

**Martin, Cameron**

**From:** General Manager [gm@agsafe.com.au]  
**Sent:** Tuesday, 9 August 2005 3:10 PM  
**To:** Martin, Cameron  
**Subject:** RE: Application for revocation and substitution lodged by Agsafe Ltd

Dear Martin

I have read the two attached documents with interest and forward my reply regarding the position taken by the Queensland Department of Primary Industries.

During the 2003-4 financial year targets and strategic initiatives were implemented to increase the farmer usage of the drumMUSTER program resulting in the collection and recycling of approximately 1.22 million containers. The year 2004-5 financial year has seen a positive trend in farmer uptake of the program resulting in 1.35m of a 1.45m target already being achieved primarily as result of implementing regional advertising and public awareness campaigns. Between 3.5 and 4 million containers are sold annually.

Anecdotally and we are now in the sixth year of operations, it takes up to two years for drum numbers to be collated and finally logged onto the system. Considerable resources have been engaged to hasten the process with approximately 20% of farmers using the program over a two year cycle. There are still large numbers of containers being buried and/or burnt, and whilst the label indicates that burning is not an option a number of State governments have not changed their regulations regarding burial.

The drumMUSTER program is a non-hazardous collection and recycling program by virtue of the Agsafe triple rinse standard with an inspection process being imposed on each container post entry into secure collection compounds. The ChemClear® program is a hazardous waste collection and disposal program which requires more stringent environmental controls. The maintenance of integrity between the two programs is paramount. The formation of the Industry Waste Reduction Advisory Committee will oversee this aspect of the Agreement.

Originally the imposition of the 4 cent levy was based on container collection targets of over 65%; (which is now the target set by the National Packaging Covenant whereby there are no further increases to packaging waste to landfill and committing industry to increasing the recycling of packaging waste by 2010 by and additional 17% to 65%).

With a collection percentage of between 40-45% the drumMUSTER program becomes cash negative. With projected increases in containers collected over the next two years ramping up to around 1.8 million, combined with a \$380,000 per year drawdown for the ongoing inclusion of ChemClear® program and bearing in mind that the interim authorisation of the new IWRS is already one year into the Agreement, the maintenance of the \$3.2 million reserve levy is assured.

The ChemClear® program has been operating nationally for over twelve months with each State having its own launch with government Ministers, officials and Industry stakeholders all being invited. Launches commenced in Townsville, Queensland in November 2004; since then over 14 tonnes of unwanted product has been booked in for collection and disposal in Queensland, of which 4.5 tonnes is unregistered (Group 2) product and is to be paid for by the waste holders As our threshold limit has been reached, a collection is in the process of being organised.

These figures would indicate that the program is very much an on-farm waste reduction program which adds value to drumMUSTER and achieves excellent environmental and OH&S outcomes. It sits in behind the drumMUSTER program, where we actively promote "buy what you need, use what you have and dispose of your container using the drumMUSTER program". The ChemClear® program is passive, where the information is available through both government and industry sources in an on-going, on-demand manner.

Kind regards

**Sam Ponder**  
**General Manager**  
**Agsafe Limited**

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9/08/2005

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-----Original Message-----

**From:** Martin, Cameron [mailto:Cameron.Martin@acc.gov.au]

**Sent:** Tuesday, 9 August 2005 9:35 AM

**To:** General Manager

**Subject:** Application for revocation and substitution lodged by Agsafe Ltd

Hi Sam,

The ACCC has received two submissions from interested parties regarding its draft determination.

<<APVMA sub.pdf>> <<QPOF sub.pdf>>

If you would like to comment on the submissions I would appreciate it if you could do so by COB, Tuesday 16 August.

The interested party consultation process ends tomorrow and if we receive any more submissions I will provide them to you.

thanks

Cameron Martin  
Adjudication Branch  
Australian Competition & Consumer Commission  
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**Martin, Cameron**

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**From:** General Manager [gm@agsafe.com.au]  
**Sent:** Tuesday, 9 August 2005 3:20 PM  
**To:** Martin, Cameron  
**Subject:** IWRS Authorisation - Qld DPI

Dear Cameron

As an addendum to my previous reply, the second last paragraph of the letter from the Queensland DPI certainly makes sense and perhaps Scheme may be as appropriate as Management Agreement. If you are not concerned about it I will raise it at the IWRAC meeting next week as a 'quick fix' item.

Regards

**Sam Ponder**  
**General Manager**  
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