

Review of the Product Stewardship Act 2011, including the National Television and Computer Recycling Scheme



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1 INTRODUCTION

CropLife Australia is the national peak industry organisation representing the agricultural chemical and biotechnology (plant science) sector in Australia. CropLife represents the innovators, developers, manufacturers and formulators of crop protection and agricultural biotechnology products. CropLife's membership is made up of both patent holding and generic Australian and international companies and accordingly, advocates for policy positions that deliver whole of industry benefit. The plant science industry provides products to protect crops against pests, weeds and diseases, which are key to the nation's agricultural productivity, sustainability and food security.

The plant science industry is worth more than \$20 billion a year to the Australian economy and directly employs thousands of people across the country. CropLife Australia is a member of CropLife Asia and part of the CropLife International Federation of 91 CropLife national associations globally.

CropLife and its members are committed to the stewardship of their products throughout their lifecycle, ensuring human health and safety, and the responsible and sustainable management of the environment and trade issues associated with agricultural chemical use in Australia. Our member companies contribute more than \$13 million a year to stewardship activities that ensure the safe and effective use of their products. CropLife ensures the responsible use of these products through its mandatory code of conduct and has set a benchmark for industry stewardship through programs such as **drumMUSTER**, ChemClear® and Agsafe Accreditation and Training.

CropLife welcomes the opportunity to provide input to the review of the *Product Stewardship Act 2011* (the Act). It is critical that any proposed revisions to the Act do not unintentionally diminish the success, effectiveness and efficiency of existing industry stewardship programs. The flexibility that was built into the Act in 2011 to allow voluntary stewardship initiatives, such as **drumMUSTER** and ChemClear®, to 'opt out' and avoid the costs associated with voluntary accreditation must be retained.

CropLife's product stewardship initiatives are designed to be implemented nationwide to facilitate greater consistency in the way crop protection products are used and waste is managed. This model has been extremely successful and accordingly, CropLife supports the proposal to develop a Product Impact Management Strategy to support a shared approach to product stewardship by the Australian, state, territory and local governments.

2 AUSTRALIA'S ROLE IN SUSTAINABLE AGRICULTURE AND FOOD PRODUCTION

The world's population is predicted to increase to 9.7 billion by 2050, requiring an increase in global food production of more than 70 per cent. Providing enough food in the context of production constraints, volatile consumption patterns and a changing climate will be an unprecedented scientific, agricultural, industrial, economic and public policy challenge.

Crop protection products – generally referred to as pesticides and including herbicides, insecticides and fungicides – are crucial to modern farming. According to the Deloitte Access Economics report released in April 2018, 73 per cent of the total value of Australian crop production can be attributed to the use of crop protection products.¹ Without the responsible use of crop protection products, as much as half of the world's food supply could be lost.

By adopting innovative farming practices, such as the sustainable and efficient use of crop protection products, the Australian farming sector will be able to produce more with less, ensuring product longevity and environmental sustainability while strengthening both the Australian agriculture industry and the regional communities that rely on them.

¹ https://www.croplife.org.au/wp-content/uploads/2018/04/Deloitte-Access-Economics-Economic-Activity-Attributable-to-Crop-Protection-Products_web.pdf

3 CROPLIFE MEMBERS RECOGNISE THEY HAVE AN ONGOING RESPONSIBILITY TO ENSURE THE SUSTAINABILITY AND LONGEVITY OF THEIR PRODUCTS

For this reason, CropLife internationally supports the *International Code of Conduct on Pesticide Management* of the Food and Agriculture Organization and the World Health Organization of the United Nations. This Code specifies obligations about the stewardship of agricultural chemicals throughout their lifecycle, from innovation, discovery and development through to ultimate disposal of packaging waste. In addition, CropLife Australia members must also abide by the *CropLife Australia Code of Conduct*. These stewardship schemes specify the obligations of CropLife Australia members, including requiring participation in the **drumMUSTER** and ChemClear® industry stewardship programs.

Additionally, many CropLife members engage in significant supplementary stewardship of their products, which ensures that the products sold by a company are being used in accordance with all the conditions and precautions necessary for that product.

Collectively, these controls help maintain the sustainability of Australian agriculture by responsibly and efficiently managing farm inputs. The **drumMUSTER** and ChemClear® industry stewardship programs also address environmental and health and safety concerns by disposing of, and recycling farm chemical waste. To date, **these programs** have collected and disposed of more than 31.8 million chemical containers and 325,654 litres of obsolete or unwanted chemical nationally, with 38,160 tonnes of materials recycled into re-usable products. It is important to recognise that these programs are undertaken voluntarily by industry, not through any regulation, again reinforcing how the issues of environmental sustainability are culturally entrenched both in Australian and global agriculture.

