

QFF MEMBERS

Australian Prawn
Farmers Association

CANEGROWERS

Cotton Australia

Emerging Primary
Industries Group

- Australian Ginger Growers
- Biological Farmers of Australia
- Flower Association of Queensland Inc
- Queensland Aquaculture Industries Federation
- Qld Olive Associations Group

Growcom

Nursery & Garden
Industry Queensland

Qld Chicken Growers
Association

Qld Dairyfarmers'
Organisation

Qld Irrigators Council
Association Inc

Australian Chicken
Meat Council

9 March 2007

CBRN Security Branch
National Security Division
Department of the Prime Minister and Cabinet
3-5 National Circuit
BARTON ACT 2600

Dear Sir/Madam,

Please find attached the Queensland Farmers' Federation submission in response to the Discussion Paper on the Control of Chemical of Security Concern.

My apologies for this late submission, but as we advised your office last week, we have been overwhelmed with activities in recent weeks.

This submission is also lodged in support of the broader submission of the National Farmers' Federation, and we commend that submission to you. One of our member organisations, Growcom, has also made a detailed submission, and QFF lends its support to it, which deals with particular impacts on the horticulture sector in Queensland.

Please contact me should you require further information. QFF would request that we continue to be informed and consulted on any further development of this very important initiative.

Yours sincerely,



John Cherry
Chief Executive Officer

cc. Hon. Peter Beattie, Premier of Queensland
National Farmers' Federation

SUBMISSION IN RESPONSE TO THE DISCUSSION PAPER ON THE CONTROL OF CHEMICALS OF SECURITY CONCERN

The Queensland Farmers' Federation is the peak body representing over 14,000 producers in the intensive agricultural sector in Queensland. Our member organisations include:

- CANEGROWERS;
- Growcom;
- Queensland Dairyfarmers' Organisation;
- Cotton Australia;
- Nursery & Garden Industry Queensland
- Queensland Chicken Growers' Association;
- Australian Prawn Farmers Association;
- Queensland Irrigators' Council

Collectively, the intensive agricultural sector in Queensland generates over \$4.5 billion of produce and employs over 30,000 people.

About this review

QFF welcomes this review process and the multi-stage consultation process proposed. It is essential that any regulation of security sensitive chemicals provide a fair and sensible balancing of actual security risk against the cost and regulatory imposition on business and the community. QFF was very critical of the rushed development, inconsistent implementation and flawed consultative process used in respect of restrictions on security sensitive ammonium. The restrictions proposed for that chemicals have proved to be so onerous and impractical that the chemical has all but disappeared as an input into agriculture. The Banks Review of Regulation noted some weakness in the implementation of that policy and urged a more consultative and commonsense approach be developed for other security sensitive chemicals. The review urged governments to 'explore the use of existing regulatory frameworks....and request an independent analysis of the compliance costs to business, the net public benefit of the proposed arrangements in each case and practical guidance material required to support compliance with new arrangements.'¹ QFF strongly supports these recommendations.

Agricultural chemicals are a major cost input into modern agriculture, with the rural sector spending over \$3.4 billion a year on chemicals and fertilisers, or around 11% of total costs. ABARE data shows that costs have risen markedly in the five years to 2006. Fertiliser costs rose by 15.5%, while chemical costs rose by 11.1%.² A 10% rise in chemical and fertiliser costs would reduce net value of farm production by 16%, highlighting the sensitivity of farm incomes to rises in input costs, particularly given the incapacity for farmers to pass on costs in international and domestic markets.

¹ *Report of the Taskforce on Reducing Regulatory Burdens on Business* January 2006 pp 68-9

² ABARE *Australian Commodities* March 2007 p. 233

Interestingly, the ABARE data indicates that while prices of fertilisers and chemicals have risen, volumes used have fallen sharply, by around 26% for fertilisers and 15% for chemicals over the last five years. This is partly a result of drought impacting on total production, but also a result of improvements in farm practices. The cotton industry estimates that chemical usage has fallen by around 80% due to adoption of the Cotton Industry Best Management Practice Program and biotechnology. The sugar industry estimates that fertiliser application rates have fallen by around 20% due to improvements in knowledge and practices on nutrient management. These changes highlight the importance that industry best management practices programs can have on chemical usage in the rural sector, which could provide a sound base for appropriate self-regulation of further chemical risk management objectives in respect of security issues.

QFF supports the detailed submission by the National Farmers' Federation. Rather than repeating the arguments in that submission, we propose only to highlight a number of issues from a state perspective. QFF also supports the submission by QFF member body Growcom, which provides some detailed information on impact on the Queensland horticulture industry.

