

YOUR REF:

OUR REF: 134833.26:DM:ES

Thursday, 20 January 2005

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



FILE No:	
DOC:	D05/2683
MARS/PRISM	21028

AGSAFE – APPLICATION FOR AUTHORISATION

We **enclose** a copy of our application for authorisation. In light of the facts in paragraph 4(a), it may be that the application is in fact unnecessary.

In support of our application, we provide two reports, which provide empirical data in relation to the *DrumMUSTER* and *ChemClear* programs.

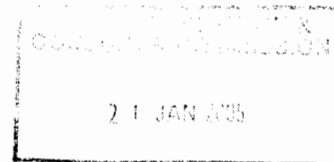
These reports give detailed data on the achievements of the programs to date, and underlie the benefit to the public by having safe disposal sources that are environmentally responsible, sustainable and cost effective for unwanted chemicals and product containers.

In addition, Agsafe has been approached by the Environmental Protection and Heritage Council to comment on co-regulatory frameworks for product stewardship schemes, of which Agsafe has been successfully managing on behalf of industry. We believe that this is a forerunner to a concerted future government push to encourage a raft of industries to co-regulate over the next few years.

Should you have any questions regarding this application, please contact me on the number below.

Sincerely

DM



DENNIS MARTIN

Phone: 02 6201 8957

Email: dmartin@sneddenhall.com.au

Enclosure(s) : Application for Autorisation, Evaluation of existing EPR/product stewardship Scheme – ChemClear, Performance of *DrumMUSTER*

**AGREEMENTS AFFECTING COMPETITION – APPLICATION FOR
AUTHORISATION**

**COMMONWEALTH OF AUSTRALIA
TRADE PRACTICES ACT 1974- SUBSECTION 88(1)**

TO: AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Application is hereby made under Section 88(1) of the *Trade Practices Act 1974 (Cth)* (“the Act”), for authorisation under that Subsection to make a contract or arrangement, or arrive at an understanding, a provision of which would have the purpose or would have or might have the effect, of substantially lessening competition within the meaning of Section 45 of the Act.

1(a) Name of applicant:

AGSAFE LIMITED (ABN 170 571 120 62)

1(b) Short description of business carried on by applicant:

Currently Agsafe, through the establishment of the *DrumMUSTER* and *ChemClear* programs, has set up an Industry Waste Reduction Scheme (“IWRS”) in a Memorandum of Understanding (“MOU”) dated 18 March 2003, for the collection and recycling of empty agricultural and veterinary chemical containers, in conjunction with the collection of chemical waste for disposal, transport and storage of chemical waste and treatment of industrial waste including recycling and destruction of waste. The *DrumMUSTER* and *ChemClear* programs are implemented by Agsafe Limited (“Agsafe”), a wholly owned subsidiary of Avcare Limited (ACN 008 579 048).

1(c) Address in Australia for service of documents on the applicant:

C/- Gerald Santucci
Snedden Hall & Gallop
4th Floor, 11 London Circuit,
GPO Box 794
Canberra City ACT 2601

2(a) Brief description of contract, arrangement or understanding and, where already made, its date:

Agsafe seeks to vary the IWRS, as set out in the document entitled IWRS - Consolidation of variations to Memorandum of Understanding (“new MOU”). The new MOU seeks to vary the MOU, so that both the *DrumMUSTER* program contained in the MOU and the *ChemClear* program contained in both the MOU (see clause 7) and the document headed *ChemClear* revised Agreement for Management of Unwanted Rural Waste, are administered by Agsafe under the IWRS.

The new MOU maintains the IWRS program set up under the MOU, which seeks to achieve the avoidance, reduction, recycling and responsible disposal of crop protection and on farm animal health products and containers.

2(b) Names and addresses of other parties to contracts, arrangement or understanding:

The proposed parties to the agreement the new MOU include:

- Avcare Limited (ACN 008 579 048) of Level 2, AMP Building, Hobart Place, Canberra City ACT 2601; and
- The Veterinary Manufacturers and Distributors Association Incorporated (ABN 218 192 313 80) of 11 Moores Road, Glenorie, NSW; and
- National Farmers' Federation Limited (ACN 097 140 166) of 14 Brisbane Avenue, Barton ACT 2600; and
- The Australian Local Government Association (ACN 008 613 876) of 8 Geils Court, Deakin ACT 2600

3 Name and addresses (where known) of parties and other persons on whose behalf application is made:

AGSAFE LIMITED (ABN 170 571 120 62)

4(a) Grounds for Grant of Authorisation

The *ChemClear* program has already been authorised by the ACCC via authorisation A90871, as the MOU makes reference to the *ChemClear* program.

