



FERTILIZER INDUSTRY FEDERATION OF AUSTRALIA

Incorporated in Victoria
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Strategy August 2009

Purpose and Mission Statement

The Fertilizer Industry Federation of Australia is the industry association representing manufacturers, importers and distributors of fertilizer in Australia, and associated service industries. The industry supplies between 5 and 6 million tonnes of fertilizer to Australian growers each year and is an important contributor to agricultural productivity.

The FIFA mission statement is:

"Engage with government and other stakeholders to develop and implement policies which support the responsible contribution of our industry to the sustainable growth of Australian agriculture."

Our member companies are responsible for more than 95% of the fertilizer manufactured, imported and sold in Australia. Members include importers, manufacturers and distributors representing the supply chain from origin to the farm gate.

FIFA allows them to act in concert on issues that are non-competitive and where there is significant benefit in acting as an industry rather than as individual companies. In particular FIFA is active in the development of public policy in line with the mission statement.

In meeting its purpose and mission statement, FIFA has five strategic platforms and will focus on priority areas within each in order to provide clear value to members.

Platform	Priority	Outcome
Environment and food safety.	<ul style="list-style-type: none"> - Implement the Fertcare product stewardship program to ensure that industry staff can meet their responsibilities regarding food safety and the environment. - Engage with key stakeholders. 	<ul style="list-style-type: none"> - Maintain an effective position in the public debate on environmental issues and regulation relating to the fertilizer industry by demonstrating the industry's responsibility and commitment.
Import and logistics	<ul style="list-style-type: none"> - Improve quarantine policy and procedures through engagement with government at both the operational and policy level. 	<ul style="list-style-type: none"> - Reduced risk of contamination and associated costs for imports of fertilizers and raw materials.
Regulation		
Fertilizer description and labelling	<ul style="list-style-type: none"> - Reform State legislation controlling the sale, description and labelling of fertilizers to provide uniformity and meet environment, food safety and productivity requirements. - Contribute to the development of good public policy to manage impurities in fertilizer products. 	<ul style="list-style-type: none"> - Uniform legislation across all jurisdictions with fertilizer broadly defined to cover all products sold as plant nutrients or soil amendments. - Provision of consistent and appropriate information to consumers. - Effective management of food safety issues.
Fertilizer security	<ul style="list-style-type: none"> - Contribute to the development of good public policy to manage security risks of fertilizer products. 	<ul style="list-style-type: none"> - Efficient and effective management of security issues.
Information & Education	<ul style="list-style-type: none"> - Provide accurate and relevant information on the Australian Fertilizer Industry in the global context. 	<ul style="list-style-type: none"> - The media, policy makers and other interested stakeholders have a good understanding of the Australian Fertilizer Industry and its value to food and fibre production.
Communication and FIFA Profile	<ul style="list-style-type: none"> - Key stakeholders, including members and Government are engaged in continuing communication relating to the activities of the Association. 	<ul style="list-style-type: none"> - The value of FIFA to the industry and to key stakeholders, including Government, is well understood. - Key stakeholders have direct input into the development and implementation of the Association's strategy.
<p>OH&S is an important issue for the industry but one that is mostly best dealt with by individual companies as issues are typically site and business specific. FIFA will act on behalf of members where industry wide issues are identified and FIFA can have a positive effect.</p>		

Strategy Summary

This section summarises FIFA strategy, with the following sections containing the background and context for the agreed strategy as well as detail on FIFA operations and strategic relationships.

Environment and Food Safety

Maintain an effective position in the public debate on environmental issues and regulation relating to the fertilizer industry by demonstrating the industry's responsibility and commitment. Build on commitments and actions developed under the Fertilizer Industry Eco-Efficiency Agreement and the National Landcare Program Fertcare Promotion and Development funding. In particular:

1. Continue the development and implementation of the FERTCARE® environmental product stewardship program so that it;
 - results in improved nutrient management practices at the user level that minimise the risk of adverse environmental impact;
 - provides consistent advice on basic information about nutrient behaviour and management to users;
 - provides recognition and confidence amongst fertilizer end users of the soundness of advice provided;
 - is recognised by government and environmental organisations as an appropriate and responsible approach to environmental management;
 - is integrated into government policy programs, including both voluntary and regulated measures;
 - provides clear value to participants;
 - is delivered in a manner that will enable widespread adoption; and
 - maintains accurate and comprehensive records of activities.

The product stewardship program focuses on information about nutrient forms, their behaviour under various conditions and the consequent environmental risks and management strategies. It covers the principles of nutrient budgeting and promotes objective soil and plant testing as the basis for fertilizer recommendations.

