



**SUBMISSION TO THE AUSTRALIAN GOVERNMENT
DEPARTMENT OF THE ENVIRONMENT, WATER,
HERITAGE AND THE ARTS ON
THE CONSULTATION PAPER ENTITLED**

A NATIONAL WASTE POLICY: MANAGING WASTE TO 2020

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CropLife Australia Limited
ABN 29 008 579 048
Level 2 AMP Building
1 Hobart Place Canberra ACT 2600
Locked Bag 916 Canberra ACT 2601

Tel 02 6230 6399
Fax 02 6230 6355
www.croplifeaustralia.org.au

1. INTRODUCTION

CropLife Australia (CropLife) welcomes the opportunity to provide comment on the consultation paper: “A National Waste Policy: Managing Waste to 2020” and this submission provides the views of CropLife members on waste management.

CropLife Australia is the voice and advocate of the plant science industry in Australia. As the industry's peak body, CropLife progresses the interests of member companies by engaging with decision-makers and other stakeholders, and influencing the development and implementation of government policies.

CropLife's members invent, develop, manufacture and market most of the crop protection (pesticide) and crop biotechnology products used by Australia's primary producers. These products protect plant yields and improve productivity by controlling weeds, pests and diseases, leading to the production of high quality, affordable and abundant food, fibre and other crops.

CropLife and its member companies are committed to safety, stewardship and quality. We lead industry efforts to demonstrate this commitment with the following practices:

- Safety – protecting human health and the environment through a rigorous and science based regulatory process, the adoption and promotion of Good Agricultural Practice and the correct use of products according to label directions;
- Stewardship – responsibly and ethically managing industry products throughout their life cycle; and
- Quality – consistently producing products of the highest standard that meet registration specifications.

CropLife, through its subsidiary Agsafe, operates two programs under the Industry Waste Reduction Scheme (IWRs). These programs are designed to manage the human health and environmental risks associated with the waste products of the agricultural and veterinary chemical industry. The two programs are:

1. **drumMUSTER**[®], which provides for the collection and recycling of empty agricultural and veterinary chemical containers; and
2. ChemClear[®], which provides for the collection and safe disposal of old, unregistered and unwanted agricultural and veterinary chemicals.

These programs are cost effective, successful and supported by governments and industry. The programs have seen the safe recycling and disposal of over 13 million agricultural and veterinary chemical containers, creating over 17,500kg of recycled material, as well as the collection of over 148 tonnes of chemicals for disposal. In January 2009, the Australian Competition and Consumer Commission noted that the public benefit obtained from these schemes outweighed their costs and authorised continuation of the levies used to fund these programs.

This submission responds to two key questions contained within the consultation paper, namely:

7. *Australia needs to manage hazardous waste and waste containing hazardous materials over the long term.*
 - *Are there any changes to current arrangements that would improve Australia's capability to safely manage hazardous waste, for example in regard to adequate infrastructure or disclosing the contents of goods and substances?*
8. *There are a number of approaches to product stewardship operating in Australia.*
 - *What, if any, role is there for a national approach, and what would be the costs, benefits, opportunities and focus of such an approach?*
 - *What models might work in Australia?*

The submission outlines how the industry's stewardship programs have been particularly effective in managing agvet chemicals and empty chemical containers at the end of their useful lives. It then highlights those areas where government action is required to ensure the ongoing sustainability of not only these programs, but to also increase the collection and return of empty containers and old and unregistered chemicals.

2. BACKGROUND

In 1990, having identified the need for industry to better manage its packaging waste, the Federal Government directed the rural sector to take action on the management of agricultural and veterinary chemical containers.

The national container management scheme, **drumMUSTER**[®], was consequently developed and implemented to collect and recycle cleaned non-reusable containers above 1 litre/kilogram to 200 litre/kilogram in capacity. The program is funded through a 4 cent per litre/kilogram Industry Waste Reduction Scheme (IWRS) levy on participating manufacturers' eligible chemical products. This levy is then passed on to purchasers at the point of sale.

The ChemClear[®] initiative evolved out of the Federal Government's ChemCollect scheme to collect any unwanted chemicals that had accumulated over time at farm level and facilitate their appropriate disposal. This scheme has resulted in over 148 tonnes of expired, unregistered and unwanted chemicals being collected and disposed. These chemicals would otherwise have presented a serious hazard to people, animals, water sources and ecosystems close to where the chemicals were stored.

In order to prevent chemicals from accumulating again on farms, the agricultural chemical industry established ChemClear[®] to manage the collection and disposal of unwanted and unregistered rural chemicals. The ChemClear[®] program is also funded through the IWRS levy.

