

# **TAPG submission to the COAG Review of Hazardous Materials**

## **Comments on draft discussion paper on the control of chemicals of security concerns**

Graeme Palmer (Agricultural Production Manager, Serve-Ag Pty Ltd) and Michael Hart (Manager, DPIW Vegetable Branch) attended a workshop and review of chemicals of security concern on behalf of TAPG on 15 February 2007. We were asked to provide feedback to the working group by the close of business March 1<sup>st</sup> 2007. Due to the short time frame between the presentation and the closing date we have not had the opportunity to consult as widely amongst other TAPG members or other industry and Government players, but believe we accurately reflect the discussion points and concerns expressed on the day.

In general the comments we make are consistent with those of the NFF and supported by way of letter from the Tasmanian Farmers and Graziers Association and various other stakeholders.

It is best to respond to the draft by way of answering the question posed in the draft.

### **Q1. Possible assessment criteria used for products of security concern.**

Examples were offered for review and it was agreed the proposed establishment of a rating system by product by risk profile was the best approach, which would then rate by priority those products of immediate and greatest concern. Each chemical must be considered on a case by case basis and consideration needs to be placed on volumes sold and size of packaging etc.

### **Q2. What consultation process should be put in place to assess and identify which chemicals are no longer a risk based on concentrations, volumes and formulations?**

This will require expert and technical knowledge not only from govt but industry involvement on review of a number of products, e.g Phosdrin (Mevinphos) is of concern due to its very low LD 50 rating but it is also currently highly regulated where industry needs to keep records of quantities purchased, what area and crops were sprayed and that the grower holds a current Chem Cert license and all of this needs to be kept on file by the reseller.

### **Q3. Are there any other potential security control measures?**

There is an immediate need for government to fully understand current control measures placed on the chemicals before legislating further control measures. There are a number of industry and government joint arrangements for auditing dangerous goods and they are working very successfully, so before reinventing new control measures consultation with industry both private and public is critical.

We believe there are existing commercial practices and quality assurance/ environmental management systems (EMS) in place that have secondary security outcomes. In relation to the commercial practices, resellers have established accounts for all customers. New customers would need to establish their bona-fides through credit checks and provision of ABN numbers. Orders for unusual products and/or unusual amounts would immediately flag concerns.

There is rapid introduction of quality assurance systems in fresh and processed produce that provide tracking facility at a farm level with recording of use rates and inventories of chemical stores. Progressive introduction of EMS is making those requirements more detailed, onerous and expensive, but is good business practice.

**Q4. What information do governments require to fully consider control measures and what is currently existing to obtain this information?**

Many state governments have existing control measures plus access to APVMA website is critical in analysing products of concern plus individual manufacturers have full and complete records of their distribution chain.

See also points from Q 3 above, which can be elaborated through industry contact

**Q5. Other control mechanisms that need consideration?**

Consultation process needs revisiting as on review, Ammonium Nitrate was handled very poorly with a risk analysis was not done for the agricultural sector (it was lumped in with explosives) and rules and legislative process was too onerous for growers, resellers and suppliers to meet.

We need to discuss and consult on all products used by individual industries and provide a risk assessment and evaluation process profile before security controls are implemented.

Sometimes agriculture is singled out as the greatest risk but many control measures are already in place .eg. Eurepgap, Freshcare, individual companies QA processes, and commercial company accounting and trading systems.

What can be of concern for security risks are the hardware and supermarket chains providing an alternative avenue for supply of products of security concern as traceability and supply of goods is far harder than from a registered reseller and supplier of chemicals.

**Q6. Which existing regulatory arrangements should be examined?**

Many agricultural chemicals have come under review over the past 20 years, examples include Mevinphos, Endosulfan, Phosphine and Ammonium Nitrate.

Self regulation and consultation by industry with government bodies have help in having these products available to a restricted group of growers allowing for high

levels of monitoring, record keeping and audits. When asked, resellers and individual growers must keep accurate records of sales and use.

Resellers also must provide a budget forecast for volumes required and months for products to be sold, hence a self regulatory control mechanism is in place to track all stocks around Australia by the suppliers.

