicating hazard information for bulk chemicals during transport, it is inferior to the current risk-based labels employed by the APVMA.

### 3. COMMENTS ON SPECIFIC RECOMMENDATIONS (cont.)

#### RECOMMENDATION 6.3

**Any new system for workplace hazardous chemicals labelling should recognise labels approved by APVMA as being sufficient for workplace requirements.**

CropLife supports this recommendation as a mechanism to reinforce the importance of risk-based labelling for agricultural chemicals. Existing agricultural chemical labels already have extensive information on the actions necessary to address the hazards presented by agricultural chemical products.

As care must be taken to ensure that implementation of GHS does not result in labels that are confusing or contradictory, recognising labels approved by the APVMA is an effective and efficient way to achieve this.

#### RECOMMENDATION 8.1

**The Environment Protection and Heritage Council (EPHC) Chemicals Working Group should continue to assess the need for a national framework for the management of chemicals in the environment.**

**If this work demonstrates that such a framework would improve effectiveness and efficiency, the Commonwealth, state and territory governments should negotiate an intergovernmental agreement to create an independent standard-setting body reporting to the EPHC.**

- **This body would develop standards for the environmental risk management of chemicals that the states and territories would adopt by reference, and have the power to ban or phase out chemicals, subject to appropriate cost-benefit analysis.**
- **Members of the environmental risk management standard setting body should be appointed based on their qualifications and experience. The body should be constituted to reflect the broader public interest and have the ability to appoint advisory bodies as necessary.**

CropLife supports the EPHC continuing its work in considering the need for a national framework for the environmental management of chemicals. To date this work has been focussed on identifying the gaps associated with the environmental management of industrial chemicals. In its second submission, CropLife outlined the significant measures and mechanisms that already exist for the environmental management of agricultural chemicals. These mechanisms are viewed as adequate and effective for the identification and management of any unintended or unanticipated environmental impacts associated with the use of agricultural chemicals.

Programs such as the Adverse Experience Reporting Program already have the capacity to trigger chemical reviews and management actions for agricultural chemicals on the basis of their environmental impacts. Management actions within the scope of the APVMA include deregistration of a product where its environmental risks cannot be managed. To date these mechanisms have proven responsive and effective. The review of atrazine is an example of where a review was initiated on the basis of a chemical's potential environmental impact.

It is also worth noting that the APVMA's existing powers are flexible enough to be able to selectively ban chemicals based on differing patterns of use across Australia. For example, currently the APVMA issues permits that allow Western Australian farmers to apply highly volatile esters of 2,4-D despite this chemical being banned throughout the rest of Australia. This reflects the particular farmland circumstances present in WA.

### 3. COMMENTS ON SPECIFIC RECOMMENDATIONS (cont.)

#### RECOMMENDATION 8.1 (cont.)

For agricultural chemicals, establishing an independent standard setting body reporting to EPHC with the power to ban chemicals would duplicate an effective, flexible, responsive and science based chemical review system within the APVMA. CropLife notes that the discussion surrounding the management of chemicals for their environmental impacts does largely reflect the circumstances of industrial chemical management. This is consistent with EPHC documentation to date that has viewed the environmental management of industrial chemicals as being of higher priority than agricultural and veterinary chemicals. However, the clarity of the draft recommendation could be improved with an express statement that confirms that the mechanisms for the review and management of agricultural and veterinary chemicals for environmental impacts by the APVMA be maintained.

#### RECOMMENDATION 9.3

**State and territory governments should not add any additional security sensitive chemicals to the current security sensitive ammonium nitrate regulations.**

The draft report highlights the problems in developing and implementing nationally consistent regulations within a federal system. The draft report notes that the regulations surrounding security sensitive ammonium nitrate are inconsistent and unnecessarily increase costs to industry. CropLife supports the recommendation that no other security sensitive chemicals be added to these regulations.

#### RECOMMENDATION 9.4

**Australian governments should establish an agreed framework for assessing the security risks and appropriate control measures associated with chemicals of security concern. This framework should incorporate strong governance arrangements, underpinned by an intergovernmental agreement that ensures control measures are implemented consistently across jurisdictions. Once established, this framework should be used to re-examine the controls on ammonium nitrate.**

CropLife supports the development and adoption of an agreed framework for assessing the security risks of chemicals of security concern. Chemicals of security concern could be considered as a subset of higher risk chemicals (which for agricultural and veterinary chemicals includes poisons and dangerous goods as well as chemicals with significant environmental and trade risks). The risk management of these higher risk chemicals should also be harmonised where appropriate.

CropLife also supports the proposal that the arrangement for security sensitive ammonium nitrate be reassessed following the establishment of this new framework with the objective of significantly improving the current control system for security sensitive ammonium nitrate.