Guiding Principles

QFF supports the establishment of a nationally based and coordinated control framework or system that replaces existing state and nationally based chemical control frameworks. This will reduce duplication and inconsistency, and thereby assist industry. Governments, however, need to manage any negative or unintentional consequences of implementing a security control framework to minimise economic harm, and to ensure that one part of Australian society does not end up carrying an unfair cost burden to protect the rest of society from a possible terrorist threat.

QFF strongly endorses the four guiding principles proposed by this review:

- i. risk based approach;
- ii. national consistency and coordination;
- iii. build on existing arrangements, and
- iv. cost effectiveness.

i. Risk based approach

QFF supports the NFF's view that a risk-based approach needs to be flexible based on a 'living list' that responds to genuine security threats. We would also emphasise that, in calculating risk, careful consideration needs to be given to the difference between the threat posed by pure chemical formulations (the basis of the analysis of the discussion paper) and the actual chemical formulations sold to and used by farmers. A risk based approach needs to include an extensive technical testing regime involving manufacturers, users, the APVMA and the State Departments of Primary Industries to determine what risk, if any, is presented by commercially available formulations and how that risk might be managed throughout the entire chemical supply chain. Any proposed measures must be tested both on functionally and cost effectiveness to minimise any negative impacts on industry and based on accurate and robust data that accurately reflects the reasoning behind this designated risk level, and present a practical and common-sense based approach.

ii. National Consistency and coordination

National consistency and co-ordination between Commonwealth and State Governments will be essential to the development of an appropriate process. State Governments should play an important role in the assessment of the practicality of proposed measures, given the exposure of

State Departments of Primary Industries to the rural sector. States should be required to adhere to the guiding principles in developing their input into this review, working with industry on cost effective responses, as well as the technical assessments of specific chemicals and existing arrangements. QFF would propose that joint government/industry working parties be established at the State level to co-ordinate the development of advice from States and industry bodies to COAG, and subsequently to develop nationally consistent implementation plans. Governments might also consider the merits of a national framework training and accreditation requirements relating to chemical use which could help the administrative costs and burdens on industry.

iii. Build on existing arrangements

Existing arrangements should form the core of any regulatory response. Some of these have been detailed in the NFF submission. Key programs include:

- **Agsafe Guardian program**, providing accreditation to 1,664 rural retail premises and competency-based assessment to around 2,500 personnel in the agricultural chemical supply chain;
- **ChemCert training**. All QFF member bodies promote ChemCert training programs to their members, encouraging producers and their staff to develop appropriate competency-based training in the usage of chemicals. ChemCert Training Queensland has a network of accredited Trainer/Assessors throughout the state and more than 52,500 participants have completed the ChemCert Training Queensland accreditation programme.
- **Industry best management practice programs**. QFF member organisations include chemical handling best practices as part of their industry best management practices or Farm Management System programs. The Cotton BMP program, the Dairying Better'n'Better, the Nursery Industry's NIASA and EcoHort programs, the horticulture industry's Farmcare and FreshCare Codes of practice and Growcom FMS and the cane industry's FMS and nutrient management courses all provide training to producers on best practices in the use of chemicals. QFF has signed a memorandum of understanding with the Queensland Government to "recognise industry-led FMS approaches as a key component of the policy mix in delivering profitable and sustainable agriculture in the State."³ The MOU provides for recognition of industry-led FMS programs as being capable of meeting legislative requirements, which is being progressed in respect of land and water management, but could be extended to agricultural chemicals.
- **Chemical industry extension**. Chemical and fertiliser companies are an important source of information to rural industry through labelling and training courses.;
- **Departmental extension staff**. State Department of Primary Industries extension officers provide an important source of information to many rural producers.

These programs at various levels can have a substantial impact on handling and use of chemicals. Augmentation of existing industry programs could achieve significant gains without having recourse to expensive, disruptive and intrusive regulation.

iv. Cost effectiveness

QFF is pleased to note that the COAG document and the related media release from Federal Agriculture Minister Peter McGauran emphasizes the need to be aware of the potential economic and regulatory impact on farmers of changes to the regulation of chemicals.. Consistent with the recommendations of the Banks Inquiry, governments will need to

³ *Memorandum of Understanding between the Queensland Government and the Queensland Farmers' Federation relating to Farm Management Systems* March 2005 clause 2.3

undertake extensive and effective impact analyses to determine the potential impacts of restricting or banning the use of any chemical that is commonly used or has a significant purpose within rural industry.

