



15 June 2010

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MARS/PRISM:

Dr Richard Chadwick
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
CANBERRA ACT 2601

Dear Dr Chadwick

AGSAFE LIMITED APPLICATION FOR REVOCATION AND SUBSTITUTION OF AUTHORISATIONS

Thank you for your letter of the 1 June 2010 regarding Agsafe's application for revocation of its existing authorisations and substitution of new authorisations in respect of its Code of Conduct.

Access to agricultural and veterinary (agvet) chemicals are important to Western Australia's plant and animal industries to ensure production sustainability by providing protection from the risks and adverse impacts of pests and diseases. It is noted that this access will only continue if they are transported, stored, handled and used responsibly by all parts of the supply chain.

Regulation of agvet chemicals serves to ensure that the risks to human health, welfare of animals, environment and trade from agvet chemical use are kept within acceptable limits while facilitating continued access to appropriate products for primary producers, pest controllers and other users. Agsafe is an industry stewardship program that has strong support from the main agvet chemical industry organisations, CropLife and Animal Health Alliance.

Agsafe saves state regulators considerable time and effort as it provides the educational component for state and national legislation for the majority of reseller companies storing and handling agvet chemicals. Also by self regulating there is a reduced need for inspection of resellers by the state authorities.

It is noted that Agsafe is proposing a shift to an incentive based scheme rather than sanctioning non-accredited businesses, but this proposal has yet to be fully developed so is difficult to comment on at this time.

There is currently a national review of the regulatory system for agvet chemicals with the development of a single national framework. Recently the Primary Industries Ministerial Council endorsed key policy principles and policy outcomes of the framework. One of these policy principles notes: "The national framework recognises industry co-regulation efforts where it is effective and efficient to do so". The framework's policy outcomes include, "Legislation facilitates development of codes of practice for manufacture, supply and use and recognises those codes where appropriate" and also, "Legislation allows for industry co-regulation, where appropriate".

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The single national framework encourages the recognition of industry stewardship programs for supply and use of chemical products, and quality assurance programs for agricultural produce that can have important efficiency benefits for regulation. Such arrangements may allow agvet regulators to lower or avoid some monitoring or enforcement activities with consequent cost savings. Further, industry expertise may make a direct input into the risk management decision making, leading to an improved capacity to manage the risks. In addition, coordination with industry efforts may improve the effectiveness of regulatory efforts to achieve positive behavioural change amongst users.

The Agsafe application for new authorisations in respect of its Code of Conduct is supported. Thank you for the opportunity to comment.

Yours sincerely

A handwritten signature in black ink, appearing to read "Greg Paust". The signature is written in a cursive style with a large initial "G".

Greg Paust
ACTING DIRECTOR GENERAL