4(b) Facts and Contentions Relied Upon In Support Of Those Grounds

Section 91A(7)(b) of the Act states the where the "Commission is satisfied that the combined effect of those variations, if at all, were granted would not involve a material change in the affect of the authorisation; the Commission may deal with all of those variations together as if they were a single minor variation"

Proposed Changes

Agsafe proposes under the new MOU that the *DrumMUSTER* and *ChemClear* programs be governed by the IWRS Advisory Committee under Clause 4.1 and Clause 5.3 of the new MOU. It is submitted that the application for authorisation should be regarded as a minor variation on the following grounds:

1. The objectives in the MOU and new MOU are the same. The new MOU seeks to administer a scheme for the avoidance, reduction, recycling and responsible disposal of crop protection and on farm animal health products containers. The only difference is that both programs will be administered by a single IWRS Advisory Committee.
2. The same funding arrangements will be in place to enable Agsafe to implement and administer the IWRS (now incorporating both programs) will be maintained.
3. There have been minor changes in the formatting and numbering i.e. Clause 2 of the MOU is now Clause 1 in the new MOU.
4. Clause 6.5 in the MOU has been replaced with a new Clause 5.5 in the new MOU. This should be regarded as a minor change as in Clause 6.5 of the MOU, Agsafe, through the establishment of the *DrumMUSTER* Fund was to place all monies received under the

Scheme and disperse monies for the purposes of the Scheme, being the *DrumMUSTER* or the *ChemClear* programs. The *DrumMUSTER* Fund is replaced with the IWRS Fund for the same purposes.

5. Clause 7 of the MOU has been deleted, as the new MOU and the establishment of the IWRS Fund will ensure that funds are directed to both the *DrumMUSTER* and *ChemClear* programs. Clause 7 is no longer relevant to the new MOU.
6. Through the common IWRS Fund, the IWRS Advisory Committee will implement and administer both programs while managing them separately, as set out in Clauses 4.5(c) and Clause 5.3 of the new MOU.

Benefits to the public

The creation of the new MOU enhances the benefits to the public with no detriment to the public. It is sensible and practical to have the IWRS Advisory Committee implement and administer both programs on the basis that it provides a higher standard in environmental health and safety advantages for the public. A single administration will bring efficiencies, uniformity and complementarity to both programs.

In an article "*The Public Benefit Test in the Trade Practice Act 1974*", Professor Allan Fels, AO (Chairman of ACCC), dated 12 July 2001, Fels makes reference to a number of factors that the ACCC will take into account when deciding whether or not to grant an authorisation. The article argues that the Commission may take into account non-economic public benefits.

Fels made specific reference to the Agsafe authorisation, at footnote 9, page 7, where authorisation was granted where "promoting public safety by ensuring the safe use of farm chemicals and national uniformity in the storage of farm chemicals"¹.

Agsafe submits that the new MOU, like the previously authorised MOU promotes the issue of public safety and national uniformity in the avoidance, reduction, recycling and responsible disposal of crop protection and on farm animal health products and containers. This endeavour is expanded by the full operation of the *ChemClear* program.

Other benefits to the public include:

- (1) Encouraging users of veterinary and agricultural products to buy resealable, water soluble, cardboard or paper containers; and
- (2) Encouraging the manufacturers of veterinary and agricultural products to sell their products in resealable, water soluble, cardboard or paper containers; and
- (3) Implementating a scheme which improves the environment by providing for appropriate disposal of unwanted empty containers for agricultural and veterinary chemical containers, and containers which have been flushed,

¹ Professor Allan Fels AO Chairman of ACCC, *The Public Benefit Test In the Trade Practices Act 1974*, 12 July 2001, Melbourne, pp.7

- pressure rinsed or triple rinsed according to the Agsafe cleaning standard, as are deemed by waste regulations not to be hazardous; and
- (4) Reducing future animal health products and chemical waste; and
 - (5) Minimising the accumulation of residual animal health products and chemical waste; and
 - (6) Promoting an interest in and education of these issues in the public domain.

In conclusion, the new MOU will result in significant public benefit which outweighs any detriment, which may result from the arrangements.

We request the Commission grant interim authorisation under Section 91(2) of the Act to the conduct for which the authorisation is sought.

5. This application for authorisation may be expressed to be made also in relation to other contracts, arrangements or understandings, that are or will be in similar terms to the above-mention contract, arrangement or understanding.

Not applicable

6(a) Does this application deal with a matter relating to a joint venture?

No

6(b) If so, are there any applications being made simultaneously with this application in relation to that joint venture?

Not applicable

6(c) If so, by whom or on whose behalf are those other applications being made?

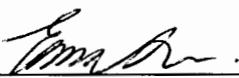
Not applicable

7 Name and address of persons authorised by the applicant to provide additional information in relation to this application:

Gerald Santucci & Emma Sloan
Snedden Hall & Gallop
4th Floor Law Society Building
11 London Circuit
GPO BOX 794
Canberra ACT 2601

Dated....*20*....*January*....., 2005.

Signed by/*@*behalf of the applicant



Signature:

EMMA SLOAN

Full name:

AgSAFE Limited

ABN 17 057 112 062

Evaluation of an existing EPR/product stewardship scheme – ChemClear[®]



NATIONAL
FARMERS'
FEDERATION
AUSTRALIA

VMDA(INC)
The Veterinary Manufacturers and Distributors Association (INC)

Sam Ponder
October 2004

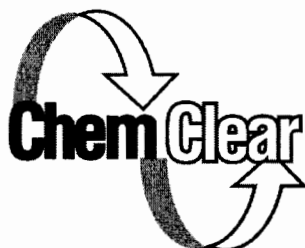


Table of Contents

Executive Summary.....	3
Scope and coverage.....	4
Targets and timeframes.....	5
Design for the environment.....	5
Collection results.....	6
Reuse and recycling.....	6
End-user participation.....	6
Industry participation.....	8
Funding.....	9
Data collection.....	9

Executive Summary

As part of industry's commitment to extended producer responsibility schemes to minimise the accumulation of chemicals in the environment and to reduce occupational risk, the National Association for Crop Production and Animal Health (Avcare), the Veterinary Manufacturers' and Distributors' Association (VMDA) and the National Farmers' Federation have developed and implemented the ChemClear® program.