The product stewardship program specifically addresses;

- eutrophication, including groundwater;
 - nutrient depletion;
 - impurities; and
 - greenhouse gas.
2. Ensure that development of the Fertcare program will enable a smooth transition to likely compliance regimes including regulation, self regulation or a combination of both.

3. Publicise and promote the Fertcare program and the “Cracking the Nutrient Code” guidelines to catchment management groups, industry organisations and government departments involved in Natural Resource Management and water quality issues.

Communicate effectively with these groups to ensure that consistent advice, that represents best practice, is provided to farmers and land managers.

4. Produce an Annual Fertilizer Industry Public Environmental Report. Promote the report to stakeholders as an independently reviewed, highly credible description of the Industry’s environmental performance and use it to promote positive industry initiatives including Fertcare.
5. Maintain an active involvement in the work of the Fertilizer Working Group and the development of policy responses to the CSIRO study into other impurities in fertilizer products.
6. Provide acceptable assurance to relevant Government departments, customers, and the general public that our product procurement and manufacturing systems are meeting or exceeding regulated requirements for analysis and impurities through the adoption of the FIFA Purchasing Code of Practice.

Import and Logistics

1. Continue to work with AQIS to continually monitor and update procedures for bulk and bulk in container fertilizer import.
2. Co-ordinate the periodic quality assurance inspections of supply chains to prevent duplication and encourage efficient use of AQIS and contractor resources.
3. Use the agreed annual review process with AQIS to continuously improve the system.
4. Continue a policy of strong industry support for the goals of AQIS whilst working to improve their processes and procedures.
5. Monitor developments in shipping, transport and occupational health and safety regulations and respond appropriately.

Regulatory Affairs

FIFA will be active in the public policy debate on regulation and legislation that impacts on the fertilizer industry. The primary forum for this activity in relation to impurities and labelling is the national Fertilizer Working Group convened by the Primary Industries Standing Committee on which FIFA is represented.

1. FIFA will seek reform of State legislation controlling the sale, description and labelling of fertilizers to achieve uniform legislation across all jurisdictions, with fertilizer broadly defined to cover all products sold as plant nutrients or soil amendments. The FIFA code for labelling and standards approved by the Board on 8 March 2001 will form the basis of our strategy and it is our intention to develop it into a comprehensive industry code of practice and potentially an Australian Standard.
2. FIFA members will continue to comply with all existing legislative requirements as specified in the FIFA code of practice for members.
3. FIFA members will comply with a quality assurance code of practice (FIFA Purchasing Code of Practice) that will reduce the risk of inadvertent infringement of the Hazardous Waste (Regulation of Exports and Imports) Act 1989.

4. With regard to security issues, the Attorney General's Department now has the coordinating role and FIFA continues to interact with them. As the implementation of State regulations has already produced some inconsistencies FIFA will also seek to interact with the appropriate State agencies to improve the efficiency and effectiveness of any measures.
5. FIFA will pursue a policy of responsible industry measures with relation to additional products that are identified as a security risk during the current round of consultation with Government which is expected to continue for a number of years.

Information and Education

The growing importance of food security and recent price spikes for a range of commodities, including fertilizer, has and will result in greater public interest in the industry. The information and education strategy will provide accurate information describing the Australian fertilizer industry in a global context and ensure that it is readily available to journalists and policy makers.

An information paper and the FIFA web site will provide relevant and accurate information on:

- food security;
- the role of fertilizers in efficient and sustainable food production;
- the role of fertilizers in managing environmental resources;
- the global fertilizer market;
- the Australian fertilizer market; and
- factors affecting supply and price in the Australian market;

Communication and FIFA Profile

In addition to key stakeholder involvement as described in the various components of FIFA strategy, FIFA will actively communicate with members and industry personnel through targeted activities including:

- A periodic electronic newsletter summarizing outcomes of the most recent Board meetings and providing other information relevant to the development and implementation of FIFA strategy.
- A periodic survey of members to encompass strategic direction, strategy implementation and FIFA operation and performance.
- Periodic member forums to discuss particular issues.
- An AGM format that includes presentations and discussion on a number of strategic issues.
- A periodic International conference typically on a three year cycle (Previously 2004, 2007).

Environment and Food Safety Strategy

Background

Fertilizer products are manufactured and used to supply vital nutrients that are an essential and natural part of plant and animal growth. The supply of nutrients is a vital ingredient in farming operations that are constantly removing these nutrients in food, fibre and timber products that feed and clothe the world. If nutrients are not replaced, then soils become depleted and unproductive.

Many would rate soil nutrient depletion as a major environmental issue in Australia. The Australian State of the Environment Report 2001 (p54) states that “Low nutrient replenishment is as much a concern as overuse of fertilizers”

The loss of nutrients in the manufacture, transport and use of fertilizers may also impact on the environment, while the impurities that fertilizer products contain, may effect food quality and safety.

