



New South Wales

FILE No:

DOC:

MARS/PRISM:

DEPARTMENT OF PRIMARY INDUSTRIES

DF07/288

30 APR 2007

Mr Scott Gregson
General Manager, Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear Mr Gregson

Thank you for the opportunity to comment on the Australian Competition and Consumer Commission's (ACCC) draft determination of Agsafe's application for revocation and substitution (A91027-A91030).

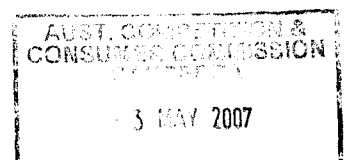
NSW Department of Primary Industries is concerned at the prospect of any decrease in the effectiveness of Agsafe's Guardian Program as a consequence of the ACCC's decision. Agsafe's ability to impose sanctions on unaccredited businesses in the farm chemical distribution chain remains important to the viability of its Guardian Program.

As with other areas of regulation, the majority of the regulated community are aware of the rules and are willing and able to comply. However, most of the compliance effort goes into targeting a small percentage of intractable individuals that are unable or unwilling to see the benefits of regulation or in some cases feel no obligation to the rest of the community.

This is particularly significant where regulation targets health and safety outcomes and where non-compliance can lead to significant negative spill over effects to the rest of the community.

For this reason, compliance programs need to include a strong deterrent to non-compliance, either in the form of an effective enforcement program with significant pecuniary penalties, or through the exercise of market forces. Whatever the compliance strategy selected, in the end the cost of non-compliance should be greater than the cost of compliance.

While rarely imposed, the threat of sanctions in Agsafe's Guardian Program has provided a strong incentive for businesses to demonstrate compliance with legislated safety standards through successful accreditation.



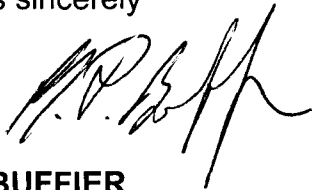
The Agsafe Guardian Program is primarily responsible for a significant improvement in the standard and safety of premises that handle farm chemicals, and in the training and expertise of their personnel. This has resulted in flow-on benefits along the chemical supply chain, with producers and other clients now benefiting from more expert advice on the safe handling and storage of farm chemicals.

While the NSW WorkCover Authority makes a valuable contribution to managing risks posed by the storage and handling of dangerous goods in this State, it is unlikely that a program based solely on government compliance activity could have achieved the same improvements in this sector.

Any reduction in the effectiveness of the Agsafe Guardian Program would shift the compliance burden back onto government, at a time when governments generally are trying to decrease the regulatory burden on industry and promote industry based risk management solutions.

Before making a final determination in the case of Agsafe's Guardian Program I trust that you will be mindful of the strong support for the program amongst government regulators, the chemical supply chain and consumers, as well as the significant achievements of the Agsafe program in reducing the risks associated with the storage, handling and transportation of agricultural and veterinary chemicals.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B D Buffier', written in a cursive style.

B D BUFFIER
DIRECTOR-GENERAL