ChemClear® has successfully collected and disposed of over three tonnes of unwanted registered chemical during pilot programs held in two States earlier this year to test the methodology of the collection and disposal process. Following comprehensive communication utilising government agencies, rural retailers and the media over a period of months to compile bookings, collection sites were selected based on regional thresholds. Waste holders were informed of the collection details and were advised to submit their booking slips to match the unwanted product collected on the day to maintain the integrity of the methodology being tested.

So far in NSW ChemClear® has collected 2673 kg of registered chemical and 919 kg of unregistered chemical. ChemClear® is operating nationally with bookings currently being compiled. There is a current total of 300 kg registered product with a further 600 kg of unregistered product booked in to be collected.

Launches are being undertaken, beginning with Queensland in mid-November.

This report has been compiled to meet the Expert Reference Group selection criteria guidelines reference document for extended producer responsibility schemes. Future reporting of results will be simplified and streamlined to represent cumulative totals for respective reporting periods on a State by State for collections and bookings of both registered and unregistered product.

For further details on the operational aspects of the scheme please refer to the ChemClear® website www.chemclear.com.au or contact the ChemClear® office on 02 6230 4799.

Evaluation of an existing EPR/product stewardship scheme - ChemClear[®]

1. Scope and coverage

As a national program ChemClear[®] is designed to collect currently registered unused rural chemicals free of charge on behalf of Avcare, VMDA and participating organisations. This covers approximately 90% of pesticide sales in Australia.

Group 1 Chemicals are:

Crop protection and animal health chemicals (other than vaccines), in whatever physical form, used for:

- (a) agricultural and commercial livestock production;
- (b) pest or weed control on agricultural, public, industrial and recreational land; or
- (c) forestry;

and used by:

- (d) farmers, graziers, pastoralists, horticulturalists, crop growers, local, state and federal government authorities (including the Plague Locust Commission and transport departments); and
- (e) aerial spray operators;

that satisfy all of the following criteria:

- (i) are manufactured only by member companies of Avcare or VMDA or participating non-members;
- (ii) are registered agricultural and veterinary products,^[1] or products whose registration or permit ceased since the last ChemCollect or ChemClear[®] collection cycle;^[2]
- (iii) are in the original non-returnable rigid metal, plastic or cardboard containers;
- (iv) are identifiably labelled with the original manufacturer's label;
- (v) are not the subject of any other practical routine return program operated by the manufacturer and/or distributors for the product in its original container;
- (vi) are not part of a special regulatory or voluntary phase-out campaign agreed to between the APVMA and the manufacturer(s);
- (vii) are not the subject of any recall or phase-out as a requirement of the APVMA, where the deadline has expired as communicated by Agsafe;
- (viii) are not held by distributors as unwanted inventory;^[3] and
- (ix) are not more than three tonnes for a single collection.

- [1] Registered products are listed at www.apvma.gov.au. Go to "Search for a product".
- [2] Details of last ChemCollect or ChemClear® collections may be found at www.chemclear.com.au.
- [3] For further advice on distributor disposal options please contact ChemClear® on (02) 6230 4799.

In addition, unregistered (Group 2) product enquiries are collated by the contracting organisation who then negotiates with the waste holder to dispose of the product at commercial rates on a fee for service basis. There are no collection costs associated with Group 2 products as ChemClear® subsidises the transportation and collection costs.

All NSW commercial pesticide users have access to the program by contacting www.chemclear.com.au or 1800 008 182.

2. Targets and timeframes

All member organisations register products with the APVMA. This ensures clarity of products within the scope of the program. Product lists are updated from the APVMA registered product lists and can be found under company details by entering the company name in the web booking site tab.

Based on our preliminary estimates ChemClear® could expect to collect up to 50,000 kilograms of Group 1 product over the next twelve months. The program features a web based and free call phone booking service, where pick-ups are held once collection thresholds have been established along a defined route.

In this manner, the ChemClear® service compliments the *drumMUSTER* program by ensuring there is a disposal service for unused, unwanted currently registered chemical.

3. Design for the environment

Not applicable as all Group 1 product is disposed of by physico-chemical treatment at the Waste Service NSW Liquid Treatment Plant or other methods appropriate to the class of chemical concerned.

4. Collection results

For period ending 30 September 2004

State	Group 1 collected (kgs)	G1 bookings not collected (kgs)	Group 2 collected (kgs)	G2 bookings not collected (kgs)
NSW	2673	301	919	602
QLD		2743		1180
NT		15		
SA	416	1907	891	1106
VIC		693		154
WA		434		219
TAS				
TOTALS	3089	6093	1810	*3261

* It should be noted that where there are enquiries for disposing of Group 2 (unregistered) product, the contractor is not entering into negotiations until the collection route for Group 1 (ChemClear®) product has been defined.