Eutrophication

Eutrophication is the process of nutrient enrichment of water. Where nutrient levels in inland waterways and coastal waters increase too much, degradation of the ecosystem can result through changes in plant and animal species composition. In inland waterways nutrient enrichment contributes to blue-green algae blooms which present animal and human health risks. In State of the Environment Reporting, the majority of inland waterways in agricultural areas show significant nutrient enrichment. Phosphorus and nitrogen are the two elements of most concern.

- Inappropriate farming practices can result in elevated nutrient levels in inland waterways which may then also elevate levels in coastal waters. In some parts of Australia inappropriate farming practices may result in elevated levels of mobile nutrients, such as nitrogen, in ground water.
- Poor storage, handling or transport practices can result in point source pollution of waterways and oceans.

Impurities

Some of the naturally occurring and by-product raw materials from which mineral fertilizers are manufactured contain impurities. If the use of the fertilizer product results in increased concentration of the impurity in soil and plants it may affect the marketability of farm produce and potentially impact on human health or have adverse environmental impacts. Currently the impurities of most concern in fertilizers are heavy metals, particularly cadmium, and possibly fluorine in phosphatic fertilizers. Other impurities that may be present in fertilizer source materials due to their origin or the processes from which they are derived are the subject of current investigation.

- Moves by the fertilizer industry to manage the potential problems of heavy metals in fertilizers have resulted in significant reductions in the concentration of these metals in our fertilizers.

- A comprehensive review of the issue by the CSIRO led to the implementation of the National Cadmium Management Strategy, partly funded by the fertilizer industry.
- The review led to the adoption of maximum permissible levels for heavy metals in the State Fertilizer Acts which had not previously set limits.
- Imports of trace element fertilizers from some countries present an increased risk of heavy metal contamination due to poor conformance of delivered product with purchase specifications and FIFA has implemented a purchasing code of practice to manage this issue.
- Studies in New Zealand are assessing the likely impact of fluorine levels on dairy cattle grazing high phosphorus input pastures.
- FIFA is involved, through the Fertilizer Working Group in a study of other possible contaminants in fertilizer products and ingredients.

Greenhouse

Inappropriate nitrogen management can produce large amounts of nitrous oxide in some farming systems. Nitrous oxide is a significant greenhouse gas, estimated to have 310 times the effect of carbon dioxide. Mining, manufacture, transport and application of fertilizers also produces carbon dioxide, including indirectly, through the use of energy.

Site Contamination

Import, manufacture and distribution sites can develop very high soil concentrations of nutrients and impurities contained in fertilizer products. This may present a significant environmental issue when looking at decommissioning and alternate uses.

FIFA Priorities

All of the issues mentioned in the background section above are genuine issues for the fertilizer industry in Australia. To effectively manage them FIFA has prioritised them based on extent and urgency, where:

- **Extent** is a measure of how widespread the potential impact of the issue is.; and
- **Urgency** is a measure of how serious the potential impact is and the likelihood of making a significant improvement through the activities of FIFA.

In trying to measure how serious a problem is, consideration is given to both to the actual impact of the problem **and** to the level of public concern about the problem.

Priority 1 Issues.

Fertilizer Nutrients in Waterways

Nutrient enrichment is clearly defined in State of the Environment reporting as a national issue. The Australian Natural Resources Atlas records that in 2000, nutrients were a major water quality issue in 61% of the 70 assessed river basins. Considerable nationwide monitoring and reporting is on-going.

Monitoring of the Great Barrier Reef Catchment indicates that phosphate levels have increased between 300% and 1500% since 1850, and total nitrogen levels between 200% and 400%. "Even more worrying is the fact that almost all pollutant loads are increasing annually and showing no sign of abatement. Of particular concern is the rapid increase in

fertilizer delivered nitrogen (nitrate and ammonia) which is the most dangerous to marine ecosystems....” (Great Barrier Reef Catchment Water Quality Action Plan September 2001). The report goes on to suggest:

“In order to meet the relevant water quality targets, the relevant plans (both NAP and catchment plans will need to include or be accompanied by an appropriate mix of regulatory and non-regulatory measures. Some reform of Queensland legislation or the manner in which it is administered may be necessary.”

Regulations in Western Australia and Queensland specifically target fertilizer use and management and FIFA has been closely involved in the regulation development process. Nutrient enrichment of waterways is clearly a well documented issue of public concern and the contribution of fertilizers is explicitly identified. We can expect strong pressure from Governments and the public for measures that will significantly reduce nutrients in waterways and regulation is already being suggested. While the Barrier Reef is a very high profile example, inland waterways like the Peel-Harvey, Gippsland Lakes and Murray-Darling systems are also being addressed.

