

Dr Richard Chadwick
General Manager
Adjudication Branch
Australian Competition and Consumer Commission

**RE AgStewardship Australia Limited application for revocation of authorisation
A91105 and substitution of new authorisation A91382**

Dear Dr Chadwick

GrainGrowers welcome the invitation to engage in consultation with the Australian Competition and Consumer Commission (ACCC) in relation to the application made by AgStewardship to impose a four cent levy per litre/kilogram on manufacturers and suppliers of Agricultural and Veterinary (AgVet) chemicals, on behalf of participants of two voluntary stewardship programs, *drumMUSTER* and ChemClear.

As Australia's only national, independent, member-based, grain producer organisation GrainGrowers is in a unique position to provide comment on this issue on behalf of our members. The responsible use, monitoring and storage of farm chemicals is important to grain producers, and a chemical management framework must be continued and applied in line with community expectations about safety and responsible environmental management.

Over the last decade, *drumMUSTER* and ChemClear have provided for the collection of 21 million containers and 203,000 litres of non-participating and unidentifiable farming chemicals to assist in reducing the cost of safe disposal for chemical waste-holders. The *drumMUSTER* program currently operates 781 collection sites around Australia, including approximately 36 urban sites. Practices in place on-farm in accordance with *drumMUSTER* can be accredited to provide recognition and certainty to the public about responsible environmental management claims made by the agricultural industry.

AgStewardship has achieved steady improvements across both its stewardship programs; since the last ACCC Authorisation in 2009. Participation by agvet chemical manufactures and suppliers in ChemClear has increased from 72 to 100; and drum collection has increased to around 10.4 million containers compared to 7.6 millions for the five year period prior to that.

These statistics demonstrate the continued relevance and need for these stewardship programs to operate in Australia.

Further, *drumMUSTER* and ChemClear embody the ideals of the Australian Government's *Product Stewardship Act 2011* which provides a framework to ensure we all share responsibility for the products we consume and its impact on the environment.

GrainGrowers supports AgStewardship's claim that the public benefits derived from *drumMUSTER* and ChemClear are substantial and necessary, and outweigh the detriment to the public caused by the 4c/L levy impost on the end user. In the instance of effective chemical stewardship, the environmental benefits extend beyond the agricultural industry, to the wider Australian public.

These stewardship programs allow the agricultural and veterinary (agvet) industry, in partnership with grain growers and government, to self-regulate and address an issue that the market, currently, cannot address. In their absence, there would remain no industry-led mechanism for the safe and environmentally sound collection of the relevant containers and waste chemicals. As a result, agvet chemical users would be required to fund and arrange their own disposal of agvet chemical containers. In such a scenario it can be expected that costs to end-users of disposal would quickly escalate from 4c per litre/kilogram.

It is also likely that the market would be left with a significantly reduced management system, increasing the chances of more containers going to landfill or disposed on-farm.

For the reasons outlined above, GrainGrowers strongly supports the application lodged by AgStewardship Australia Limited and asks that the Commission authorise the imposition of the levy as requested.



Regards,
Mark Allison
Chief Executive Officer