5. Reuse and recycling

Not applicable.

6. End-user participation

Only those primary producers who have unused, unwanted currently registered chemical will use the program. Where containers have less than 200ml of residual product the end-user will be encouraged to clean the container, with rinsate going back into spray tanks, and utilise the *drumMUSTER* program.

All commercial chemical reseller outlets will be encouraged to display the poster, have a supply of pamphlets and will be asked to send out flyers to their account customers advising them that the service is available.

In addition, the following communications strategies are being utilised:

- Forming strong relationships with councils, Federal & State government, extension officers, manufacturers, retailers, grower groups and farmers in communicating awareness of the program and its permanent existence;
- Updating manufacturers/suppliers, Agsafe Accredited premises, councils, government departments etc. including;
 - Department of Environment and Heritage including State EPA's
 - Department of Agriculture, Fisheries & Forestry including State DPI's
 - ChemCert Australia
 - National Farmers' Federations and State affiliate organisations
- Weblinks to the ChemClear® website from other organisations;
- Non-participating organisations approached to be involved in the program;
- State launches and forums to be planned and held in strategic areas inviting councils, grower associations, resellers, farmers, local and State government departments and other interested parties of the program.

Rate of end-user participation for Pilot program collections

State	Group 1 bookings (numbers)	Group 2 bookings (numbers)
NSW	21	14
QLD		
NT		
SA	17	12
VIC	1	
WA		
TAS		

Extent of end-user knowledge/awareness of the scheme

- The first ChemClear® pilot was held across NW NSW, Bathurst and the non-english speaking areas of the Sydney Basin. The pilot commenced in August with collections being held in December 2003.
Ratio of Group 1 to Group 2: 2.9:1 to Group 1 chemicals
- A second pilot was held across the Riverland area of SA. Promotions for the program commenced in February 2004 with collections being held in June 2004.
Ratio of Group 1 to Group 2: 1.85:1 to Group 2

- The program is national, however, there are currently concentrated communication programs being held in the Kimberley region of NW WA, Katherine NT and the N QLD coastal region of Mackay to Mossman.
- State launches and communication packages, which are being sent to all commercial rural chemical resellers throughout Australia, will enhance the image of the program amongst end-users.

Ease of access & restrictions to participation

- Results of the first pilot: Four Group 1 customers cancelled their bookings - three because the timing of the pick-up was inconvenient (they would be away) and the fourth only had 1 kg of a Group 1 chemical, but also in excess of 400 kg of Group 2 chemicals and was not willing to pay the price.
- 27 Group 2 enquiries resulted in 19 quotations, 14 bookings, with a final of 12 bookings subsequently collected.

7. Industry participation

All member organisations of the National Association of Crop Protection and Animal Health (Avcare), the Veterinary Manufacturers and Distributors Association (VMDA) and other participating manufacturer/suppliers.

Given the scope of the potential waste problems both on and off the farm, the Australian Government identified back in 1990 that container management required industry action. Avcare, the National Association for Crop Production and Animal Health, took on the challenge by launching its own Container Management Strategy in 1992, which over time transformed into a full stewardship program, resulting in an Industry Waste Reduction Scheme Memorandum of Understanding between Avcare, the VMDA, NFF and ALGA. *drumMUSTER* was born. This program collects and disposes of all cleaned (triple-rinsed) one-way containers, targeting primarily the 20L container.

In addition to industry's efforts, the Australian Government sponsored a one-off collection and disposal scheme between 2000-2002 for any unwanted chemicals at farm level. This initiative (ChemCollect) resulted in approximately 1700 tonnes of chemical waste being delivered by farmers, thereby improving the position of both the health of the eco system and protecting the food chain.

In order to prevent a repeat build-up of waste at farm level over time, the Federal Government mandated that industry manage the future collection and disposal of any unwanted registered agvet chemical at regular intervals. As a result, a new program operating under the extended producer responsibility charter was launched by industry as ChemClear® in July 2004. This program is funded by the manufacturing industry and will be cost-recoverable through prices of agvet chemicals, which has the endorsement of the ACCC.

The ChemClear® program has been designed to avoid any future government funded waste collection and disposal campaigns like ChemCollect and will be governed by an agreement between Avcare, the Veterinary Manufacturers' and Distributors' Association and the National Farmers' Association.

The objective by industry is to implement a safe rural chemicals management service to minimise the likelihood of unwanted rural chemicals posing a risk to human health or the environment through the provision of:

- (a) a program for the collection and disposal of rural chemicals; and
- (b) a management system for unwanted registered rural chemicals, which is:
 - (i) effective in achieving a high rate of participation of waste holders;
 - (ii) accessible by all users who may hold those chemicals; and
 - (iii) provided at lowest possible cost.

8. Funding

An ongoing collection fee of 1 cent per kg/litre for pack sizes of product above 1 litre/kg sold in non-returnable containers will be collected from participating organizations on a quarterly basis. The ChemClear® collection fee is incorporated as a cost of goods sold.

9. Data collection

The following information is required by Agsafe Limited in managing the program to ensure the robustness and transparency of the service for products collected by the contracting organisation.