There is general agreement amongst the scientific community and the fertilizer industry that the mechanisms of fertilizer nutrient contribution to waterways are well understood. The issue is primarily one of management of risk through product choice, application method and timing and farm practices at the user level. Strategies to reduce this risk are not generally expensive or difficult to implement and will provide additional efficiency benefits to the user.

There is clearly an opportunity for the fertilizer industry to have a significant impact on the quantity of fertilizer nutrient that enters waterways, through good product stewardship. Any stewardship program will only be successful if it results in changes of practice by the end user.

Reducing fertilizer nutrient contribution to the eutrophication of inland and ocean waters should be the highest priority in FIFA’s environmental strategy and should be supported with appropriate resources to achieve a significant impact.

FIFA is currently directly involved in:

- The development and implementation of the Western Australian Fertilizer Action Plan for the Coastal areas of the South West of Western Australia.
- The development and implementation of the Reef Rescue Plan and Reef Regulation in the catchments of the Great Barrier Reef in Queensland.

Priority 2 Issues.

Groundwater pollution

In some areas of Australia, intensive agriculture occurs in areas that may provide recharge of aquifers used for human consumption, or connected to sensitive surface waters. This presents a possibility that soluble fertilizer elements may enter the aquifer. The most likely cause for concern would be nitrate nitrogen which is soluble, leachable, and presents a risk to human and animal health if concentrations are high.

The issue of managing the risk of groundwater pollution is similar to that for waterways and oceans and should be included in product stewardship programs.

FIFA should monitor the issue in order to keep members informed of the extent and urgency of any developing problem and respond accordingly.

Impurities in Fertilizers

The issue of heavy metal impurities in fertilizers is a real one and inappropriate use of some products could present a future risk to human and environmental health.

FIFA has addressed this problem comprehensively, for cadmium, through the National Cadmium Management program. For lead and mercury analysis of the risk has resulted in State Governments setting maximum permissible concentrations. The issue of these heavy metals in fertilizers requires monitoring and should be included in any formalised product stewardship activities undertaken by the industry.

Emerging issues like fluorine concentration should be actively monitored to allow appropriate response as soon as the nature and extent of any real problem is identified.

The identification and analysis of other contaminants that may occur in fertilizers, either due to their origin or the processes used in manufacture is now the subject of investigation by the CSIRO on behalf of the Fertilizer Working Group (A working group formed under the Primary Industries Standing Committee). FIFA is represented on the Fertilizer Working Group and in the development of the CSIRO study.

Sub Issue: False product description.

Some past zinc sulphate imports had high enough concentrations of cadmium to be classified a hazardous material, despite the supplier's certificate of analysis stating low and acceptable levels for agricultural use. Lead may also be present at unacceptably high concentrations in trace element fertilizers.

Recent press coverage of regulation and impurity issues has added to a lack of confidence in the quality of fertilizer products amongst interested members of the public, and has increased interest in the issue from all levels of government.

The Commonwealth Department of the Environment and Heritage approached FIFA for assistance in dealing with this issue which is unlikely to be limited to zinc sulphate. As a result, FIFA adopted a purchasing code of practice that will improve public and Government confidence in the conformance of our products to standards for analysis and impurities.

Greenhouse

The greenhouse gas effects of agriculture are subject to some discussion amongst the scientific community. Nutrient and carbon cycling occur in complex systems with many interactions and processes. Energy is consumed in the production, distribution and application of fertilizers. Where denitrification occurs, nitrous oxide, an important greenhouse gas, is liberated.

The industry supports initiatives by Australian Governments to better understand the processes and extent of greenhouse gas emissions and sinks in agriculture including current studies relating to the inclusion of agriculture in the Carbon Pollution Reduction Scheme (CPRS) and studies into land based emissions carried out by the CRC for Greenhouse Accounting. FIFA was a member of the industry liaison panel for the CRC project and is a member of the Agriculture round table for the CPRS.

There are some simple strategies of matching application technique and timing to product characteristics that improve fertilizer use efficiency and reduce the risk of de-nitrification. This information, produced by the CRC project, has been incorporated into the Fertcare Product Stewardship program and will be updated as new information comes to hand.

Priority 3 Issues

Site contamination

Fertilizer manufacturing, import and distribution sites can develop very high levels of nutrient and impurities in the soil. If sites are redeveloped for other uses this may have serious implications.

Whilst the extent and urgency are low, the issue is directly attributable to FIFA member companies. This is primarily an issue for individual members and will not be included in FIFA strategy.

Environmental risk management for rural premises will be addressed through the Fertcare Program.

FIFA Strategy

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- nutrient depletion;
- impurities; and
- greenhouse gas.