CropLife supports the current, flexible and practical approach of the Act, which allows for industries and products to be regulated in several ways, including voluntary accreditation. It is essential that the review of the Act maintains this flexibility and practicality.

Flexibility is important as there is no one 'correct' approach to stewardship. For example, performance measures that set a target number for recycling would not work for agricultural chemical products. For these products, it is important that containers be collected from remote rural locations, and a focus on achieving a target number would result in collections occurring in near urban areas to the detriment of remote rural areas where containers and unwanted chemicals could accumulate. For CropLife's participants in initiatives such as **drumMUSTER** and ChemClear®, this outcome would be unacceptable.

CropLife recognises that the Act takes a voluntary approach that does allow schemes like **drumMUSTER** and ChemClear® to 'opt out' and avoid unnecessary regulation. CropLife's concerns in 2011 that any benefits of voluntarily requesting accreditation under the Act for existing stewardship programs would be exceeded by the costs of participation remains valid. This is a significant barrier that has, presumably, limited the number of schemes self-selecting to be voluntarily accredited.

drumMUSTER and ChemClear® regularly and publicly report their performance, providing all stakeholders with assurance that the schemes are achieving their stated objectives with respect to the end-of-life management of crop protection products. Accordingly, CropLife maintains the position that additional regulation of existing voluntary stewardship initiatives under the Act would offer no benefit to stakeholders or enhance the ability of the programs to meet their objectives. Instead, additional reporting would merely serve to increase costs through increased administration.

As outlined in CropLife's submission to the development of the Act in 2011, **drumMUSTER** and ChemClear® are funded by an industry levy. Imposition of this levy is authorised by the Australian Competition and Consumer Commission (ACCC), which ensures that there is a net benefit to the community from imposition of the levy. This authorisation is regularly reviewed to ensure the benefits of these schemes remain and that the projected anti-competitive impact remains acceptable. In contrast, accreditation of product stewardship arrangements in accordance with the provisions of the Act would significantly duplicate the regulatory scrutiny of the ACCC.

Any potential increase relating to the costs of regulatory compliance for product stewardship schemes will have one of two consequences. As resources are directed to complying with rigid, bureaucratic monitoring and reporting provisions, resources that can be deployed to collecting, recycling and disposing of empty containers and unwanted chemicals will be reduced. If excessive, the ultimate sustainability of the program may be threatened. Alternatively, should existing levies be increased to reflect the increased regulatory compliance costs, the relative benefits to the community may be outweighed by the anti-competitive cost, requiring the ACCC to withdraw its authorisation of the program.

CropLife maintains that where a product stewardship scheme has been reviewed and authorised by the ACCC, no further scrutiny by the Department of the Environment and Energy is justified.

CropLife supports the maintenance of the Minister's product stewardship list of products being considered for some form of accreditation or regulation under the Act, noting that the agricultural chemical industry is proactively engaged in developing and maintaining stewardship initiatives that ensure the safe, effective and sustainable use of their products, as described above.

4 CONCLUSION

The Act currently provides for a flexible and practical approach to product stewardship by recognising that each product, material and industry is unique. It allows for industries and products to be regulated in several ways, including voluntary accreditation. It is essential that the review of the Act maintains this flexibility and practicality.

Because of the wide variety of farming systems and circumstances throughout Australia, growth in agriculture will only be delivered by enabling farmers to make management choices and decisions that best suit their individual circumstances. Any decisions made by farmers in consideration of their circumstances can support both improved productivity and environmental sustainability. Regulatory environments in Australia that support agriculture and food production must continue to allow farmers to make decisions in the best interests of their own business. By providing farmers with a range of product stewardship initiatives, CropLife and our members are enabling farmers to adopt any of a range of farming systems, or a combination of them, whilst ensuring the product longevity and environmental sustainability of their operations.

CropLife and its members are committed to supporting all farming systems in Australia by providing farmers with the innovation, technologies, tools and products they need to ensure productive, profitable, sustainable and innovative farming practices. It is essential that government works with industry to create efficient nationally harmonised regulations and legislation that is commensurate with real risk, and maintains the ability for Australian farmers to access the latest innovative tools in plant science.