- Collections conducted (including location)
- Group 1 chemicals collected (product names, manufacturers' names and quantities of chemicals)
- Group 2 chemicals collected (product names, manufacturers' names and quantities of chemicals)
- Details and characteristics of those submitting chemicals (subject to all applicable privacy laws)
- Locations and quantities of Group 1 and Group 2 chemicals booked in and not delivered
- A mass balance showing the disposal quantity and date for each type of chemical for each collection site
- Cumulative totals and reconciliations for each of the items above

Agsafe Limited

ABN: 17 057 112 062

Performance of *drumMUSTER*

**Report to the Expert Reference Group for
Extended Producer Responsibility on the
evaluation of an existing extended producer
responsibility/product stewardship scheme**

October 2004



VMDA (INC)
The Veterinary Manufacturers and Distributors Association (INC)

For further information contact: Vernon Keighley
dmmgr@drummuster.com.au, 02 6230 6712



drumMUSTER

rinse them out, round them up and run them in.

Introduction

This report has been prepared for the Expert Reference Group for Extended Producer Responsibility of the Environmental Protection Agency, NSW (EPA) which has been established to evaluate existing extended product responsibility schemes and report to the NSW Minister of the Environment.

The EPA Sustainable Programs Division preference is for industry to take the lead in developing practical and effective schemes to reduce and manage wastes of concern. The *Waste Avoidance and Recovery Act 2001* however, provides for regulatory schemes to be introduced in certain circumstances if these processes do not deliver sufficient gains in a timeframe that is acceptable to the community.

Scope and coverage

drumMUSTER is the national program for the collection and recycling of empty, cleaned, non returnable crop production and on-farm animal health chemical containers. It is estimated that in excess of 90% of non returnable containers of eligible products (locally manufactured or formulated and imported) are covered by the program which is only limited by the level of participation of manufacturers. The two manufacturer associations Avcare and VMDA are parties to the agreement and all Avcare members (currently 27) are obliged to participate as a condition of their membership. VMDA members are encouraged to participate (currently 4) and there are 24 voluntary participating independent manufacturers (not members of Avcare or VMDA).

Agsafe Limited is a subsidiary of Avcare Limited, the National Association for Crop Production and Animal Health and has been contracted by Avcare to implement the *drumMUSTER* program as a component of its life cycle approach to stewardship of agricultural and veterinary chemical products.

This also encompasses the Agsafe accreditation program for personnel and premises and ChemClear alongside *drumMUSTER*.

The *drumMUSTER* program was launched in February 1999 and is funded by a 4 cent/L or kg levy on users. Containers which have been flushed, pressure rinsed or triple rinsed according to the Agsafe cleanliness standards are deemed by waste regulation not to be hazardous.

The program is underpinned by an Industry Waste Scheme Memorandum of Understanding (IWRS) between ALGA (Australian Local Government Association), Avcare Limited (National Association for Crop Production and Animal Health), NFF (National Farmers Federation) and VMDA (Veterinary Manufacturers and Distributor's Association) dated 18 March 2003 which superseded the original agreement (IWRA) between the four parties in May 1998. The agreement has two major objectives:

The IWRS set two objectives:

- To reduce the amount of packaging at source by encouraging manufacturers to adopt alternative containers such as bulk or refillable packs, new packaging

technology such as water soluble sachets and new formulations such as gel packs and granules.

- To ensure non-returnable crop production and animal health chemical containers have a defined route for disposal that is socially, economically and environmentally acceptable. *drumMUSTER* has been established to provide this defined route.

The former objective is outside the scope of *drumMUSTER* and is commercially driven by manufacturer's commercial initiatives and receives direction through their associations for example from the Avcare packaging committee (which has VMDA representation). Industry monitoring is achieved through Avcare's ecoefficiency agreement with the federal department of Environment and Heritage and the biannual Avcare container usage audit.

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.

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

- a.) **hazardous** because of the hazards associated with the product they contained. 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 were included in the program at the discretion of the product manufacturer or registrant.

Eligible products

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

Eligible products may also include (at the discretion of the manufacturer or registrant):

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

Historical products

Historical or non logoed containers were initially covered for the first 12 months of the program and subsequently until after the first successful collection. The latter provision was necessary because it took longer than 12 months for Councils to agree to participate and run collections. Another amnesty was run for the duration of 2003 to allow any chemical user to avail themselves of the service that had not already done so.

Percentage of NSW covered

All of NSW is covered by the program: Council services agreements with 67% of Councils covers 99% of the container sales and there are alternative arrangements for the remaining 1% in remote and urban areas..

Percentage of the NSW population with access to the scheme

100% *drumMUSTER* levy payers have a right to a service and have a level of service determined by the estimated annual container sales. This means that most of the infrastructure is established in rural LGAs. The program aims to have a collection site, within reason no further than 40-50 kms of every levy payer and this has been achieved for most local government areas except those which have been classified by the program as remote or urban.