8. Ensure that development of the Fertcare program will enable a smooth transition to likely compliance regimes including regulation, self regulation or a combination of both.
9. Publicise and promote the Fertcare program and the “Cracking the Nutrient Code” guidelines to catchment management groups, industry organisations and government departments involved in Natural Resource Management and water quality issues.

Communicate effectively with these groups to ensure that consistent advice, that represents best practice, is provided to farmers and land managers.

10. Produce an Annual Fertilizer Industry Public Environmental Report. Promote the report to stakeholders as an independently reviewed, highly credible description of the Industry’s environmental performance and use it to promote positive industry initiatives including Fertcare.
11. Maintain an active involvement in the work of the Fertilizer Working Group and the development of policy responses to the CSIRO study into other impurities in fertilizer products.
12. Provide acceptable assurance to relevant Government departments, customers, and the general public that our product procurement and manufacturing systems are meeting or exceeding regulated requirements for analysis and impurities through the adoption of the FIFA Purchasing Code of Practice.

Import & Logistics Strategy

Background

With in excess of 5 million tonnes of fertilizer to import or manufacture, and distribute to end users spread throughout the agricultural areas of Australia, import and logistics functions are a vital part of the fertilizer industry.

As well as general issues of logistics such as transport and shipping regulations and standards and occupational health and safety, there are specific issues relating to quarantine policy and its implementation that have significant implications for the fertilizer industry.

As a core competency, the efficiency and effectiveness of individual members in delivering import and logistics outcomes is a key component of competition. However, in the area of public/government policy and regulation, and in risk management, there are clear benefits to members and other industry stakeholders in working together to achieve improved outcomes.

Quarantine risk

Fertilizer per se does not represent a quarantine risk. However, the supply chain can introduce contamination with organic material that may carry disease, weed or pest risk.

In international terms, Australia has a relatively low disease status and a very strict quarantine program which enjoys a high level of public support including strong support from the end users of fertilizers.

Detection of any amount of organic material in a fertilizer vessel results in the entire cargo being quarantined. This leads to an often lengthy process of determining the source of the contamination and consequent quarantine risk, before a decision can be made on the fate of the cargo. If there are no practical methods of treating the risk then the cargo may be prevented from discharging in Australia.

On top of the costs of delays and the potential impact on supply to customers, the Minister responsible for quarantine is likely to publicise the detection, meaning that the cargo is sold under distressed conditions and may be subject to further delays and reduced value at the new destination.

The full cost of an individual quarantine incident can be measured in millions of dollars. Australia's strict quarantine environment and the risk of long delays also impacts on availability and cost of shipping and insurance, adding an on-going cost to all imports.

The management of quarantine risk can be divided in to two clear areas of activity, prevention of incidents by eliminating contamination, and improvement of the process for detection and management of incidents.

Prevention of incidents

Reducing the risk of quarantine incidents occurring is a supply chain management issue. FIFA members have been successful in reducing the number of quarantine incidents from 17.6% of ships in 1996 to less than 3% from 1999 to the commencement of new protocols in January 2004. The procedures and policies put in place affect importers, suppliers, AQIS, shipping companies and ships surveyors and are effectively public documents.

In January 2004 a new protocol for managing the quarantine risk of bulk fertilizer imports was put in place. The new protocols resulted from a review in which FIFA and AQIS worked together to ensure that the risk management procedures implemented along the supply chain by FIFA member companies were robust and effective. With appropriate third party quality assurance the risk management procedures are now recognised and incorporated into AQIS procedures and a streamlined inspection system now operates for cargos where the risk of contamination is known to be very low.

Improvement of AQIS policies and procedures

FIFA has agreed to a continuing involvement with AQIS in managing the quarantine issues associated with fertilizer imports to ensure that procedures are effective and efficient. The principles underpinning the bulk import protocols are now being applied to bulk in container.

Shipping regulations

Reform of shipping regulations, particularly those relating to cabotage (coastal shipping), may offer opportunities for reduced costs and increased flexibility.

Transport regulation

Road and rail transport are important components of fertilizer logistics and the industry will benefit from measures that improve efficiency in this sector.

Occupational health and safety

The movement and storage of fertilizer in bulk and in containers raises many issues of occupational health and safety. All members have an interest in meeting their obligations in this area and in the development of relevant laws and regulations.

In many cases member's sites have a range of specific issues that must be managed as well as generic issues that are common across the industry.

Many of the OH&S issues have implications for third parties and there have been instances where it has been in the industry's interest for individual companies to cooperate in implementing management policies. Examples are the top of load procedures now in place at bulk loading sites and a recent decision by the industry to incorporate a maximum pack size into the draft Code of Practice for Fertilizer Description and labelling.

