

Standing Committee on Industry, Innovation, Science and Resources Inquiry into Australia's Waste Management and Recycling Industries



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, small and large companies. Accordingly, CropLife only advocates for policy positions that deliver whole of sector benefits. The plant science industry, worth more than \$20 billion a year to Australian agricultural production, provides products to protect crops against pests, weeds and diseases, which are key to the nation's agricultural productivity, profitability and sustainability.

CropLife welcomes the opportunity to provide comment to the Standing Committee on Industry, Innovation, Science and Resources Inquiry regarding Australia's waste management and recycling industries (the Inquiry).

Australia's role in sustainable agriculture and food production

The world's population is predicted to increase to 9.8 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 fungicides, herbicides and insecticides) are crucial to modern farming. According to a 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 by the nation's farming sector.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 the industry.

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

A whole-of-lifecycle approach to stewardship

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 millions of dollars each year on stewardship activities to ensure the safe and effective use of their products. CropLife ensures the responsible use of these products through its mandatory industry code of conduct and has set a benchmark for industry stewardship through programs such as **drumMUSTER**, ChemClear® and Agsafe Accreditation and Training.

In 1993, CropLife Australia established a dedicated wholly-owned not-for-profit organisation, Agsafe, to operate the **drumMUSTER** and ChemClear® programs. This stands as an ongoing testament of CropLife's and our member companies' commitment to whole-of-lifecycle product stewardship.

2 A RESPONSIBLE INDUSTRY

CropLife members recognise they have an ongoing responsibility to ensure the sustainability and longevity of their products. For this reason, CropLife 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. This Code specifies 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 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 34 million chemical containers and 714,679 litres of obsolete or unwanted chemical nationally, with 38,000 tonnes of materials recycled into reusable products. The *2017-18 Australian Plastics Recycling Survey* reported that just 7 per cent of agricultural plastics are currently being recycled. While this figure is concerningly low, the **drumMUSTER** program accounts for almost one-third of all agricultural plastics being recycled in Australia.²

It is important to recognise that these programs are undertaken voluntarily by industry, not through any regulation. The voluntary, industry-led approach to the stewardship of waste management facilitates a proactive environment in which the programs can be updated and improved without requiring government oversight, which can be costly and move at a very slow pace. For example, CropLife Australia's mandatory Code of Conduct is currently being amended to require all member companies to ensure that Intermediate Bulk Containers (IBCs) in which products are supplied are part of a returnable scheme. This amendment is being made ahead of an audit being conducted by the Australian Packaging Covenant Organisation to assess adherence to the *National Environmental Protection Measure (Used Packaging Materials) Measure 2011*.

² <https://www.environment.gov.au/protection/waste-resource-recovery/publications/australian-plastics-recycling-survey-report-2017-18>

This flexibility is important as there is not 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. A focus on achieving a target number would instead result in collections occurring in near urban areas to the detriment of remote rural areas where containers and unwanted chemicals could accumulate.

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. **drumMUSTER** and ChemClear® regularly and publicly report their performance, providing all stakeholders with an assurance that the schemes are achieving their stated objectives with respect to the end-of-life management of crop protection products.

CropLife supports the voluntary approach taken in the *Product Stewardship Act 2011*, which allows recognised, established schemes such as **drumMUSTER** and ChemClear® to 'opt-out' and avoid unnecessary regulation. Any benefits of voluntarily requesting accreditation under the *Product Stewardship Act 2011* for existing stewardship programs would be exceeded by the costs of participation. Increased costs associated with regulatory compliance for product stewardship schemes would likely have one of two consequences. As resources are directed to complying with rigid, bureaucratic monitoring and reporting provisions, resources that could be deployed to collecting, recycling and disposing of empty containers and unwanted chemicals would 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.

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.

Barriers to waste management and recycling

With regard to treated seed bags and other soft plastics that are used to contain products, there are no current sustainable pathways for recycling in Australia. This packaging type is unable to be recycled due to the (current) inability to remove chemical residue prior to recycling. This causes significant safety issues during the recycling process. As a result, this packaging is currently diverted to landfill. CropLife International's Stewardship Strategy 2025, which will be finalised in February 2020, aims to address this global market failure, by conducting feasibility studies to expand collections to seed bags and other soft plastic packaging materials used for crop protection products. CropLife Australia will be actively monitoring these feasibility studies so that any viable and sustainable programs can be assessed for implementation in the Australian context.

CropLife recommends the government similarly invest in strategies to assist in the development of innovative waste management and recycling solutions for packaging materials that do not fall within current recycling pathways. From our more than 20 years of direct and successful recycling programs for our industry's products and containers, it is clear that provision of substantial up-front establishment funding is one of the key contributors to success, which government is best positioned to provide.

