

AGSAFE LTD - SUBMISSION TO THE PRODUCTIVITY COMMISSION ON THE DRAFT RESEARCH REPORT - CHEMICALS AND PLASTICS REGULATION

Agsafe Ltd submits that the information provided in the draft report (*Self-regulation – an alternative to regulation* page 215) on the **drumMUSTER** program through the evaluation carried out in NSW is incorrect and should be updated to reflect current conditions. In addition it is more appropriate to provide an Australia wide perspective as **drumMUSTER** and ChemClear® are national programs that have been operating effectively since 1999 and 2003 respectively.

Since the program began in 1999 **drumMUSTER** has signed agreements with 451 collection agencies including 404 councils conducting collections at 702 collection sites Australia wide. The program coverage, particularly in the more intensive farming areas of Australia is extensive with agreements and collection centres in place with all councils in areas where in excess of 5,000 agricultural and veterinary (agvet) chemical containers are sold.

Since 1999, 11, 070, 563 agvet containers have been collected at these sites resulting in the diversion of 15,385 tonnes of material from landfill, or disposal by inappropriate means including burning, burying in unlicensed landfills, and dumping (including strategic placement for dispersal by flooding). The split between plastic and steel containers collected is approximately 72 per cent plastic and 28 per cent steel.

Based on a 2008 review into the **drumMUSTER** and ChemClear® schemes conducted by URS Australia Pty Ltd, the return rate for **drumMUSTER**, according to stakeholders is between 40 and 50 per cent. In assessing the effectiveness of the programs in the context of self-regulation consideration should be given to whether supporting regulation within State and Territory jurisdictions could be enacted. For example, given the extensive network of **drumMUSTER** collection centres Australia wide consideration should be given by State and Territory Governments to banning plastic agvet chemical containers with the **drumMUSTER** logo from being sent to any landfill site.

Since 2003 ChemClear® has collected some 112, 507 kilograms of unwanted agvet chemicals Australia wide. The effectiveness of ChemClear® should be measured in the context of the agvet chemical industry providing a reliable, safe disposal route for agvet chemicals accessible by all agvet chemical users Australia wide. Thus, compared with **drumMUSTER**, the geographic coverage of ChemClear® is more variable and determined by the location of holdings. Except for the agvet chemicals that are booked in for collection, data does not exist to determine the location, nature and extent of potential holdings and would be impractical to obtain. Obtaining data on the amount of chemical held by farmers in rural Australia would divert much needed resources from implementing the ongoing program on the ground.

The URS review also found that the **drumMUSTER** and ChemClear® programs have evolved to become widely recognised as constituting an integral part of Australia's regulatory framework for managing the risks associated with agvet chemicals. They provide an effective and convenient path for users to dispose of safely empty agvet chemical containers and unwanted agvet chemicals in accordance with the regulatory requirements of the States and Territories. Apart from these programs, the only other major legitimate path for safe disposal would be licensed landfill. Effectively, **drumMUSTER** and ChemClear® have become well established "brands", which are readily identified by a wide range of stakeholders and are an excellent example of industry self-regulation through extended producer responsibility and product stewardship in action.

In addition, there are a number of other more intangible benefits to the programs. These stem from the value the community places on recycling, the strong industry stewardship features embodied in the programs and, importantly, the strong support for, and commitment to the programs expressed by users of the service. Overall the net benefits to the wider community from achieving the safe disposal of empty agvet chemical containers and unwanted chemicals through the **drumMUSTER** and

ChemClear® programs are considered significantly greater than if disposal was through licensed landfills.

A contributing factor to these benefits is the strong product stewardship characteristics of the programs, and the public benefit of allowing a levy of four cents per litre or kilogram on containers of agvet chemicals at the point of sale that is subject to an ACCC authorisation of such a levy. The levy provides the funding for the **drumMUSTER** and ChemClear® programs.