

The Senate

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Rural and Regional Affairs and  
Transport Legislation Committee

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Customs Tariff Amendment (Paraquat  
Dichloride) Bill 2004

May 2004

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ISBN 0 642 713 871

This document was prepared by the Senate Rural and Regional Affairs and Transport Legislation Committee, and printed by the Senate Printing Unit, Department of the Senate, Parliament House, Canberra.

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# REPORT

## Conduct of the inquiry

1.1 The Customs Tariff Amendment (Paraquat Dichloride) Bill 2004 was introduced into the House of Representatives on 19 February 2004 and to the Senate on 3 March 2003. On 10 March 2004, the Senate referred the bill to the Rural and Regional Affairs and Transport Legislation Committee for inquiry, on the recommendation of the Senate Selection of Bills Committee.

1.2 The Committee advertised the inquiry in *The Australian* on 24 March 2004 and wrote to relevant production and distribution companies, government departments and regulatory agencies inviting submissions. These are listed in Appendix 1. The Committee received four submissions, available on the Parliament's homepage at <http://www.aph.gov.au> and listed in appendix 2.

## Purpose of the bill

1.3 The purpose of the bill is to remove the 5 per cent import duty on the chemical herbicide paraquat dichloride (paraquat) imported with an emetic. The reduction is made on the basis that an emetic constitutes a safety feature, in accordance with UN Food and Agriculture Organisation (FAO) specifications.<sup>1</sup> According to the 2003-04 Budget Paper:

This measure will align the tariff treatment of paraquat dichloride with an emetic with the tariff treatment of the chemical with the addition of other safety features.<sup>2</sup>

1.4 The loss of revenue from the removal of the tariff is estimated to be \$500,000 per annum.<sup>3</sup>

## Provisions of the bill

1.5 Items 1 and 2 amend Schedule 3 (Classification of goods and general and special rates of duty) of the *Customs Tariff Act 1995* to insert in Chapter 29 (organic chemicals) a specific reference to paraquat, including the form with an emetic added for safety reasons, as 'Free' of duty.<sup>4</sup>

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1 Submission No. 3, Syngenta Crop Protection Pty Ltd, p. 1

2 <http://www.budget.gov.au/2003-04/bp2/html/revenue-01.htm>

3 <http://www.budget.gov.au/2003-04/bp2/html/revenue-01.htm>

4 Information and Research Services Parliamentary Library, Bills Digest No. 96 2003-04, p. 2

## Issues raised in the submissions

1.6 The Committee notes the minimal response to this inquiry from regulators and industry participants invited to submit their views on the bill, including uncertainty derived from an apparently straightforward administrative amendment being referred to a Senate inquiry.

1.7 The Committee also notes a review being conducted into the registration and approval of paraquat by the Australian Pesticides and Veterinary Medicines Authority (APVMA) as part of its ongoing review process into the administration of hazardous chemicals generally. APVMA has the option of imposing new conditions on, or cancelling altogether, the registration and approval of paraquat.<sup>5</sup> The review is expected to be completed in early to mid 2005, at which time APVMA will publish a Public Release Summary Document on its findings.<sup>6</sup>

### *Paraquat Poisoning*

1.8 Paraquat is listed in Schedule 7 of the *Standard for Uniform Scheduling of Drugs and Poisons* (SUSDP), which stipulates on p30 that:

A person must not sell or supply: (b) a Schedule 7 poison being a liquid preparation containing paraquat unless it is coloured blue or green and contains sufficient stenching agent to produce an offensive smell.<sup>7</sup>

The Office of Chemical safety stated that the stenching agent emitted a "strong and deterring odour", suggesting that paraquat is as a consequence physically difficult to consume and therefore an effective safety measure.

1.9 Further, the Office of Chemical Safety suggested that the safety benefits associated with an emetic (a chemical inducing vomiting when swallowed) are dubious:

It should be noted that the inclusion of an emetic in the formulated, marketed product containing paraquat may not be supportable on the grounds that there is a greater possible risk of harm through possible inhalation of the contaminated vomit.<sup>8</sup>

1.10 The addition of an emetic is arguably of no safety value in the context of the requirements for the sale of paraquat under the SUSDP guidelines. Therefore, the

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5 Submission No 4, Australian Pesticides and Veterinary Medicines Authority, p. 2

6 Submission No 1, Office of Chemical Safety, pp. 1-2

7 Cited in Submission No 1, Office of Chemical Safety, p.2

8 Submission No 1, Office of Chemical Safety, p.2



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removal of the five per cent import duty on paraquat with an emetic only, *on the basis that an emetic is a safety agent*, appears to be flawed.

