



Australian Government

Department of the Prime Minister and Cabinet

FILE No:

DOC:

MARS/PRISM:

ONE NATIONAL CIRCUIT  
BARTON

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

Dear Mr Gregson

Thank you for your letter of 28 March 2007 advising of the ACCC's release of a draft determination in respect of Agsafe's application for revocation and substitution.

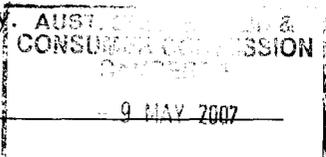
I understand that the ACCC proposes to grant authorisation to the trading sanction element of Agsafe's Code of Conduct for a period of 18 months and proposes to grant authorisation to the remaining provisions of the Code of Conduct for a period of 5 years.

The Department of the Prime Minister and Cabinet has responsibility for leading the Council of Australian Governments' (COAG) Review of Hazardous Materials. The current review of chemicals of security concern is at an early stage. However, the outcome of the chemical review will be a framework for delivering control measures to achieve the security objective. The chemical review seeks to implement effective, nationally consistent risk-based measures that will minimise the risk of chemicals being used for terrorism purposes. In addition, the review seeks to limit the impact on the wide range of legitimate users of chemicals.

An Industry Consultation Group comprising 13 industry associations representative of the chemicals sector provides advice to governments in relation to industry's views on the potential impacts of any proposed measures. A number of options are currently being considered for how the control measures could be implemented. These options include industry co-regulatory approaches which could be delivered through a partnership between governments and the chemical industry.

One of the measures being considered for chemical security is a comprehensive education, training and awareness-raising initiative that encompasses the supply chain for all chemicals. Governments recognise that industry stewardship programmes such as Agsafe Guardian already deliver effective training for safety purposes. Thus, Governments may like to explore the possibility of expanding such programmes to include security.

Other security control measures are likely to include a greater level of reporting and physical (including access) security. I understand the Agsafe's training and accreditation process has facilitated a high rate of compliance with current government requirements for safe and effective chemical use. One of the reasons for this may be the ability to impose trade sanctions on non-compliant businesses. If the trade sanctions are removed, it is important that Agsafe is able to ensure a continued high level of compliance by industry.



Regardless of the security control measures that are agreed by COAG, compliance with the measures will be important to achieve the security objective. If industry co-regulatory approaches that build on existing industry initiatives such as Agsafe cannot ensure compliance, governments will need to explore regulatory measures to fill the gap. It is however recognised that the chemical sector is already subject to a complex web of regulation and governments seeking to minimise further burden.

I appreciate the opportunity to provide a submission in response to the draft determination for Agsafe's Code of Conduct and trust that this information is of assistance to the ACCC in making a final decision on this matter.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Rob Floyd', written over a faint, illegible printed name.

Dr Rob Floyd  
Assistant Secretary  
Chemical, Biological, Radiological and Nuclear Security Branch  
National Security Division

7 May 2007