FIFA Strategy

1. Continue to work with AQIS to continually monitor and update procedures for bulk and bulk in container fertilizer import.
2. Co-ordinate the periodic quality assurance inspections of supply chains to prevent duplication and encourage efficient use of AQIS and contractor resources.

3. Use the agreed annual review process with AQIS to continuously improve the system.
4. Continue a policy of strong industry support for the goals of AQIS whilst working to improve their processes and procedures.
5. Monitor developments in shipping, transport and occupational health and safety regulations and respond appropriately.

Regulatory Affairs Strategy

Background

The importation, manufacture and sale of fertilizer in Australia is affected by both federal and state legislation and regulation.

This strategy deals with legislation and regulations relating to product quality, impurities, labeling, sale and description of fertilizers as well as issues of security. Legislation and regulations relating to customs and quarantine are dealt with under the Import and Logistics Strategy.

There are three key areas of legislation:

1. The Federal Government controls the import and export of hazardous waste under the ***Hazardous Waste (Regulation of Exports and Imports) Act 1989***. The Act implements Australia's obligations under the ***Basel Convention on the Control of Trans-boundary Movements of Hazardous Waste and their Disposal***.

The Act is administered by The Commonwealth Department of the Environment, Water, Heritage and the Arts who conduct random audits of imported materials. It contains clear definitions of hazardous wastes and import permit conditions.

The hazardous wastes of concern to the mineral fertilizer industry are the heavy metals, lead, cadmium and mercury. These elements can be present as impurities in imported fertilizer products and raw materials. In some trace element products, the levels can be high enough to become a hazardous material. However, the levels at which these elements present a hazardous waste risk greatly exceed the levels at which their use in fertilizers is permitted, as shown in the table below.

Element	Maximum permissible concentration (MPC) in trace element fertilizers	Cut off level for occupational exposure (hazardous material)	Occupational exposure level exceeds the MPC level by:
Cadmium	0.005%	0.1%	20 times
Lead	0.2%	1.0%	5.0 times
Mercury	0.0005%	3.0%	6000 times

The key issue for The Commonwealth Department of the Environment, Water, Heritage and the Arts in administering the Act, and for importers complying with the Act, is the accuracy of supplier's description of the material.

2. State Governments control the sale and description of fertilizer products through specific Acts and associated regulations;

- Northern Territory, Agricultural and Veterinary Chemicals (Control of Use) Act 2004
- New South Wales, Fertilizers Act 1985
- Queensland, Agricultural Standards Act 1994
- South Australia, Agricultural Chemicals Act 2002
- Tasmania, Fertilizers Act 1993
- Victoria, Agricultural and Veterinary Chemicals Act 1992
- Western Australia, Fertilizers Act 1977

The State Acts controlling the sale and description of fertilizer products vary considerably in their scope and detail. However all prescribe to some extent the description and labelling requirements for fertilizer products and specify maximum permissible concentrations for specified impurities, primarily the heavy metals cadmium, lead and mercury.

Registration of fertilizer products is not currently required in any State. Victoria is the only State to conduct routine testing of fertilizer products to ensure compliance and only does so on a small scale, bi-annually (97 samples in 1999).

There are over 150 specific requirements in State Acts and regulations concerning the sale, labelling and analysis of fertilizers where there are differences between the States.

Some of the differences are relatively minor while others are substantive differences. The various Acts controlling fertilizers also vary significantly as to what is defined as a fertilizer.

Under State/Territory Mutual Recognition Acts, the regulations applying in the State of origin or import apply. Thus, a fertilizer manufactured in Queensland where no warning is required for cadmium can be sold in NSW without a warning on the label, even though it may exceed the NSW threshold that requires a warning.

The Mutual Recognition Acts reduce the commercial implications of complying with the different State regulations but contribute to the confusion amongst consumers about standards, description, quality and impurities.

3. State Governments control products that represent a security risk through misuse in criminal or terrorist acts. Each State Government has developed regulations that should have been consistent with the agreement of the Council of Australian Governments (COAG) in June 2004. However the productivity commission in reviewing the regulations points out that there are many inconsistencies between States and many instances where the original principles have not been followed.

Under these regulations, access to security sensitive products is controlled by a licensing program based on physical security and clearance of authorized personnel. The regulations initially apply to Security Sensitive Ammonium Nitrate (SSAN) which are products containing greater than 45% ammonium nitrate excluding solutions.

A wider range of products, some of which are fertilizers, are being evaluated as to their potential security risk and a combination of voluntary measures, co-regulation and regulation are likely to be implemented following further consultation between Government and affected industries.