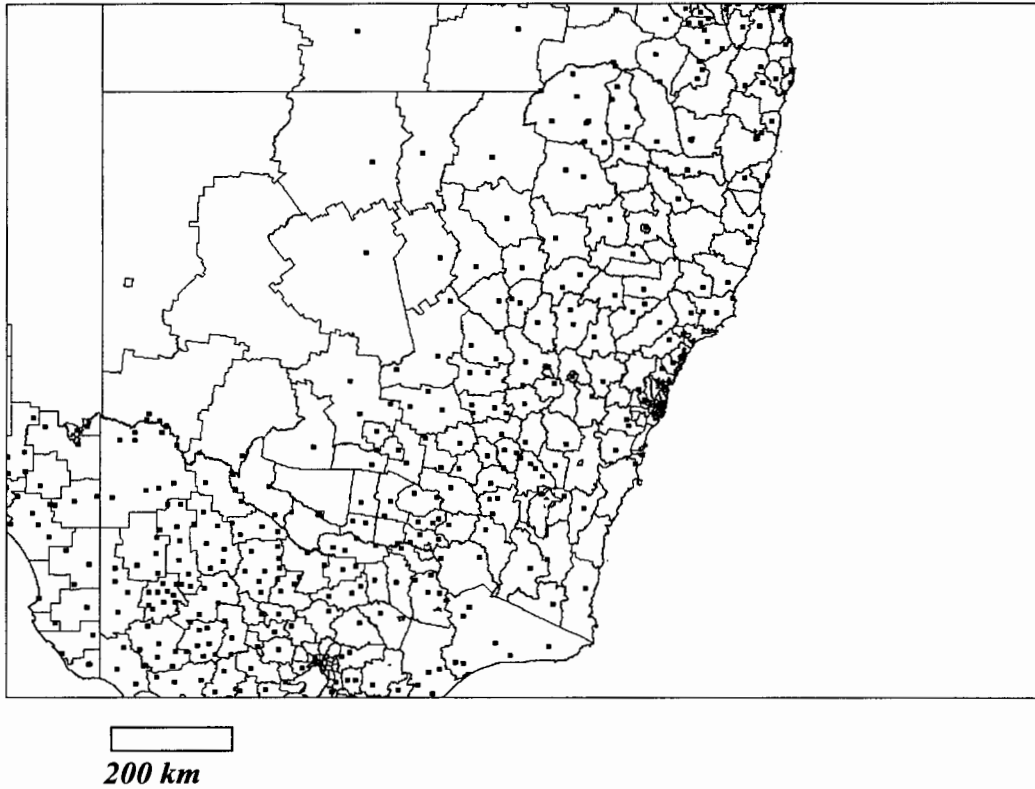
Performance of program

Table 1 summarises the achievements of *drumMUSTER* against goals and objectives established by the *drumMUSTER* program (dM), by the parties to the IWRA in 1999 together with objective criteria established by the Expert Reference Group for Extended Producer Responsibility (EPA ERG). Some of the data for the IWRA objective to reduce waste at source is obtained at a national level and State data is not available or measurable.

It is important to note that the performance should be viewed in the context of a 76% increase in the volume of crop production and animal health since 1999.

The map shown below shows the site locations which have fixed compounds which within reason, have been established to be within 40kms of every user. There are additional temporary sites from which containers are transported to permanent compounds.

Fig 1: Compounds in NSW



Performance of *drumMUSTER* Program (1999 - 2004)

1. Program geographical coverage

Obj. #	Origin of obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
1	dM	Increase the participation of local governments in container inspection, recycling and disposal programs * Priority 1 & 2, 100% and Priority 3 90% signed.	Priority 1, 100% Priority 2, 100% Priority 3, 94%	Priority 1, 100% Priority 2, 100% Priority 3, 96%	In NSW council service agreements are in place with 67% of councils in areas with 99% of container sales. There are alternative arrangements for the remaining areas of the state. Recent council amalgamation changes have not been factored in to participation data. * Priority 1 > 10,000 annual container sales Priority 2 5,000 – 10,000 annual container sales Priority 3 2,000 – 5,000 annual container sales Priority 4 500 – 2,000 annual container sales Priority 5 < 500 annual container sales
2	dM	Priority 4,5 councils signed and run collections when required	Priority 4, 71% Priority 5, 49%	Priority 4, 73% Priority 5, 33% (only 3 Councils, 1 of which is serviced)	
3	dM	Remote areas serviced in Qld, NT, WA	On request, 5% participation.	N/A	
4	dM	Urban collection services in Sydney, Brisbane and Melbourne	Mostly in place where required, 16% participation.	9%	Sydney basin and Melbourne service is provided via an agreement with Sims Plastics. Melbourne service needs inspectors to be trained and service promoted. Brisbane launched July 2004.
5	dM	Collection venues identified and meet user needs	Consider greater than 90% identified.	Consider greater than 90% identified.	<i>drumMUSTER</i> Regional Consultants liaise with councils, resellers and farmer groups on an ongoing basis and new collection venues put in place if justified. Moree (>100K drum sales) recently changed from infrequent mobile to fixed bi-monthly established site collections.

1. Program geographical coverage continued.

Obj. #	Origin of obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
6	dM	Collection number and timing identified and meets user needs	Mostly achieved to drumMUSTER expectation.	Mostly achieved to drumMUSTER expectation.	BSS survey, 57% farmers require 1 collection per annum and 84% require 2 collections per annum. drumMUSTER Regional Consultants liaise with councils, resellers and farmer groups on an ongoing basis. Stakeholder Forums implemented in high drum number and low participation areas.