Each of these stewardship programs addresses the human health and environmental risks associated with improper disposal of agricultural chemical containers and unwanted, expired or unregistered pesticides. Old containers and pesticides can potentially contaminate water and land and present unacceptable health risks to humans and animals.

The **drumMUSTER**[®] and ChemClear[®] programs address these issues by providing a safe and effective collection mechanism to divert these waste streams from traditional disposal methods such as landfill or incineration.

The schemes are successful, well utilised and efficient. They effectively manage a human health and environmental risk efficiently, without government intervention.

3. ISSUES

While these schemes represent the best available stewardship approaches for this risk, ensuring greater uptake of **drumMUSTER**[®] and other product stewardship schemes for agricultural chemical containers will further reduce the risks from used containers. Currently, not all Australian manufacturers and importers of chemical products participate in the scheme and not all chemical containers that fall within the scheme are collected.

CropLife believes some of the reasons for this are:

- Some state/territory jurisdictions still permit burning of used containers on farms as a disposal method. CropLife considers that this is not a best practice disposal method and should be discouraged as there are better options available; and
- Collection in urban areas is less successful. This may be in part because of less knowledge of the scheme, but also because of a greater likelihood that chemical containers are being diverted into council and commercial landfill sites.

The ChemClear[®] program has different challenges. The program is cross-subsidised by contributions from the **drumMUSTER**[®] program. Industry has no information about the amount of unused and unwanted chemicals that need to be collected. Total amounts may be larger than anticipated, undermining the viability of the **drumMUSTER**[®] program.

3. ISSUES (cont.)

Whilst there are different collection models for the ChemClear[®] and **drumMUSTER**[®] programs, both are subjected to significant transport costs. Large geographical distances covered by the programs have an effect on the frequency of services offered in each model. For example, in respect to the ChemClear[®] program, collections are scheduled when an economic threshold of Group 1 chemicals are registered for retrieval. Therefore, collections may be as infrequent as once a year in any state.

For **drumMUSTER**[®], whilst there are 720 collection sites in some areas, this is still not regarded as sufficient.

In 2007 URS Australia was engaged to review the **drumMUSTER**[®] and ChemClear[®] programs. Whilst URS Australia concluded that the current arrangements for the programs exhibited a number of design features that are contributing to their effective delivery, there are a number of issues that need to be addressed. These include:

- Perceived low rates of collection, with a lack of knowledge about how and where the remaining containers are disposed;
- The need to increase the coverage of **drumMUSTER**[®] in urban and peri-urban areas; and
- The need to gain ongoing support from a range of stakeholders so that the programs have the capacity to process the expected increase in return rates of agricultural and veterinary chemical containers if all such containers were disposed of appropriately.

Further studies conducted by MARS Research confirmed similar results to the URS study and concluded that around 38% of the containers sold into the agvet chemical market are returned into the **drumMUSTER**[®] program.

Findings indicated that end-users continue to dispose of containers through landfill and local government transfer stations, as well as through the use of industrial skip bins provided by private waste management groups. While there is a strong case that farmers are re-using many of the containers on farm for legitimate purposes such as floats, tree guards and storage containers, many containers are still being disposed of in an inappropriate and potentially harmful way, including burial of containers in areas other than landfill, dumping and burning.

Action by all Australian governments is necessary to minimise these potentially harmful disposal methods.

4. RECOMMENDATIONS

CropLife believes there are additional activities and policies that state and territory governments could implement to further reduce the risks associated with unwanted agricultural chemicals and their containers.

In addition to addressing the human health and environmental risks associated with unwanted agricultural chemicals and used containers, there are significant benefits in diverting this hazardous waste from landfills. Increasingly, waste streams are being seen as opportunities for resource recovery. By removing a potential contaminating product from that waste stream, **drumMUSTER**[®] ensures that the potential resource value of the waste resource is maintained, maximising opportunities for resource recovery.

Product stewardship and extended producer responsibility schemes are becoming more common as a cost effective and efficient way to manage the risks associated with products throughout their life cycle from manufacture through distribution, sale, ultimate use and disposal. There are already several schemes operating in Australia. Mostly, these are voluntary schemes similar to the IWRS and are designed to address waste management issues.

Voluntary product stewardship schemes have been implemented, or are in the process of being implemented for tyres, mobile phone, vinyl and many electronic and electrical products. They are rarely supported by legislation.

4. RECOMMENDATIONS (cont.)

However, there are two product stewardship schemes supported by legislation. These are schemes for oil recycling and synthetic refrigerant gases, supported by the *Product Stewardship (Oil) Act 2000* and the *Ozone Protection and Synthetic Greenhouse Gas Management Act 2003*, respectively. These schemes establish mechanisms to promote the proper disposal of their targets.

