

Simmonds, Martine

From: General Manager [gm@agsafe.com.au]
Sent: Monday, 23 May 2005 6:10 PM
To: Adjudication
Subject: Agsafe Limited - Revocatino A90871 & Substitution A90963

Dear Scott

In answer to your questions from your letter dated 5 May 2005 I submit the following:

1. Agsafe estimates that the Industry levy of 4c/ltr/kg will contribute approximately \$3 million dollars per annum based on a drum volume of approximately 3.36 million containers plus ongoing interest on current reserves. The drumMUSTER levy is applicable for all agvet products (as defined by the Agvet Code APVMA) sold by Avcare member companies and as a voluntary scheme for VMDA members and participating companies who market agvet products as well as diary chemicals, liquid fertilisers, adjuvants and the like sold in eligible containers. The collection of ChemClear® products are defined by the same Code for products that are sold in eligible containers and include small quantities marketed in powder or granular consistencies. (Under the Agreement for the management of unwanted rural chemicals the definition of products to be collected by ChemClear® program refers to the collection of currently registered rural chemicals supplied by Avcare, VMDA and participating members.) Therefore, ChemClear® products for collection and disposal will not include any product that is not an agvet chemical. The benefit for those companies who are currently paying the drumMUSTER levy and remain outside of Avcare/VMDA membership will be to become participating members under the new IWRS and automatically included for the ChemClear® program. Products that attract the levy under drumMUSTER but lie outside the agvet scope will still have a collection and disposal source for waste-holders through the ChemClear® (Group 2 or unknown category) on a fee for service basis.
2. The price of chemicals sold in eligible containers would still remain within a \$5/L to \$20/L retail pricing range.
3. A snapshot of the current situation in Tasmania including number of drums sold into Tasmania - 52,654 (*based on 2001 Avcare Audit)
Number of drums dM program collected - 6,145 (04/05 to date) & 53,420 program from the inception of the program to date
Number of Tasmanian collection sites - 23 sites
Number of Tasmanian councils signed up and out of how many - 23 councils, 21 signed, remaining 2 have service provided which equates to 100% participation. In addition, a major National regional promotional program utilising TV advertisements, rural radio and print media will be held at appropriate collection periods during the year to encourage users to utilise the program.
4. Should the reserves fall below \$3.2 million during the period of the Agreement it is proposed that participating members of Avcare and VMDA will be obligated and participating members will be asked to pay a top-up-fee sufficient to maintain the reserve at the set level.
5. This figure refers to an 80% increase in the total volume of product sold as measured in L or Kg over that period and highlighted the need for such a program as drumMUSTER.

Should you have further questions please contact my office direct.

Kind regards

Sam Ponder

24/05/2005

General Manager

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