

Policy Position for Horticulture on Chemicals of Security Concern

Background

Horticulture fully supports necessary and appropriate measures to protect our nation from terrorist acts, and ensure the safety of our citizens.

Chemicals (fertilizers, weedicides, and pesticides) are critical to the sustainability of our industry – and, in particular to interstate and international trade, to prevent the spread of pests and diseases which can decimate our production, and are equally unacceptable to our trading partners.

Issues

Horticulture is of the view that, if it is in the interest of the community to remove such products from the market place, then it should not fall to one sector (agriculture) to meet the cost of that community benefit. The reality is that a tanker full of fuel, the poisoning of a water supply, and chemicals readily available to the public at their local supermarket or hardware store, can be just as effectively used as a terrorist weapon as any of the chemicals currently under consideration. It is Horticulture's view that there is a need to take a risk management approach to this issue, and keep the responsibility, and cost, spread across the community.

Reactive policy changes often have far-reaching and, sometimes unintended, impacts. The example of ammonium nitrate, with so many unintended consequences for agriculture, provides a timely warning. Few, if any, urban dwellers would even know that ammonium nitrate has been removed from the market, much less suffered additional costs as a result, yet farmers nationally found this fertilizer virtually unavailable. Given that ammonia nitrate is a very efficient and effective fertilizer, the productivity and direct costs to industry have been very significant.

Horticulture believes that proper stock control, reporting of usage, full documentation, and product storage (all ready for inspection), will in the longer term be just as effective as (and perhaps more effective than) any regulatory strategy which attempts to identify and sequester 'dangerous' chemicals on the basis of security risk. The principal of minimum acceptable risk is well tried in biosecurity decision-making, and is essentially based, in much the same way, on effective process.

While recognising the need to build on current control measures, we urge governments to continue to work towards national harmonisation and coordination of these measures to minimise regulatory duplication (and unnecessary costs); achieve consistency across jurisdictions; and deliver more effective outcomes. Unfortunately, the inconsistencies that exist at present between and, at times, within governments, deliver a platform that is decidedly 'uneven', difficult and often onerous to implement, and is open to cross-border abuse.

Additional principles include:

Public good, public funding principle:

Horticulture believes that an additional principle should be that government funds the establishment and operation of the control framework, including significant associated awareness and education activities, due to its outcomes being predominantly for the public good.

Framework formula:

Horticulture's view that it is sensible to adopt a framework formula to assess and identify CSCs and their interrelation to products. The framework formula must allow for both the **inclusion of new, and the removal of**, CSCs and formulated products from the framework. It would be appropriate for a joint industry/government technical group with the appropriate skills to be established and maintained for this ongoing assessment.

As to the consultation process for this, consideration would then need to be given to industry information pathways that reach end users (such as growers and their suppliers). This well may be an ongoing role of the Industry Reference Group, to provide advice and monitor industry communication effectiveness - including information of training and education pathways for updating present and new participants.

Whole of Supply Chain

Horticulture's view is that control measures should cover the supply chain, including end users. Exploration of differing combinations of these measures that minimise impacts, both functionally and financially, to industry is essential.

Audit of Existing Systems

Mapping of present practice and systems which have other users - such as Agsafe, Chemcert etc, - would provide a significant insight into present systems in place. Horticulture's view is that adoption of these to embrace CSC - including identification and rectification of gaps, if any, awareness and education - would facilitate and enhance implementation.

Industry self-regulation - with the appropriate weightings - is the most effective and efficient mechanism for CSCs.

Horticulture does note that some consideration for part co-regulation may be appropriate where some sectors or individuals of the industry elect not to be involved in self-regulatory schemes or where key supply chain and manufacturing facilities are evident. Further, where regulatory schemes are present in existing systems, it would be prudent to maintain these if, after review, they are assessed as appropriate

Some horticultural industries (eg vegetables) have undertaken very extensive surveys of the pesticide use within selective sectors of their industry. This information can provide industry and government with current use patterns and alternative pesticides that may be of lower risk. It will also allow for the identification of situations where CSC are exclusively used and therefore provide the opportunity for alternative pesticides to be pursued by industry self regulation. Similarly, the industry's experience and knowledge of fertilizers is readily available as well.

Industry self-regulatory arrangements

The current review of pesticide use in the vegetable industry, provides a good model. Sound scientific and economic principles are used to determine which pesticides are maintained and which are rejected. This provides the greatest benefit to growers, improving their productivity; and protects both the environment and consumers. A similar review of fertilizers would be equally advantageous.