FIFA Strategy

FIFA will be active in the public policy debate on regulation and legislation that impacts on the fertilizer industry. The primary forum for this activity in relation to impurities and labelling is the national Fertilizer Working Group convened by the Primary Industries Standing Committee on which FIFA is represented.

FIFA will seek reform of State legislation controlling the sale, description and labelling of fertilizers to achieve uniform legislation across all jurisdictions, with fertilizer broadly defined to cover all products sold as plant nutrients or soil amendments. The FIFA code for labelling and standards approved by the Board on 8 March 2001 will form the basis of our strategy and it is our intention to develop it into a comprehensive industry code of practice and potentially an Australian Standard.

FIFA members will continue to comply with all existing legislative requirements as specified in the FIFA code of practice for members.

FIFA members will comply with a quality assurance code of practice (FIFA Purchasing Code of Practice) that will reduce the risk of inadvertent infringement of the Hazardous Waste (Regulation of Exports and Imports) Act 1989.

With regard to security issues, the Attorney General's Department now has the coordinating role and FIFA continues to interact with them. As the implementation of State regulations has already produced some inconsistencies FIFA will also seek to interact with the appropriate State agencies to improve the efficiency and effectiveness of any measures.

FIFA will pursue a policy of responsible industry measures with relation to additional products that are identified as a security risk during the current round of consultation with Government which is expected to continue for a number of years.

Communication and FIFA Profile

The thrust of the FIFA communication strategy is greater involvement of stakeholders. This means involving all of our members in the development and implementation of the association's policies and programs. It also means actively contributing to the development of policies and programs of other key stakeholders and inviting them to contribute to ours.

All FIFA communication will seek to reinforce the concept of FIFA as a responsible, credible and representative industry body.

FIFA has a large community of stakeholders, including;

- **Members, including staff of their organisations;**
- **Fertilizer Users;**
- **Federal Government;**
- **State Governments;**
- **Natural Resource Management Organisations and Interest Groups;**
- The International Fertilizer Community; and
- The Media and General Public.

(Key stakeholders are in bold type)

Effective two way communication with these stakeholders is a core business function of FIFA.

The communication strategy will deliver:

- full involvement of all members in the decisions and activities of FIFA;
- a high degree of recognition amongst key stakeholders, of FIFA as a credible, responsible and representative industry body;
- greater involvement in public debate and policy formulation in areas of strategic interest;
- an effective forum for industry members to deal with issues of common interest, and engage with the international fertilizer community; and
- specific outcomes in strategic initiatives of FIFA.

FIFA Strategy

In addition to key stakeholder involvement as described in the various components of FIFA strategy, FIFA will actively communicate with members and industry personnel through targeted activities including:

- A periodic electronic newsletter summarizing outcomes of the most recent Board meetings and providing other information relevant to the development and implementation of FIFA strategy.
- An annual survey of members to encompass strategic direction, strategy implementation and FIFA operation and performance.
- Periodic member forums to discuss particular issues.

- An AGM format that includes presentations and discussion on a number of strategic issues.
- A periodic International conference typically on a three year cycle (Previously 2004, 2007).

FIFA Operations:

To be effective, FIFA must use the resources of its members to shape the goals and strategy of the organisation and to deliver policy and program initiatives. Effective involvement of all members in the operations of FIFA will help to ensure that FIFA delivers appropriate programs and policies and real value to its members.

Efficiency requires that detailed activities are managed by small groups. This will remain the main driver of operations at FIFA with the Board conducting the affairs of the association on behalf of members, and appointing committees and working groups to deliver strategic objectives.

Effective communication between The Board and its committees and working groups and members will be planned to allow effective input by all members into the work of the association.

The Board will actively seek member input to the continuous development and implementation of the association's strategic direction and the underlying business plan and budget.

FIFA committees and working groups will actively seek member input at key points in the development and implementation of programs and policies.

FIFA Strategic Relationships

There are two major organizations in the fertilizer industry in Australia, FIFA and the Australian Fertilizer Services Association (AFSA). There are also strong associations for agricultural chemicals and biotechnology, Croplife Australia, and veterinary chemicals Animal Health Alliance.

FIFA has developed co-operative relationships with Croplife Australia, Animal Health Alliance and with the AFSA in order to efficiently and effectively deliver the FIFA strategy.

Croplife Australia (previously Avcare)

In 2002, FIFA and Avcare signed a two year cooperation agreement whereby Avcare employs an Executive Manager for FIFA. The Executive Manager is seconded full time to manage the affairs of FIFA under the direction of the FIFA Board. The Executive Director of Avcare plays a role in day to day supervision and Avcare provides accounting and administrative support to the FIFA Executive.