2. Targets Timeframes is column 2 of each table

3. Product redesign based on design for the environment principles

Obj. #	Origin of obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
7	IWRA 1999	68% reduction in weight of waste of primary containers compared to 1990 benchmark	55%	Audited Nationally.	The net total weight to the environment has reduced from 6,597 to 4,198 tonnes since drumMUSTER commenced in 1999. A reduction of 36% in 4 years. Since 1991, there has been a reduction of 55% in the weight of packaging that would otherwise have ended up in the environment. drumMUSTER has collected 1,717 tonnes (to the end of 2003) and 38 tonnes of containers have been reused. A 1999 study showed a reduction in liquid volume equivalent to 16.5 million litres due to increased concentrations of some formulations and conversion of some concentrate formulations to dry granular formulations.

3. Product redesign based on design for the environment principles continued.

Obj. #	Origin of obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
8	IWRA 1999	Increase the total market share of dry chemical formulations to 23%	14%	Audited Nationally.	Limited by farmer acceptability. Some farmers believe that dry formulations have mixing and nozzle blocking problems despite these problems having been resolved with new formulations.
9	IWRA 1999	Produce 8% of its dry and gel formulations in water soluble packages	1.40%	Audited Nationally.	Packaging is not sufficiently resilient to withstand weather.
10	IWRA 1999	Percent of dry product delivered in bulk or refillable containers (no target set)	3.50%	Audited Nationally.	
11	EPA ERG	Product has been manufactured to international environmental best practice standards	See comment.	See comment.	Products manufactured to standards approved by the APVMA. Packaging, including refillable and bulk containers, meet dangerous goods packaging specifications which are aligned to the UN Recommendations on the transport of dangerous goods.
12	IWRA 1999	Supply 50% of raw materials in recyclable or returnable packaging	See comment.	See comment.	Recyclable material not available to be used in raw material packaging due to requirements for dangerous goods packaging

4. Collection Results

Obj. #	Origin obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
13	IWRA 1999	Recover 66% of empty clean and rinsed containers	33%*	24%*	This target was set at the outset of the Program (1998) and based on the Canadian program, which does not have as rigorous cleanliness standards nor an inspection service. * Based on drum sales calculated from previous years levy income; 2003/04 results – National 44% and NSW 39%
14	dM	1.1M 2002/03 1.3M 2003/04 (NSW proportion 315,000) 1.45M 2004/05 1.6M 2005/06	1.15M containers, 33% of previous years sales based on levy.	246,272 containers, 24.4% of previous years sales based on levy.	2004 National: 1.19M more data to be received; NSW 310,208 containers collected, equivalent to 39% of the previous years sales based on levy. Estimate National collection will be 1.25M containers when all CFF data has been received.
15	dM	100% of priority 1,2,3 councils run at least one collection in 2003/04	84%	94%	A number of councils ran collections but have not advised drumMUSTER (particularly in WA).

5. Reuse/recycling of end-of-life products/materials/components

Obj. #	Origin obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
16	IWRA 1999	35% of all liquid product sold in bulk or refillables	35%	Audited nationally	This has increased from 22% in 1999 (59% increase). Manufacturers based predominately in NSW and VIC and to a lesser extent QLD and WA, each distribute nationally which means that State data is irrelevant.

5. Reuse/recycling of end-of-life products/materials/components continued.

Obj. #	Origin obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
17	IWRA 1999	Collect, reprocess and reuse 15% of all 20L plastic containers	1.70%	Audited nationally	Reuse of containers not viable due to filling down time, 5% failure and higher cost than new container and has been overtaken by use of refillables and returnable containers
18	IWRA 1999	Collect, reprocess and reuse 200L containers (no target set)	0.60%	Audited nationally	
19	EPA ERG	Percentage material recovered for same or similar use	Nil	Nil	Recyclable material not available to be used in raw material packaging due to requirements for dangerous goods packaging. One company has been trialling a mixture of virgin and recycled plastic. The results of the trial are yet to be published.
20	IWRA 1999	Promote recycling of other packaging such as cardboard outers, pallet wrapping and strapping	No information	No information	In IWRA but not within drumMUSTER scope.
21	EPA ERG	Proportion of collected material recycled	100%	100%	Advice received from re-processors is that 100% of all containers collected are reprocessed.
22	EPA ERG	Amount of material rejected due to contamination	1999/00 - 4.9%, 2003 - 04 - 1.8%	1999/00 - 5.0%, 2003-04 - 2.0%	drumMUSTER inspectors do not accept containers at collection if there is any visible residue or if containers are not covered by the scope of the Program i.e. do not have a drumMUSTER logo. User retains them and has the opportunity to re-present them after cleaning.

5. Reuse/recycling of end-of-life products/materials/components continued.

Obj. #	Origin obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
23	EPA ERG	Container re-use by user	16% (2002 survey)	16% (2002 survey)	BSS survey (reference no. 2), 16% of single trip containers are estimated to be retained by users for other uses. In the cotton industry, the Best Management Program prevents the re-use of farm chemical containers on farm.
24	EPA ERG	Uses of recovered material/products	See comment	See comment	Estimated 80% is manufactured domestically for agricultural drainage pipe, various types of stakes and posts and electrical conduit. Approximately 20% is exported, predominately to China.