There are certain pests that can only be controlled effectively and economically by CSCs. If there are no alternatives available, then CSC must continue to be used in a responsible manner. Non-compliance by some participants may be a factor that would need consideration.

Government regulation to achieve an appropriate security environment

Ultimate responsibility and, obviously, ultimate cost. The imposition - intended or otherwise - of significant burdens is likely to inhibit efficiency and effective productivity, and impose significant costs (eg ammonia nitrate).

Such regulation does little to develop industry capacity to manage the on-farm operating environment in an empowered way. Significant effort has been applied through various schemes and programs throughout horticulture in areas such as food handling and safety, environmental management and pesticide usage that underscore this empowerment.

Application of Existing regulation

While recognising the need to build on current control measures, we urge governments to continue to work towards national harmonisation and coordination of these measures to minimise regulatory duplication (and unnecessary costs); achieve consistency across jurisdictions; and deliver more effective outcomes. Unfortunately, the inconsistencies that exist at present between and, at times, within governments, deliver a platform that is decidedly 'uneven', difficult and often onerous to implement, and is open to cross-border abuse.

The Productivity Commission review of chemical and plastics industry is timely and needed with some urgency.

Separately, Horticulture's view is that alignment towards the Commonwealth's APVMA would achieve the security outcome that is appropriate to industry, as it has the authority to regulate the use of pesticides and has a good understanding of industry's needs.

One potential area of conflict and confusion, however, is each state's Control-of-use legislations for pesticides under their State Code. As the legislation is different for each state and territory; what is illegal in one state can be legal in another. Given the seriousness of CSCs and their use, national legislation is essential.

Managed through government regulation - issues

- reporting of unaccounted losses
- vetting of people where appropriate
- tracking of a chemical in its security-sensitive stages throughout the supply chain

- authorisation for access, including the import, manufacture, purchase, use or export of chemicals of security concern.

Note:- We have some concerns with ‘purchase and use’ - Horticulture’s view is that these are industry regulatory arrangements.

Not managed through government regulation - issues

Note:- Other than what is presently in place under existing schemes

- education, training and awareness-raising
- packaging and formulation
- security of transport and storage in transit
- security of premises

The advantages of the latter option are those of limited regulatory burden and hence likely limited impact on legitimate users and limited costs, noting that development of appropriate alternative management arrangement would need a phasing in time. Education training and awareness-raising should be extensively funded by government for a successful implementation of CSC integration into a predominately industry lead system.

Combination of industry self-regulation and government regulation

HAC does note that some consideration for part co-regulation may be appropriate where some sectors or individuals of the industry elect not to be involved in self-regulatory schemes or where key supply chain and manufacturing facilities are evident. Further, where regulatory schemes are present in existing systems, it would be prudent to maintain these, if reviewed to be appropriate.

Horticultural industries have very real concerns in relation to the potential impacts to the industry of an inappropriate CSC scheme. Industry is concerned to ensure that any regulatory approach be economically viable, functionally desirable, and politically palatable.

Industry offers its support and assistance in developing an CSC scheme which integrates into existing arrangements with minimal impacts, and is cost effective to legitimate users.

Our Position

Horticulture supports the principles that a control framework:

- ❖ Be risk-based.
- ❖ Have national consistency and coordination.
- ❖ Be built on appropriate existing arrangements.
- ❖ Be cost effective.

Industry self-regulation – with the appropriate weightings - is the most effective and efficient mechanism for CSCs.



We believe that an additional principle should be that government funds the establishment and operation of the control framework, including significant associated awareness and education activities, as its outcomes are predominantly for the public good.

This intent can be delivered through the adoption of a risk-based approach and building upon current control measures where appropriate. Horticulture is confident that few, if any, commercially-available chemical products ultimately will be classified as high risk once formulation/packaging considerations are taken into account.

Horticulture strongly believes that security outcomes can be delivered effectively by building on appropriate control measures that are already in place, and that strong consideration needs to be given to this approach.

An effective control framework that adopts industry self-regulation as the foundation stone for regulatory compliance is fundamental. This regulatory option generally has lower costs, is more flexible and directly involves the parties who have the best practical knowledge, and hence, can provide the most efficient stewardship outcomes. The horticulture industry has experience and a good track record of responsible stewardship and self-regulation. Horticulture notes that some consideration for part co-regulation may be appropriate where some sectors or individuals of the industry elect not to be involved in self-regulatory schemes or where key supply chain and manufacturing facilities are evident.