In 2003, this agreement was extended to become an open ended agreement. In 2005 the agreement was amended in line with the change of Avcare to Croplife Australia. The

principal change in the new agreement is that FIFA now employs staff directly and the role of the Executive director of Avcare in providing day to day supervision no longer applies.

The agreement has provided a successful platform for FIFA to establish a professional presence in Canberra that enjoys the support of a larger organization whilst maintaining a completely independent identity for FIFA. Whilst there are some common interests and membership between the two organizations, FIFA's strategic objectives are best served by maintaining a completely independent identity, strategy and program.

The relationship with Croplife will be maintained for as long as it provides a cost effective means of maintaining a professional executive group for FIFA. There is no strategic value in broadening this relationship.

AFSA

In 2003, a services agreement was reached with the AFSA for FIFA to provide an executive function to that organization on a fee for service basis. As with the Avcare agreement the two organizations maintain a separate identity, strategy and programs.

Whilst there are some common members, FIFA's clear intent is to be the peak body for the Fertilizer Industry in Australia, whereas the AFSA represents the Fertilizer Services Industry and the Soil Ameliorant Industry.

FIFA strategy is to maintain an independent identity, strategy and program as the peak industry body for the fertilizer industry in Australia. The AFSA are a natural constituent member of FIFA.

FIFA and the AFSA have common objectives in the strategic areas of Environment, Food Safety and Regulation. This was a key factor in developing the services agreement with AFSA. In 2005 this cooperation was further strengthened with the signing of a joint venture agreement under which the Fertcare program is developed and managed.

The current arrangements with the AFSA provide maximum synergies between the two organizations whilst maintaining a completely separate identity for each. There is no strategic value in integrating the two organisations beyond the current arrangement of reciprocal membership, fee for service executive support and the joint venture agreement.

FIFA Profile and Standing

To raise the profile and standing of FIFA with key stakeholders, the association will continue to increase its involvement in their policy and program development and invite them to contribute to the development of our policies and programs.

FIFA will prepare in advance, to enter any public debate on issues of importance to the association that are of known interest or concern to our stakeholders.

FIFA will stimulate the debate in areas where we can have a positive impact on issues of importance to the association.

FIFA will plan to quickly respond to unanticipated public debate on issues of importance to the association.

Specific Initiatives

Each specific initiative that FIFA includes in its strategic plan will clearly identify stakeholders and what their interest in the initiative is.

Where specific initiatives of FIFA address key stakeholder concerns, the initiative will include appropriate planning to inform those stakeholders of the initiative and how it will address their concerns.

International Relations

FIFA will continue its involvement with the International Fertilizer Association (IFA) as the primary linkage to the international fertilizer community.

FIFA will communicate IFA activities to its members on a regular basis.

FIFA will be an active contributor to IFA in areas of strategic importance to FIFA and in return will seek advice and assistance from IFA to allow us to learn from overseas experience.

FIFA will also communicate with The Fertilizer Institute (USA), and the European Fertilizer Manufacturers Association on issues of common interest.

Model of operation

The schematic on the following page sets out the principles of how FIFA operates.

The **Board** is drawn from all ordinary members and has primary responsibility for the continuing development and implementation of the FIFA strategy.

The **Board** also has the role of approval and review for all the activities described within the grey/green box and has overall responsibility for conducting the affairs of the association.

Committees have primary responsibility for developing and maintaining policies that guide members, working groups and the executive in translating the strategic objectives into detailed plans and actions. Committees will generally have responsibility for policies relating to a significant and continuing aspect of FIFA strategy.

The **Corporate Governance Committee** has a particular role in developing and managing policies and procedures that guide the operations of FIFA and its members.

Working Groups have primary responsibility for developing the **programs** that will achieve strategic objectives.

The **Executive** has primary responsibility for implementation of programs.

The **Executive** also has the role of co-ordination and facilitation of all activities described within the grey/green box.

This model is intended to guide the activities of the association rather than be prescriptive. Thus policy for an issue of high priority and broad interest may be managed by The Board rather than a committee, a detailed policy in a technical area may be developed by a short term working group rather than by a committee.

Not shown on the diagram is the intention for continuous involvement of FIFA members and external stakeholders in the process through active communication. This is covered by the FIFA policies on the function of the Board, committees and working groups.

Management Cycle

FIFA has an annual cycle of quarterly Board meetings and an annual general meeting.

- Aspects of development and implementation of the FIFA strategy are the normal agenda items for Board meetings. In addition, the Board will formally review the entire FIFA strategy each year.
- A draft budget is presented at the March Board meeting, and a final budget is presented at the June Board meeting.
- Monthly financial reports of progress against the budget are provided to the Treasurer and quarterly reports are presented to the Board.
- Audited financial reports (special purpose financial reports) are presented at the Board Meeting and AGM in September.

