

8th April 2005

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear Sir/Madam

**Your reference A90871 Agsafe
Application for revocation of authorisation and substitution by Replacement
authorisation lodged by Agsafe Limited.**

We refer to your letter of 31 March 2005 concerning an application from Agsafe Limited seeking to revoke authorisation A90871 and substitute it with a replacement authorisation.

We note that you are seeking submissions to this proposal by Agsafe for a substitute authorisation and further, the request by Agsafe for the ACCC to grant an 'interim' authorisation which allows:

- the formation of a new Industry Waste Reduction Scheme (IWRS) Memorandum of Understanding (MOU);
- the incorporation and amalgamation of the **drumMUSTER** and ChemClear programs, to be administered by a single IWRS Advisory Committee; and
- The IWRS to be funded under the existing four cent per litre or kilogram **drumMUSTER** levy on non-returnable rigid metal or plastic containers used for agricultural purposes to be renamed the "Industry Waste Reduction FUND".

As you have requested comments by 11 April 2005 covering the matter of the interim authorisation we will address this matter in this submission and advise that we will be making a further submission to the ACCC on the application for revocation of authorisation and substitution by the closing date of 27 April 2005.

Interim Authorisation

Avcare supports Agsafe's application for interim authorisation in addition to supporting the full application for revocation of authorisation and substitution of the replacement authorisation.

The primary purpose of the IWRS as proposed under the new MOU has been to ensure that the industry and farmers would gain from the efficiency of running the two waste reduction programs at:

- least cost to manufacturers and suppliers of AgVet chemicals; and
- least cost to farmers and therefore ultimately consumers of agricultural products.

There are major cost savings within the supply chain that can be achieved from this arrangement, which will benefit from:

- the administrative efficiencies in combined program management;
- the opportunity to utilise existing communication channels to educate and reinforce the message of proper disposal systems for unwanted and obsolete chemicals and disposal of returnable containers;
- ensuring that farm practices will comply with quality assurance programs;
- providing best practice waste management tools to assist in ensuring farmers meet the standards required in trade, particularly through Eurogap and other international Trade Agreements;
- the commitment of all industry stakeholders to taking steps to improve the agricultural environment through the implementation of extended producer responsibility scheme; and
- providing low cost waste management and disposal options which will assist in agricultural sustainability.

It is Avcare's belief that the granting of interim authorisation will not permanently alter the competitive dynamics of the market or inhibit the market from returning to its 'pre-interim' state if ultimately authorisation is denied.

Avcare submits that granting interim authorisation of the application will demonstrate to the satisfaction of the ACCC that there is no national market that will be affected by the granting of authorisation.

Rather, the public will benefit from a lower cost collection system of unwanted and obsolete chemicals and a higher return rate on non-returnable containers. This will minimise the accumulation of residual agricultural and animal health chemicals on farms, encouraging a more responsible and safe disposal system.

Yours sincerely

Claude Gauchat
Executive Director