3 CONCLUSION

CropLife and our members are committed to supporting all farming systems within Australia by providing farmers with the innovative new technologies they require to ensure sustainable and profitable farming practices. As a part of that commitment, CropLife members recognise they have an ongoing responsibility to ensure that sustainable, cost-effective pathways for recycling packaging material and unwanted or obsolete chemicals are available.

This is why two decades ago we developed, under the Agsafe banner, the **drumMUSTER** and ChemClear® industry stewardship programs for disposing of, and recycling farm chemical waste. The voluntarily nature of these stewardship initiatives highlights that environmental sustainability is culturally entrenched in the agricultural industry.

While these initiatives have been well received by the farming community over the years and provide an invaluable service for the sustainable management of waste in the agricultural chemical industry, CropLife is taking efforts both nationally and internationally to expand the scope of the programs, independently of regulatory requirements. In particular, the amendment to CropLife Australia's mandatory code of conduct to require all member companies to ensure that IBCs in which products are supplied are part of a returnable scheme.

Ensuring that all aspects of packaging and waste can be managed via a sustainable recycling program is extremely important to CropLife and our members. A commitment from the Australian Government to support efforts by industry to expand existing packaging recycling pathways to include insecticide-treated seed bags and other soft plastics would, therefore, be welcome. Current barriers preventing these packaging types from entering recycling pathways will be explored by CropLife International as a part of their global Stewardship Strategy 2025.

CropLife supports the flexible and practical approach to product stewardship currently provided for in the *Product Stewardship Act 2011*. The Act recognises that each product, material and industry is unique, allowing for industries and products to be regulated in several ways, including voluntary accreditation. It is essential that this flexibility and practicality is maintained to ensure that established ACCC authorised stewardship programs can continue to expand and have a meaningful impact on waste management and recycling.

APPENDIX 1: THE PLANT SCIENCE INDUSTRY

CropLife Australia member companies are the innovators, developers, manufacturers and formulators of chemical and biological crop protection products, and agricultural biotechnologies for plant breeding, such as genetically modified crops.

The plant science industry's crop protection products include fungicides, herbicides and insecticides critical to maintaining and improving Australia's agricultural productivity to meet future global food security challenges. Each of these products is rigorously assessed by the Australian Pesticides and Veterinary Medicines Authority (APVMA) to ensure they present no unacceptable risk to users, consumers, the environment and the trade of agricultural produce.

In 1995 it took the assessment of 52,500 compounds to develop one effective crop protection chemical active constituent. It now requires the assessment of more than 140,000 compounds and expenditure of more than \$400 million over an 11-year period to bring just one successful crop protection product to the market. More than one-third of this cost directly relates to compliance with regulation and registration requirements. Without access to these tools, farmers could lose as much as 50 per cent of their annual production to pests, weeds and diseases. A Deloitte Access Economics report released in 2018, *'Economic activity attributable to crop protection products'*, estimates that up to \$20.6 billion of Australian agricultural output (or 73 per cent of the total value of crop production) is attributable to the use of crop protection products.³

Consumer safety is CropLife and our members' highest priority. We recognise the importance of gaining and maintaining community trust in our role in the food production supply chain. CropLife and its members are committed to the stewardship of their products throughout their lifecycle. Significant investment in stewardship activities ensures human health and safety, and the responsible and sustainable management of the environment and trade issues associated with agricultural chemical use in Australia. CropLife ensures the responsible use of these products through its mandatory industry code of conduct and has set a benchmark for industry stewardship through programs such as **drumMUSTER**, ChemClear® and safety training programs run by CropLife's wholly-owned stewardship and safety organisation, Agsafe.

³ https://www.croplife.org.au/wp-content/uploads/2018/04/Deloitte-Access-Economics-Economic-Activity-Attributable-to-Crop-Protection-Products_web.pdf

Crop protection products are crucial to modern integrated pest management techniques and systems used by farmers. Access to fewer crop protection tools would facilitate faster development of resistance among targeted pests, diminishing the efficacy of remaining chemical options. The economic impact of weeds alone is estimated to be over \$4 billion each year, with an impact on the environment that is similar in magnitude.⁴

The current regulatory system for agricultural chemicals in Australia is scientifically competent, technically proficient and globally recognised. CropLife's only concerns with the current system relate to the APVMA's ability to regulate agricultural chemicals more efficiently. It is imperative that the regulation of crop protection products in Australia is efficient and effective to ensure Australian farmers have access to the innovative tools the plant science industry provides. This will improve the ability of Australian farmers to be internationally competitive and productive.

⁴ Australian Weeds Strategy – A national strategy for weed management in Australia. National Resource Management Council (2006), Australian Government Department of the Environment and Water Resources, Canberra, ACT