Therefore any excessive use by an individual or reseller would potentially highlight a problem when audited or potentially alert the reseller to a possible breach in supply of product.

**Q7. What are the advantages and disadvantages of a self regulated system?**

Agree with the draft overview and summary, however we have a very mature industry and many good things can be taken from a joint government and industry focus.

**Q8. Which security control measures can be managed through industry self regulation?**

1. education and awareness raising
2. packaging and formulations
3. reporting on losses
4. security of transport and storage in transit
5. vetting of people
6. security of premises
7. traceability through supply chain

There are many existing systems and procedures already in place for stock management and inventory control especially where auditing of paperwork is a regulatory requirement, however most companies and growers now have to keep records of what is supplied and applied to all crops. Any flaws in procedures need constant adjustment and review by all parties.

**Q9. What are advantages and disadvantages of Government regulation?**

Disadvantages are that government often reacts to a problem rather than consults eg Ammonium Nitrate, there is a need to review what barriers have been set that has led to zero subsequent use of products associated with government over regulating.

Most Australian agricultural industries are facing very strong global competition from other countries. Invariably, when additional systems (in this case increased security) are established, the producer funds the cost of such systems. Agricultural producers are largely price takers and thus unable to pass on increased cost. Additionally if increased costs are incurred by resellers through increased regulation and compliance, that cost is also passed on to producers, with no ability to recoup through increased product prices. It is arguable that agriculture will bear a disproportionate cost share of society's increased security concerns.

Increased costs will make Australian farmers less able to remain competitive when their overseas competitors either do not face similar regulation and cost or, have the regulation and cost imposed in some cases years in advance of other competing countries.

Advantages are when it consults with industry it may have resources available to train and lead industry through change as long as adequate consultation has occurred with industry.

**Q10. Of the existing regulations identified which of their elements could effectively be applied to help in the security outcome desired?**

Volumes sold by concentration levels by level of risk assessed needs to be fully evaluated prior to making a general overview of the risk potential for security concerns.

Eg. Mevinphos is a highly toxic product but sold in exceedingly low volumes and is already well regulated, whereas pool chemicals are available in large quantities with low levels of control of who and where it goes into the supply chain. Which has the greatest security concern?

Where possible self regulation and documentation of good commercial practice systems should be encouraged rather than government regulation.

**Q11. In section 6 which of the listed approaches may be managed by government regulation.?**

6.1- Industry to provide feedback to government.

6.2- “ “ “ “ “

6.3 - Industry to provide feedback to a security body that will audit and review losses and rate the risk.

6.4- Review existing transport and storage procedures and adjust for security flaws only.

6.5- Vetting is done through credit checks, ABN's and sighting Ag Credited licenses.

6.6 Ag safe currently reviews resellers storage and handling systems as well as staff licenses and currency. Industry is audited through Euepgap, Freshcare and individual company QA processes.

6.7- Traceability through existing supply chain through annual budget forecasts for all products and supplies of chemicals of concern can be audited effectively through resellers accounts payable and receivables. This may not be occurring with the general public and hardware and supermarket access.

6.8- Current procedures need some auditing to see how robust current processes are working regarding trapping products of high security risk.

Gaps in this process may require some government and industry discussions and a mandatory process established, after other options are exhausted.

**Q 12. Is it appropriate to have a combination of industry self regulation and government regulation?**

Yes where products are of great risk current procedures need to be audited with a high level of transparency by all parties and if required another level of control established that will not restrict the further use of a key product that has been safely used for many years.

Mandatory regulations often shut down industry and create too many barriers for industry to meet economically.

Change should only occur if risk management security audit falls over.

**Q13. Any other issues?**

In agriculture do not make rules for some and not others based on ease of regulations to one industry eg growers, resellers and manufacturers versus home gardeners, supermarkets, hardware stores and nurseries.

Review existing systems and procedures that are successfully meeting the criteria set for control of chemicals of security concern and if robust enough process exists do not reinvent a new process that may destroy the economics of a business or enterprise through over regulation.