



**SUBMISSION TO  
AUSTRALIAN COMPETITION AND CONSUMER COMMISSION**

**AGSAFE LIMITED APPLICATION FOR REVOCATION AND  
SUBSTITUTION OF AUTHORISATIONS – INTERESTED PARTY  
CONSULTATION**

**Application No. 91234**

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## **Introduction**

CropLife Australia (CropLife) welcomes the opportunity to make a submission in support of Agsafe Limited's (Agsafe's) application (application number A91234) for revocation and substitution of Authorisations. CropLife believes the benefits afforded by continuing to allow Agsafe to enforce its Code of Conduct far outweigh the limited and small costs associated with the compliance mechanisms.

CropLife Australia is the peak industry association representing registrants of agricultural chemical products. Our members innovate, develop, research, register and manufacture agricultural chemical products for use by farmers to control pests, weeds and diseases. Our members' products are supplied to farmers and other users through premises that Agsafe accredits. Membership of CropLife also requires that members comply with the Agsafe Code of Conduct, which includes trade sanctions regarding the supply of agricultural chemical products to premises that are not accredited by Agsafe.

Our industry is committed to the responsible management and life cycle stewardship of agricultural chemical products. Stewardship throughout the product life cycle is an essential component of the industry's efforts to manage the risks associated with agricultural chemical products. Stewardship minimises the risks to human health, worker safety, consumers and the environment while maintaining farmer access to products that are critical to providing significant and ongoing productivity benefits. The Agsafe Accreditation and Training stewardship program, supported by the current Australian Competition and Consumer Commission (ACCC) authorisation, represents an important part of our industry's commitment to stewardship.

## **What is the problem?**

Agricultural chemical products are designed to kill pests, weeds and diseases in agricultural crops. By their nature they can be very toxic and have the potential to cause significant harm to human health and the environment if they are not handled, stored and used in accordance with appropriate precautionary measures.

When agricultural chemicals are first registered for use, detailed instructions for their safe use are prepared by the registrant. These instructions are included on the product label to enable the user to apply the product in a way that minimises the risks to user safety, human health, the environment or trade. For more hazardous products, users may also be required to undergo training on the safe use of a product even before being permitted to purchase it.

Labels, along with safety data sheets (SDSs) also provide information on the intrinsic hazards of a product. This information is essential to informing the safe and responsible storage, handling and transport of agricultural chemical products prior to their final retail sale. However, due to the wide range of federal and state legislation that applies to agricultural chemicals, it can be particularly difficult for small premises to comply with the myriad of relevant legislative requirements.

A lack of understanding of the risks associated with incorrect storage and handling can lead to accidents and spills of hazardous products. It can also mean that once a spill occurs, the necessary procedures and equipment are not in place or available to manage the spill safely and effectively. Without the Agsafe Accreditation and Training program, individuals and facilities that handle these products may not be adequately prepared to handle emergency situations.

Further, the regulatory environment associated with agricultural chemical storage, transport and handling is very complex. Without the Agsafe Accreditation and Training program, facilities would be required to spend additional time identifying their precise obligation under their jurisdiction's specific rules. This can be particularly time consuming and confusing, especially when some regulations are more appropriate for large industrial chemical processing facilities, rather than smaller storage and distribution premises.

### **Benefits of Agsafe Accreditation and Training**

The Agsafe Accreditation and Training program provides a wide range of benefits to numerous groups. CropLife agrees with those benefits outlined by Agsafe in its application. In addition to the benefits outlined for agricultural chemical product registrants, CropLife notes there are benefits that include:

- Providing a mechanism for registrants to meet their stewardship obligations by ensuring that products are handled and stored appropriately;
- Minimising the risk that agricultural chemicals may spill potentially causing health and environmental problems, and corresponding negative publicity; and
- Precluding the need for more potentially expensive, ineffective and burdensome regulation of agricultural chemicals by demonstrating effective stewardship within the existing regulatory environment.

Benefits to groups other than registrants include:

- Personnel and premises involved in the sale, transport, distribution and storage of agricultural chemicals;
- Government agencies responsible for the regulation and control of use of agricultural chemical products; and
- The wider community.

