



SUBMISSION

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

Addressed to:

Submissions on the draft determination:

adjudication@accc.gov.au

Reference "AA1000429 – AgStewardship – submission".

November, 2018

Thank you for the opportunity to respond to the ACCC Draft Determination regarding AgStewardship Australia's application to increase the drumMUSTER and ChemClear from 4 to 6 cents per litre.

GPA would like to express our disappointment the ACCC did not appear to give due consideration to the number of concerns we expressed in our previous submission about the quality of information provided in the AgSafe application.

The weaknesses of the process followed by the ACCC, which allowed a decision to increase the levy without any of the conditions requested by the farming groups, representing the ultimate funders of both the drumMUSTER and ChemClear programs, is of grave concern to the GPA.

As we articulated in our previous submission while there is general support for aims of both programs and the need for additional funding via an increased levy, 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 needed to be addressed and should have been supported by the ACCC.

GPA requests a meeting with the ACCC to discuss the limitations of the ACCCs ability or willingness to give due consideration to the concerns expressed our in previous submission.

Questions:

Are the limitations in the role of the ACCC hampering their ability to make determinations which give due weight to the concerns of farmers?

In assessing the public benefits or costs of the levy why wasn't the ACCC able consider farmers to be the levy payers, are limitations of definitions impacting the ACCC decision making matrix?

Why were farmer concerns given such limited weighting compared to the public good aspects considered to be part of the general public benefiting from the programs ultimately funded by farmers?

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

Due to the lack of consideration given to our concerns by the ACCC, GPA approached Croplife and drumMUSTER (who contract AgSafe) to put in place some mechanisms to ensure greater accountability to farmers. GPA has taken this action due to inaction and a lack of support from the ACCC.

The industry has indicated a willingness to put in place a number of mechanisms to provide us with the information required in order for our members would be able to support the levy increase.

A formal consultation process will be put in place by the farming industry in cooperation with CropLife, drumMUSTER/AgSafe to ensure the development of:

- A business strategy for the use of the increased levy
- A project to prepare the business case and collect evidence to support the business case
- Additional data about the collection points in each State
- A process to ensure the program is responsive and accountable to farmer requirements

- Greater accountability to farmers for the service proposal/improvements to the current program
- A project to develop plans to prepare and adapt to the changes across the world re: plastic recycling

If you would like to discuss any of these comments and suggestions further in detail, please contact me on email [REDACTED] or [REDACTED].

Yours sincerely



Andrew Weidemann
Chairman
Grain Producers Australia