



Representing the Plant Science Industry

CropLife Australia Limited
ABN 29 008 579 048

Level 2 AMP Building
1 Hobart Place Canberra ACT 2600
Locked Bag 916 Canberra ACT 2601

Tel 02 6230 6399
Fax 02 6230 6355
www.croplifeaustralia.org.au

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The Secretary
Regulatory Burdens: Manufacturing, Wholesale and Retail
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Email: regulatoryburdens@pc.gov.au

Dear Sir/Madam

Re: Annual Review of Regulatory Burdens on Business – *Manufacturing and Distributive Trades*

CropLife Australia (CropLife) is the peak body representing the plant science industry in Australia. CropLife welcomes the opportunity to make a submission to the Productivity Commission's review of the regulatory burdens on business for manufacturing and distributive trades which provides the Commission with the views of CropLife members in respect to the regulation of the manufacture of agricultural chemicals in Australia.

Agricultural chemicals are among the most heavily regulated class of chemical in Australia. At the Federal level, agricultural chemicals must be registered by the Australian Pesticides and Veterinary Medicines Authority (APVMA) before they can be supplied, distributed sold or used. The APVMA assesses each new chemical product to ensure it will not present any unacceptable risks to human health, occupational health and safety, trade or the environment.

For veterinary medicines, the APVMA also administers a Manufacturers' Licensing Scheme to:

- assure (give confidence in) the quality of veterinary chemical products manufactured and supplied in Australia, and
- facilitate exports of Australian made veterinary chemical products through international harmonisation and attestation of Good Manufacturing Practice (GMP) compliance (as appropriate).

A manufacturers licensing scheme for pesticide products similar to that implemented for veterinary medicines would be inappropriate. Veterinary medicines are generally manufactured using methods that in some aspects are similar to the production of human pharmaceuticals. Pesticides, in contrast, are often produced in much larger volumes using more industrial processes.

The potentially large volumes of corrosive, flammable and toxic chemicals applied in the production of chemicals added to the much greater capacity of production equipment means that the application of GMP principles designed for a high precision and low quality manufacturing process are likely to be inapplicable in many circumstances.

If it was considered that there were additional risks to health, the environment or trade resulting from poor manufacturing procedures, there is scope for an industry developed and implemented scheme that suits the particular circumstances of the manufacture of crop protection products.

Australia's crop protection industry already has an extensive track record of implementing accreditation and stewardship schemes to address health, safety and environmental risks associated with the management of pesticides in circumstances where direct government regulation would be expensive, ineffective or unduly restrictive.

- CropLife's *drumMUSTER* program (<http://www.drummuster.com.au>) reduces the environmental impact of used and empty agricultural chemical containers through an industry funded container deposit scheme. *drumMUSTER* ensures used chemical containers are properly cleaned and collected for recycling through the program. The program is effective in avoiding the human health and environmental impacts of used agricultural chemical containers being stored or disposed of on farm, as well as diverting this waste stream from rural municipal waste facilities. To date, the *drumMUSTER* program has collected over ten million used containers for recycling; and
- The ChemClear[®] program (<http://www.chemclear.com.au>) collects and disposes of unwanted or deregistered agricultural chemicals in an environmentally responsible manner. This program has safely collected and disposed of over 64,000 litres/kg of unwanted farm chemicals.

Additionally, the Agsafe Guardian accreditation program assists government and industry to ensure retail premises and staff that sell agricultural chemical products are compliant with all federal, state and territory regulations associated with the supply of chemicals.

These programs are industry run and funded and generate significant benefits to industry, government and the community by addressing potential risks from certain activities at minimal cost to government and industry. There may be similar scope for additional industry led schemes to address potential quality assurance and regulatory compliance issues for pesticide production facilities.

Interstate inconsistencies:

Manufacturers of agricultural chemicals often have production facilities in more than one Australian jurisdiction. This leads to additional compliance costs and burdens for manufacturers. For example, pesticide manufacturing facilities are classified as a Major Hazard Facility and must therefore comply with a large suite of state-based legislative instruments and codes.

These regulations and codes result in differing licensing and signage requirements, different inspection regimes and different risk management procedures. This is despite that exactly the same risks are being managed.

Inconsistency in regulation for the management of chemical production facilities can result in poorer health, safety and environmental outcomes. This occurs when the complexity, duplication and inconsistency resulting from regulations becomes especially difficult to effectively implement. This undermines industry's ability to effectively comply with regulations and may result in greater incentive for some companies to not comply with particular regulations.

Such an outcome would result in additional compliance activities being necessary for state and territory governments, as well as potentially resulting in a greater non-compliance risk.

Further details of specific circumstances where inconsistency and complexity may result in inferior health community and environmental outcomes can be found in CropLife's submission to the Productivity Commission's Study into Plastics and Chemicals Regulation at <http://www.pc.gov.au/study/chemicalsandplastics/docs/submissions> (submission number 35).

Should you have any questions regarding this submission or wish to further discuss any of the issues raised herein, please feel free to contact me.

Yours sincerely

A handwritten signature in black ink that reads "P. Matthewson". The signature is written in a cursive, flowing style.

Paula Matthewson
Chief Executive Officer