All product stewardship schemes are designed to redirect the waste stream to manage undesirable impacts. For oil, this is largely to prevent water and land contamination. For refrigerants it is to prevent damage to the atmosphere from chemicals that both deplete the ozone layer and are potent greenhouse gases.

Regulatory based schemes that require all operators within an industry to participate have two clear benefits. Firstly, they ensure all industry participants are competing on an even playing field. No one individual or organisation is given a price advantage from being able to avoid participation in a stewardship scheme. Secondly, if properly designed, they can ensure that there are no “free riders” or industry participants who obtain benefits from the scheme without paying the cost of the services provided.

However, regulatory schemes do have the disadvantage of additional cost associated with their administration. Regulatory backed schemes require governments to administer and monitor them, often resulting in higher membership fees and greater reporting requirements along with the potential for punitive penalties for non-compliance or non-membership.

Regulatory schemes also face particular challenges under National Competition Policy. Care needs to be taken to ensure that they are not anti-competitive. In many cases, while the schemes themselves do have an anti-competitive impact, their public benefits are considered to outweigh any anti-competitive effects.

In contrast, industry schemes often have lower operating costs, as they may not have the same level of compliance and assurance. Because of their voluntary nature, they often do not have subscription levels as high as regulatory schemes. However, voluntary schemes are at a higher risk from free riders.

Recommendation 1: Mandatory participation in an EPR scheme for all pesticide producers

Despite these issues, CropLife considers there is an opportunity to significantly reduce the human health and environmental impacts associated with the disposal of empty pesticide containers. CropLife suggests better outcomes could be achieved by requiring all agricultural and veterinary chemical manufacturers, formulators and importers to participate in an extended producer responsibility scheme such as the IWRS offers.

Currently, not all agricultural and veterinary chemical companies in Australia participate in the **drumMUSTER**[®] program. As these companies do not pay the IWRS levy, their containers are not eligible for collection, recycling or disposal.

It is a requirement of CropLife membership to participate in the **drumMUSTER**[®] program. However, CropLife does not specifically advocate universal participation in the **drumMUSTER**[®] program, as this would likely be seen as anti-competitive. However, if participation within a scheme was a regulatory requirement, then manufacturers would have several options to comply, including:

- Participation in an existing program such as **drumMUSTER**[®] and ChemClear[®];
- Establishing a new proprietary program for their products, either individually or in collaboration with other producers; or
- Adopting alternative distribution methods that also address the issue of container disposal, such as the use of returnable containers that go back to the manufacturer for refilling, or are delivered in 1000 litre IBCs, which are recovered by the IBC manufacturer.

4. RECOMMENDATIONS (cont.)

Recommendation 1: Mandatory participation in an EPR scheme for all pesticide producers (cont.)

CropLife considers that there are significant health, safety, environment and competition benefits to be obtained from adopting these measures. These include:

- Significantly decreasing the amount of containers that are disposed of either through landfill, burning or other inappropriate means;
- Ensuring that all manufacturers and producers are competing on an even playing field. Currently, **drumMUSTER**[®] participants are at a price disadvantage due to the levy. By requiring all industry participants to engage in a similar product stewardship scheme, any anti-competitive impact will be removed; and
- Reducing waste by increasing the concentration of a range of liquid formulations.

Recommendation 2: Regulatory amendments to ban the disposal of containers in potentially harmful ways

drumMUSTER[®] and ChemClear[®] have been established to manage impacts associated with the improper disposal of chemicals. These programs give chemical users clear procedures and processes for disposing of unwanted chemical and containers. Despite this scheme, there is still significant evidence that many containers are being disposed of in harmful ways that include:

- burial of containers in locations other than landfill;
- dumping; and
- burning.

National consistency is required to address this problem. For the most part, state and territory legislation and local government regulations ban the burning of containers, however, some jurisdictions still permit burial for disposal. This is particularly the case in more remote parts of Australia where **drumMUSTER**[®] collections are less frequent.

CropLife considers that continuing to permit these alternative disposal options merely undermines the sustainability of an effective program. In addition to the benefits that would accrue from nationally consistent rules for the disposal of agricultural and veterinary chemical containers, a clear policy statement that container burial is inappropriate would minimise health and environmental risks while maximising the sustainability of the **drumMUSTER**[®] program. CropLife will continue to promote this approach and would welcome a clear and supportive policy decision.

In addition to requesting that the APVMA review label instructions associated with the potential disposal of products, state, territory and local governments should ensure that they have the appropriate regulations in place to prohibit the disposal of used agricultural and veterinary chemical containers via landfill. Consistency between label instructions, state legislation and local government regulation will assist in significantly increasing the proportion of containers that are collected and recycled.

Recommendation 3: Better support for the program from Australian Governments

Responsibility for the proper management of agricultural chemicals in Australia is shared between industry, users and all levels of Government. Better outcomes in chemical management could therefore be achieved through better support for the existing product stewardship initiatives from State, Territory and local governments.

