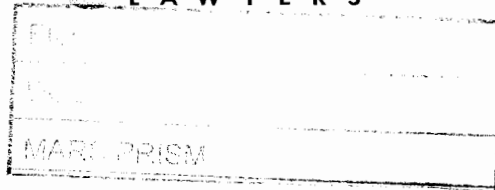


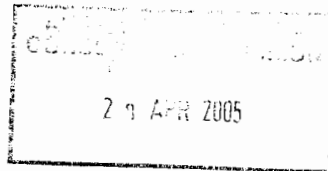
YOUR REF: C2005/524

OUR REF: 134833.26:ES:nm



Wednesday, 27 April 2005

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



Attention: Cameron Martin

AGSAFE LIMITED APPLICATION FOR AUTHORISATION

We refer to your letter dated 20 April 2005. In that letter you requested some additional information from our client to assist the ACCC in making a final determination. In response to the additional information requested please see below.

1. **A comparative analysis of those chemicals currently attracting the ChemClear levy and those chemicals currently attracting the *drumMUSTER* levy.**

ChemClear® collects and disposes of all rural chemicals registered by APVMA which are supplied by member companies of Avcare, the VMDA or other voluntarily participating independent suppliers.

The ChemClear® collection fee of 1c/litre/kg was set for the period 1 April 2004 to 31 March 2005 to collect a maximum of \$500,000.00. This fee, whilst voluntary, is an obligation of membership of Avcare. Other supplier associations only encourage their members to pay the voluntary fee.

The fee applies to all rural chemicals sold in single trip containers, granules or powder consistency.

drumMUSTER covers containers sold in single trip plastic or metal from participating manufacturers. Avcare members are obligated whilst VMDA members are encouraged together with non-affiliated voluntary member companies.

Products and Containers eligible for the *drumMUSTER* program must meet the guidelines of the IWRS as follows:

Product eligibility for the *drumMUSTER* Program

In the IWRS the definition of an eligible **Container** is stated as follows:

Container means non-returnable rigid metal and plastic **Container** above 1L/Kg in declared content used in the packaging of crop production and farm animal health products for:

- (a) agricultural and livestock production;
- (b) industrial and recreational pest and weed control;
- (c) forestry;
- (d) household pest control operations; and
- (e) similar activities conducted by local, State and Federal Government authorities.

Hazardous **Products** are compulsorily included in the program. The inclusion of non-hazardous **Products** by the supplier/manufacturer participating in the *drumMUSTER* program is voluntary and entirely at the discretion of any manufacturer/supplier participating in the *drumMUSTER* program. These non-hazardous **Products** include surfactants, wetting agents, stickers, spreaders, spray markers, dye, foam markers, dairy detergents, farm disinfectants, teat dip, udder wash, foliar fertiliser, spray oils and animal nutrition **Products**.

The program provides a path for the disposal of **Containers** that are considered as:

- (a) **hazardous** due to the hazards associated with the product they contained. These are registered agricultural and veterinary products, which have a hazard statement (as required by Occupational Health & Safety Legislation which follow NOHSC guidelines), most of which have a poison schedule and approximately twenty percent of which are classified dangerous goods. It is an offence under environmental protection legislation in all States to dispose of hazardous waste at a normal Council landfill, or
- (b) **non-hazardous**. These were previously not part of the program but from August 24 2001, non-hazardous **Products** have been included in the program at the discretion of the product manufacturer or registrant.

Eligible 'hazardous' product containers include:

- | | | |
|------------------|-----------------|--------------------------------------|
| ◆ Insecticides | ◆ Nematicides | ◆ Plant Growth Regulators |
| ◆ Fungicides | ◆ Miticides | ◆ Animal Health Products |
| ◆ Seed Dressings | ◆ Rodenticides | ◆ Paracitocides, internal & external |
| ◆ Defoliant | ◆ Anthelmintics | |
| ◆ Herbicides | ◆ Lousicides | |
| | Vaccines | |

Eligible 'non-hazardous' product containers include (at the discretion of the manufacturer or registrant):

- ◆ Surfactants
- ◆ Wetting Agents
- ◆ Liquid Fertilisers
- ◆ Stickers
- ◆ Animal Nutrition Products
- ◆ Spreaders
- ◆ Dye
- ◆ Spray Oils
- ◆ Foam Markers
- ◆ Farm Disinfectants
- ◆ Dairy Detergents
- ◆ Teat dip
- ◆ Udder wash
- ◆ Spray Markers
- ◆ Adjuvants

2. Details as to whether the *drumMUSTER* levy is charged on any chemicals that would not be eligible for collection under the ChemClear program.

The *drumMUSTER* levy is NOT charged on any registered rural chemicals that would not be eligible for collection under the ChemClear® program. However, please note that the *drumMUSTER* levy is charged on products which are not clarified as "currently registered chemicals" in accordance with the APVMA. These include liquid fertilisers, dairy chemicals and adjuvants. [Please refer to *drumMUSTER* eligibility list above].

3. An estimate of the amount of funds the *drumMUSTER* levy is expected to raise in a given year.

Total income for 2003-2004	\$3.2m
Total expenditure for 2003-2004	\$2.5m

4. The estimated annual cost of operating the two programs.

The estimated annual cost of running both programs based on current drum collection numbers will be \$3.0m.

If you require any further information regarding the application, please contact me on the details provided below.

Sincerely

for 

DENNIS MARTIN

Phone: 02 6201 8957

Email: dmartin@sneddenhall.com.au

E:\Emma Sloan\letters\ACCC (Agsafe) - 26 Apr 05 - nm.doc