6. End user participation

Obj. #	Origin of obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
25	EPA ERG	Percentage of end users participating in the Program	2001/2 - 6% 2002/3 - 7% 2003/04 - 8% deliveries from an estimated 136,507 farm chemical users.	2001/2 - 4% 2002/3 - 5% 2003/04 - 9% deliveries from an estimated 40,277 farm chemical users.	Measured in terms of numbers of deliveries as a percentage proportion of numbers of farmers (ABS date). Some single deliveries are from more than one farm. The jump from 5% to 9% can be attributed to reestablishment of the NetWaste contract and limited Moree activity from July 02 until Sept 03 (drought). Delivery records were not reliable before 2001 (only drum nos). * A 2002 survey of 1,000 farmers nation wide in high and low drumMUSTER participation areas showed awareness to be: - NSW 98% in high participation areas, 92% in low participation areas. - National 96% in high participation areas, 90% in low participation areas.
26	EPA ERG	Extent of end user knowledge/awareness of scheme	93% *	95% *	In NSW, 36% of sites are ongoing collections, 39% are on set days either weekly, fortnightly or monthly and 13% are once or twice per year. Generally collections are run during September, October and November in the broad acre areas after the post emergent herbicide is used and before harvest. March, April and May appears to be the next most suitable period.
27	EPA ERG	Availability/access of collection points (number/lease of access)	667 (2003/04)	192 (2003/04)	

7. Industry participation

Obj. #	Origin of obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
28	dM	Maintain level of participation by companies at 90% of agricultural and veterinary products	>90%	See comment	27 Avcare and VMIDA members have products covered by the Program. 24 non Avcare/VMIDA members participate, including all major generic companies. Manufacturers supply nationally.
29	dM	Gain participation of major manufacturers of dairy sanitisers (3), liquid fertilisers (2) and surfactants	3	See comment	1 liquid fertiliser and 2 specialised surfactant companies participate. The dairy chemical industry, represented primarily by 4 companies is resisting participation, the common response being "there is not enough margin in the industry to carry the costs". Manufacturers supply nationally.
30	dM	Maintain generic company participation	Ongoing	See comment	All known major generic companies participate and supply nationally.
31	EPA ERG	No. of producers/importers actively using bulk or refillable containers	Estimate 100%		See objective 16
32	EPA ERG	Negative impact on participants' domestic competitiveness	Insignificant except for IBCs		Overall there is a level playing field and it has not recently been raised as an issue by R&D companies, probably due to the increased participation of generic companies. Distributors encourage all their suppliers to participate. Some importers are selling IBCs with no intention of recovering them, issue being addressed through amended definition of refillable/returnable containers.

8. Funding

Obj. #	Origin of obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
33	dM	Income budgeted annually based on estimated container sales multiplied by 4 cents per L or Kg.	2003 Levy, \$2,143,768	Income generated Nationally.	2002/03 Annual Report. Assume NSW allocation 0.29% based on proportion of drums sales. Funding secure whilst IWRA in place and individual agreements with generic companies are honoured.
34	dM	Expenditure budgeted annually based on assumptions.	2003 Expenditure \$2,169,384	Expenditure consolidated Nationally.	2002/03 Annual Report.

9. Data Collection

Obj. #	Origin of obj.	Targets and objectives	National performance 2003	NSW Performance 2003	Comments
35	dM	Container Sales numbers are entered on levy declaration forms.	60% of industry compliance	N/A	Revised levy declaration form with State split awaiting Avcare approval. Compliance improving.
36	dM	Collection data obtained on Collection Feedback Forms (CFF). CFFs faxed to drumMUSTER within 3 days of collection.	96% (Data not received for 69 out of 1745 collections)	96% (Data not received for 22 collections out of 553 collections)	CFF data entry compiled on National database. Most received within 3 months, a small proportion 12 to 18 months 2003/04 result – Nationally 97%, 47 out of 2034 collections without data, NSW 98%, 9 out of 631 collections without data.

10. *Illegal dumping*

ERG to evaluate with information from the Department of Environment and Conservation.

11. *Level of Community Concern*

ERG to evaluate with information from the Department of Environment and Conservation.

12. *Toxicity levels*

Obj. #	Origin of obj.	Targets and objectives	National performance 2003	NSW Performance	Comments
39	EPA ERG	< 0.01% residue deemed to be acceptable as non-hazardous waste.	Only clean inspected drums accepted.	Only clean inspected drums accepted.	<p>The Program does not accept containers that have not been triple rinsed according to the Agsafe standard. This rinsing standard removes the active constituent to the standard of acceptability of 99.99%. All containers to be accepted are inspected and have to be free of all visible residue. The inspection process is backed up by an auditable collection manual, regular inspector training coupled with compliance measures.</p> <p>Metal containers accepted by the Program are usually punctured through the base, improving ventilation and reducing some odour problems that can be associated with this container type. Puncturing metal containers is now a requirement.</p>

References:

Crop Protection and Animal Health Container Usage Audit 2003 (2004).
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