CropLife agrees with, and supports the arguments presented by Agsafe with respect to the benefits from Agsafe Accreditation and Training. However, CropLife believes that there are additional benefits to users of agricultural chemical products to those identified by Agsafe. When users purchase products from Agsafe accredited premises, they can be assured that the product is unlikely to have degraded from inappropriate storage, and the product container's integrity has not been compromised by careless or negligent handling. Users of agricultural chemicals are also able to access higher quality advice and information from Agsafe trained staff that understands the necessary precautions users should take when using products.

In the future, CropLife sees the potential for Agsafe Accreditation and Training to be a mechanism for farmers to easily comply with market driven quality assurance schemes for their produce. Once this occurs, the benefits to users will significantly increase.

It is difficult to quantify the value of the benefit that Agsafe Accreditation and Training provides to product registrants because of its indirect nature. Quantifiable evidence of benefits may be more likely to be identified in transport, storage and use. In any event, minimising the adverse effects from agricultural chemicals during transport, storage and sale offers benefits by avoiding additional regulation.

### **Costs of Agsafe Accreditation and Training**

Compliance with all federal, state and territory legislation and regulation imposes significant costs on premises that sell, store and handle and transport agricultural chemical products. There are well over 100 separate pieces of legislation that are applicable to the safe storage, transport and sale of agricultural chemical products. For premises, the accreditation scheme does not impose any additional regulatory cost as premises that are already compliant with all federal and state regulatory requirements will have no additional burden placed upon them.

The Agsafe Accreditation and Training program does impose additional costs on premises. These costs are designed to fund the administrative cost of running the program. This cost is borne by facilities when they pay for Agsafe certification, and by individuals or organisations that pay for Agsafe training. However, this cost is a very small component of the overall agricultural chemical product cost.

Where premises are not accredited by Agsafe, the program operates so that agricultural chemical suppliers must not supply agricultural chemical products. This trade sanction enables Agsafe to enforce its Code of Conduct, requiring any necessary training to be conducted and encourages all premises to remain in full compliance with all regulatory obligations. The trade sanction also means that agricultural product registrants can be assured that they are not supplying agricultural chemical products to premises that are not responsibly managing them.

While this can increase agricultural chemical costs by restricting trade, CropLife believes that the benefits from reducing the risk of accidents and spills far outweighs the costs of the Accreditation and Training program and its corresponding trade sanctions.

CropLife does note that Agsafe is proposing to shortly roll out new electronic delivery mechanisms and accreditation renewal procedures that will result in lower fees for accreditations and training by Agsafe. These reduced costs are expected to be in place over the next 6 to 18 months. These new electronic delivery mechanisms will also increase the availability and reach of the Accreditation and Training program, further reducing any anti-competitive impacts while maximising benefits.

## **Conclusions**

CropLife notes that the Agsafe Accreditation and Training program provides a wide range of benefits to many groups. For registrants of agricultural chemical products, the costs resulting from participation in the scheme, as well as the cost of the trade sanction are outweighed by the significant benefits associated with the confidence that products are being transported, handled and stored in accordance with all federal, state and territory legislative requirements.

Proper handling reduces the risk of accidents occurring, and if an accident does occur, Agsafe Accreditation and Training ensures that appropriate procedures and equipment are in place to avoid any damaging health and environmental impacts. Agsafe training also ensures that personnel have the skills and knowledge to apply these procedures effectively and safely.

Finally, the accreditation and training program for premises does no more than ensure compliance with existing legislative requirements. It imposes no additional regulatory burden beyond administration costs. Efforts by Agsafe to use electronic delivery methods will continue to reduce the administrative cost of participation while continuing to maximise the benefits of the scheme.

Should you have any questions regarding the content of this submission, please feel free to contact CropLife Australia's Policy Manager for Crop Protection and Stewardship, Mr Ben Stapley on 02 6230 6399 or [ben.stapley@croplifeaustralia.org.au](mailto:ben.stapley@croplifeaustralia.org.au).