The IWRS program is well supported by local governments around Australia. However, it would benefit from stronger support by state, territory and local governments. Container collections in urban and peri-urban areas are significantly lower than in rural and regional locations. Reasons for this are varied, but research indicates that the availability of alternative disposal mechanisms (such as disposal to commercial skip bins), as well as a lower awareness of the programs' availability to service these areas has led to lower participation rates.

4. RECOMMENDATIONS (cont.)

Recommendation 3: Better support for the program from Australian Governments (cont.)

Greater support of the IWRS by local governments in urban and peri-urban areas would further increase collections from urban environments, as would improved awareness programs. Support from state and territory and local governments could usefully include:

- establishing additional collection points within urban and peri-urban areas;
- where necessary, implementing regulatory controls to prohibit disposal of containers and chemical to landfill; and
- participating in community education programs designed to increase awareness of the program.

Ensuring sustainability of the stewardship schemes

Ongoing and effective outcomes from any stewardship scheme are dependent on its sustainability. For programs such as **drumMUSTER®** and ChemClear®, this includes ensuring that only containers that have had their IWRS levy paid can be recycled through the schemes.

Care needs to be taken to protect the integrity and financial sustainability of the schemes by preventing 'free riders'. It is for this reason that this paper recommends that all manufacturers of agricultural and veterinary chemicals participate in a stewardship program. This would reduce pressure on the IWRS to subsidise the disposal and recycling of competitors' waste products, while also resulting in significant human health and environmental benefits.

Recommendation 4: Additional funding for ChemClear® Group 2 collections.

The sustainability of both the **drumMUSTER®** and ChemClear® programs is threatened by an unknown liability from Group 2 classified chemicals. Chemical collections under the ChemClear® program are divided into two groups:

- **Group 1 Chemicals:** are currently registered agricultural and veterinary chemicals manufactured by members of CropLife, the Animal Health Alliance (Australia) Limited or the Veterinary Manufacturers and Distributors Association and other participating manufacturers of the IWRS.
- **Group 2 Chemicals:** are
 - Agricultural and veterinary chemicals whose registration has expired (including organochlorine and arsenical insecticides), and
 - Rural chemicals as determined by APVMA registration, not manufactured by participants of the IWRS, or
 - Unknown, unlabelled or mixed rural chemicals.

Group 1 chemicals are manufactured by members of the IWRS and their collection and disposal is funded from the 4 cent per litre/kilogram IWRS levy. These chemicals are collected free of charge.

In contrast, Group 2 chemicals are those not manufactured by members of the IWRS, or out of date, deregistered or unknown chemicals. Waste holders of Group 2 chemicals are charged to dispose of these chemicals if they choose to utilise the service. While some state governments offer subsidies to mitigate this cost for primary producers, disposal costs to other chemical waste holders and to primary producers when the collection is not subsidised, is a significant barrier to collection.

4. RECOMMENDATIONS (cont.)

Recommendation 4: Additional funding for ChemClear® Group 2 collections (cont.)

Old and unregistered chemicals present perhaps the most significant risks to health, safety, trade and the environment. The significance of these risks previously led to the Federal Government introducing the ChemCollect program as a one-off programme to minimise the impact of these chemicals on the environment.

The ChemCollect program was completed in 2002. At this time, the belief was that waste holders had delivered all existing hazardous chemicals for disposal. However, in the intervening years this has been demonstrated not to be the case. Instead, currently there are over 80,000 litres/kilograms of Group 2 chemicals currently awaiting collection. Removal of these chemicals would represent a significant reduction in the risks that they present.

The *ChemClear*® program has the infrastructure necessary to be able to collect these chemicals. There is a significant opportunity for Australian Governments to contribute to the disposal cost of Group 2 classified chemicals at the time of Group 1 collections and thereby reduce risk.

5. CONCLUSIONS

CropLife and its member companies take responsibility for their products from the point of manufacture through to ultimate disposal and recycling. To this end CropLife, in collaboration with other industries, has established two schemes to manage chemicals and containers at the end of their life. The **drumMUSTER** and ChemClear® programs are currently effective, sustainable and well supported by key stakeholders. To date, over 13 million containers have been collected and recycled and 148 tonnes of chemical disposed.

However, there are opportunities for Australian governments at all levels to take action that will considerably reduce the risks posed by old, unregistered and unwanted farm chemicals and used chemical containers.

If adopted, the recommendations contained within this paper will result in a comprehensive regime for the management of agricultural and veterinary chemicals and their containers at the end of their life cycle, and in doing so significantly reduce the risks to human health, trade and environment from improper disposal and stockpiling.