



14/09/2018

ACCC
23 Marcus Clarke Street
Canberra ACT 2601
GPO Box 3131
Canberra ACT 2601

Sent via email: adjudication@acc.gov.au

Dear Sir or Madam,

WAFarmers welcomes the opportunity to have input into the application from AgStewardship Australia to the ACCC to increase the drumMUSTER and ChemClear program Levy from 4 cents/Litre to 6 cents/Litre.

At this stage, WAFarmers supports the need for additional information surrounding the future of the program, with more transparency around the strategic direction and an improved business model provided to industry stakeholders prior to the levy increase.

WAFarmers has concerns over the challenges that exist with the current program and questions the improvement strategies that will be implemented for the future success of the program. The concerns relate directly to the current collection sites, particularly those in remote Western Australian locations and the strategy that will be further implemented to focus on farmer and community engagement and education on the services available to them.

The removal of unwanted chemicals is a benefit to growers and the broader public, and WAFarmers supports any initiative aimed to minimise chemical waste. However the performance of the program provided in documentation from AgSafe appears to have remained relatively stagnant in recent years; and WAFarmers has received feedback from members that the collection sites remain inconvenient due to reaching capacity during the designated collection timeframe.

Furthermore, the Western Australian market is unique in that a higher proportion of bulk containers are used by growers. There has been an increased preference from Western Australian farmers for chemical supplied by manufacturers in 1000L IBC's and 100-110L enviro-drum recyclables over the eligible containers that currently meet the drumMUSTER criteria. Many farmers simply return these recyclables directly to the manufacturer or through their supplier.

Whilst Western Australian farmers still use smaller containers (20Litres and under), larger recyclables are becoming increasingly popular. The WA Industry has also seen an increase in imported plastics preferred by some manufactures. The influence of these containers within the WA market sparks concerns about the relevance of the program as it currently stands. Many of these containers do not fit drumMUSTER's current recycling criteria, making these imported and larger containers ineligible for recycling.

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Although the levy increase will enable the continued viability of the two programs, WAFarmers proposes that AgStewardship's application to the ACCC is withdrawn and the current levy of 4cents/Litre remains in place until the following details can be provided to farmer representatives and State Farming Organisations:

- A clear business model is provided outlining the programs future strategy
- A detailed Cost Benefit Analysis is provided in conjunction with the forecasted improvement strategy
- The future marketing model is provided to Farming Organisations
- Additional data on collection site usage and uptake is also provided

Whilst WAFarmers has received some financial information on the drumMUSTER and ChemClear programs from AgSafe, WAFarmers proposes that the levy should not be increased until these other requests are further investigated in detail by State Farming Organisations and Grains Producers Australia (GPA).

WAFarmers is in support of GPA's submission to the ACCC and WAFarmers feels that further information is necessary to allow a more comprehensive review as it ensures that the proposed levy increase will be supported by a viable and well strategised program that is beneficial for our industry.

Many thanks and I look forward to a response.

Yours faithfully,

A handwritten signature in black ink that reads "D.P. Young".

Mr. Duncan Young

Grains Section President