



## **SUBMISSION**

**GPA response to the ACCC consultation regarding the application by AgStewardship Australia to increase the drumMUSTER and ChemClear levy.**

Addressed to:

Submissions on the substantive application for re-authorisation should be emailed to:

[adjudication@acc.gov.au](mailto:adjudication@acc.gov.au)

Reference "AA1000429 – AgStewardship – submission".

September, 2018

## Overview

Thank you for the opportunity to participate in the assessment of AgStewardship Australia application to increase the drumMUSTER and ChemClear from 4 to 6 cents per litre.

In preparing our submission GPA have had a number of discussions with our Policy Council regarding the levy, both the drumMuster and ChemClear programs and the information provided in the ACCC application.

There is general support for aims of both programs and the need for additional funding via an increased levy, however GPA and its members believe that as the representatives of the farmers, ultimately paying the levies, there needs to be greater transparency regarding the running of the program. There were concerns raised by our members about the lack of information regarding the business strategy for the program that we believe need to be addressed.

There is also concern that throughout the AgStewardship application, farmers are not recognised as the levy payers. They are referred to as the end users, acknowledged briefly as ultimately paying the levy but not considered as part of the impact analysis regarding either the levy or the programs the levy is used to fund. We feel this is ultimately a weakness in the application and is disrespectful to the farmers. They should be considered the major stakeholder in any consideration of changes to the levy.

Whilst the proposed increase in the levy is calculated out at the price point for end users, the analysis of the impact on levy payers is restricted to the chemical manufacturers.

***Question: In assessing the public benefits or costs of the levy does the ACCC consider farmers to be the levy payers or are they considered to be part of the general public benefiting from the programs they ultimately fund?***

The way in which the impacts on farmers is assessed and the accountability to farmers for the running of the programs, the recognition that farmers are funding a significant public and environmental benefit and ultimately the recognition that it should be farmers not manufacturers who are considered the levy payers is key to the concern GPA has regarding the assessment of the application.

## **Issues GPA would like ACCC to ensure are addressed during consideration of the levy increase.**

Prior to supporting the levy increase GPA would like to reiterate the requests made by our members for additional information regarding:

- Business strategy for increased levy
- Business case and the evidence collected by AgSafe to support the business case
- Additional data about the collection points in each State
- The process to ensure the program is responsive and accountable to farmer requirements
- Service proposal/improvements to the current program
- Plans to prepare and adapt to the changes across the world re plastic recycling

While some of the information has been briefly alluded to in the ACCC application we feel that additional detail should have been able to be provided to the farmer representatives (State Farming Organisations) upon request to allow more thorough consideration of the levy increase and the programs supported by the levy.

The application outlines concerns regarding the need for additional secure funding to avoid the program using up reserves. GPA would like to be provided with a clear business case for how the increased levy will be used and how any concerns about the programs will be prioritised and addressed.

### **Accountability to growers**

Concern was raised about the lack of recognition of growers as the ultimate levy payer within the AgStewardship submission to ACCC. While the cost implication of the levy increase is calculated on a per litre basis with the justification that it will ultimately be a small per litre increase to farmers using the products, farmers are not considered the levy payers under the scenario. They ultimately pay for the program but have limited influence over the running of the program and there is limited accountability back to the farmer levy payers.

While the program is run by AgStewardship which has a Board member with farming background (NFF) there is some concern regarding the complete lack of grower representation on the Board or within the structure of AgSafe.

### **Back ground: Grain Producers Australia**

Grain Producers Australia (GPA) represents Australia's broadacre, grain, pulse and oilseed producers at the national level. Grain Producers Australia works to foster a strong, innovative, profitable, globally competitive and environmentally sustainable Australian grains industry. Representing 5200 farm businesses, it strives to represent Australian grain farmers nationally and internationally in their contribution to sustainable development and society. Working with its members – state farm organisations and farmers across the grain production area of Australia - GPA advocates for sound outcomes that deliver a positive commercial result. GPA is a not-for-profit company limited by guarantee. It is governed by a board, elected by its members.

The objectives of GPA are to:

- Provide a strong, independent, national advocate for grain producers based on a rigorous and transparent policy development process.
- Engage all sectors of the Australian grains industry to ensure operation of the most efficient and profitable grain supply chain.
- Facilitate a strategic approach to research, development and extension intended to deliver sound commercial outcomes from industry research.

The GPA policy council, is strategically focused on three pillars of economic development, social responsibility and environmental management.

Our policy council includes representatives from State Farm Organisations including:

- Agforce Grains
- Grain Producers SA
- NSW Farmers Association
- Victorian Farmers' Federation Grains Group
- Tasmanian Farmers and Graziers Association
- WA Farmers
- WA Grains Group

GPA manages the biosecurity program for the grains industry through Plant Health Australia and is a joint Representative Organisation (RO) responsible for overseeing the performance of the Grains Research and Development Corporation (GRDC).

### **GPA and AgVet chemicals**

GPA has been engaged for many years in cross industry discussion in relation to increasing market failure of commercial investment in agricultural pesticides and veterinary medicines (AgVet) in Australia.

GPA has taken a leading role in the development of AgVet chemical policy at both a State and Federal level and has been part of the policy development process for some significant developments within the field.

In addition to participating in the ACCC process, GPA is engaging directly with AgSafe regarding our concerns and looks forward to the ACCC thoroughly examining the application and addressing the concern of the farmers who both pay for and utilise the drumMuster and ChemClear programs.

If you would like to discuss any of these comments and suggestions further in detail, please contact me on email [andrew.weidemann@grainproducers.com.au](mailto:andrew.weidemann@grainproducers.com.au) or 0428 504 544.

Yours sincerely

A handwritten signature in black ink that reads "Andrew N Weidemann". The signature is written in a cursive style with a long horizontal flourish at the end.

Andrew Weidemann  
Chairman  
Grain Producers Australia