The extensive nature of the list of chemicals identified as being of security concern has caused considerable anxiety in the rural sector as it covers some of the more commonly used and strategically important chemicals used in the sector. . Many of these chemicals are also commonly used in home gardens. While there may be alternatives for some of the chemicals on the proposed restriction list, these are likely to add to the cost burden of farmers or reduce farm efficiency. An extensive and transparent consultation process within government and industry will be needed to allay these anxieties and develop common sense solutions. Government also needs to be open with producers about the nature of the review process, the steps involved, the opportunities for consultation and input into technical studies and the likely timelines.

QFF would argue that State Departments of Primary Industry, working in partnership with industry, should play a key role in assessing and identifying formulated products as to whether they pose a security risk or not. Obviously Federal agencies such as the APVMA and ASIO will play an important role. However, the practical knowledge of what is happening on the ground and what alternatives (if any) to proposed measures exist must be an important consideration of assessing the cost effectiveness of any measures.

Government regulation vs. Industry self-regulation:

QFF agrees with the NFF's suggestion that a national framework be developed based on existing industry self-regulatory arrangements, with security measures enhanced through Commonwealth and state/territory governments. The proposed framework is reproduced as attachment 1. NFF correctly points to the difficulty of industry formulating appropriate responses with only a limited awareness of the true nature of the threat. Self-regulation works best when it is a genuine partnership between government and industry. As demonstrated by the extensive list of industry activities which current impact on chemical use, industry has shown it can and will take a responsible attitude to important issues. Industry programs will obviously need to be updated to take into account matters of concern raised by Government, but this is a two-way process that has been ongoing for some time. Development of industry programs can be expensive, and Government investment in such programs would assist significantly in the updating process.

Vetting of persons handling chemicals, storage requirements and transport restrictions all have the potential to add significantly to costs. A common sense approach is needed that identifies best practice in a risk management framework. Self-regulation allows the development of sensible approaches to such issues, but may need to be supported by additional measures depending on the seriousness of the threat. Peak industry groups and stakeholders must be constantly consulted and engaged with throughout the review process to ensure that industry's needs and requirements are being met. An extensive government funded information and education campaign would help to build the momentum to ensure that self-regulation is effective and enjoys strong industry support.

Attachment 1:

NFF proposed Joint Industry/ Government Approach to Controlling Chemicals of Security Concern

Security Control Measure	Industry Self-Regulation	State/Territory Government	Commonwealth Government
Education, training and awareness raising	Nationally accredited, competency-based chemical training packages currently delivered to around 95% of industry. Training currently meets some security objectives and could be expanded to include additional security-specific module/s.	Mandate successful completion of accredited chemical training as requirement to access security sensitive chemicals.	Develop counter-terrorism module for delivery in training package. Provide resources to deliver training (either to course participants or to 'train-the-trainer'.)
Packaging and formulation	Compliance with APVMA requirements.		APVMA listing of tier one security sensitive chemicals on Restricted List, making adherence to label, record keeping and storage requirements a legal obligation
Reporting of unaccounted losses	Maintain stock control and chemical usage records, report unaccounted losses to state/territory agencies.	Standardise legislation to require record keeping across all states and to allow state/territory agencies to audit and verify such records at any time. Liaise between States/territories and nationally to coordinate response to unaccounted losses if necessary.	National approach to recording and responding to unaccounted losses.
Security of transport and storage in transit	Promote and build awareness of requirement to ensure vehicles containing security sensitive chemicals are locked and supervised when parked and during transport. (eg build on existing industry safety awareness campaigns.)		
Vetting of people handling chemicals of security concern	Agsafe Guardian national stewardship program (currently 95% industry participation) includes individual accreditation of retail staff selling chemicals and includes a national database of chemical users and purchases.	Mandate participation in Agsafe Guardian program. Periodically review Agsafe database, conduct police checks as required.	Determine any additional reporting fields to add to Agsafe database. Conduct ASIO checks if required.
Security of premises	Comply with legal obligation to store chemicals in accordance with label instructions.	Mandate storage requirements of security sensitive chemicals be listed on labels.	
Tracking of chemicals	Maintain national database of chemical sales and purchasers to allow real-time tracking of chemicals. (Agsafe Guardian database would be a suitable platform.)	Mandate participation in Agsafe Guardian program. Periodically review Agsafe database, take action as required	
Authorisation for access through supply chain	Requirement to produce Farm Chemical User Accreditation Statement of Attainment or Card at point of sale. Keep national database up to date.	Mandate participation in accredited training package. Require presentation of identification at point of sale. Periodically review Agsafe database, take action as required.	Consider adding tier one security sensitive chemicals to APVMA list of restricted chemicals.