1.11 However, the FAO specification and evaluation for paraquat stipulates that it must contain an emetic.<sup>9</sup> This has particular implications for the importation of paraquat produced for multiple overseas markets:

Syngenta Crop Protection concurs with the FAO specification and it is for this reason that all Syngenta paraquat products contain an emetic.<sup>10</sup>

1.12 The Department of Industry stated that the anomaly lies with paraquat containing an emetic singularly attracting a tariff, commenting that even paraquat without any safety features is tariff free:

The Bill simply seeks to correct an anomaly in the *Customs Tariff Act 1995* which treats Paraquat Dichloride with an emetic added for safety reasons, differently to when the chemical is imported with no safety additives, or when other safety additives such as anti-dusting, colouring or stenching agents are added. Under the legislation as it stands, Paraquat with an emetic attracts a 5% duty, whereas in other forms, it enters duty-free.<sup>11</sup>

1.13 Although the Committee might question the inconsistencies associated with the removal of the tariff on paraquat with an emetic, it does support the removal of the anomaly and therefore the five per cent tariff.

### ***Generic Safety Concerns***

1.14 The Committee is aware of broader concerns held in relation to the sale of chemicals with high toxicity levels such as paraquat. These include residual human health concerns associated with possible contaminated food and drinking water, along with the potential environmental and mammal health implications of paraquat use. The Committee notes that countries including Sweden, Denmark, Finland and Austria have prohibited the sale of paraquat altogether.<sup>12</sup>

1.15 In this context the Committee again notes the APVMA review referred to in paragraph 1.7:

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9 FAO specifications and evaluations for agricultural pesticides, [http://www.fao.org/WAICENT/FAOINFO/AGRICULT/AGP/AGPP/Pesticid/Specs/Pdf/Final\\_Paraquat\\_%20Specs\\_%202003.pdf](http://www.fao.org/WAICENT/FAOINFO/AGRICULT/AGP/AGPP/Pesticid/Specs/Pdf/Final_Paraquat_%20Specs_%202003.pdf), pp. 7 and 19

10 Submission No. 3, Syngenta Crop Protection Pty Ltd, p. 1

11 Submission No 2, Department of Industry Tourism and Resources, p. 1

12 Information and Research Services Parliamentary Library, Bills Digest No. 96 2003-04, p. 2

... the APVMA is currently reconsidering all approvals and registrations and registrations relating to paraquat, because of potential concerns about its acute and chronic toxicity.<sup>13</sup>

### ***Retrospective Removal of Import Duty***

1.16 According to the Budget Paper this bill is intended to operate retrospectively, removing the tariff on paraquat containing an emetic from 1 April 2003.<sup>14</sup> However, this date of retrospective application differs with the commencement date for the amending legislation, which is 24 March 2003.

1.17 The discrepancy is an administrative error causing no disadvantage to importers of paraquat. The legislation will, if passed, take retrospective effect from the earlier date of 24 March. Consequently, no person or company will be subject to a tariff they considered may not apply in contemplation of this bill being passed with the date specified in the Budget Paper.

### **Recommendation**

1.18 The Committee has noted the issues raised in submissions and makes the following recommendation:

#### **Recommendation 1**

**1.19 The Committee recommends the bill be passed in its current form.**

**Senator the Hon. Bill Heffernan**  
**Chair**

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13 Submission No 4, Australian Pesticides and Veterinary Medicines Authority, p. 2

14 <http://www.budget.gov.au/2003-04/bp2/html/revenue-01.htm>

# Customs Tariff Amendment (Paraquat Dichloride) Bill 2004

## Australian Democrats

### Supplementary Report

1. The *Customs Tariff Amendment (Paraquat Dichloride) Bill 2004* (Bill) removes the 5 per cent import duty that is currently applied to paraquat dichloride (or "paraquat") that contains an emetic. The effect of the Bill is to ensure paraquat that contains an emetic is duty free, which is the same as standard paraquat.
  - 1.1 Paraquat is a commonly used herbicide that is highly toxic. It is known to cause serious adverse health effects, including skin, eye, and lung irritations, nose bleeds, abdominal pains, nausea, vomiting, diarrhoea, lung oedema, and lung fibrosis. Exposure to high concentrations may even result in death.
  - 1.2 Paraquat can also have serious deleterious impacts on the environment. In this regard, it is known to be extremely toxic to aquatic organisms and is highly persistent, which raises risks of food and water contamination.
  - 1.3 At least eleven countries have already banned paraquat due to its human health and environmental impacts. As the majority report notes, they include Sweden, Denmark, Finland and Austria.
  - 1.4 The Australian Pesticides and Veterinary Medicines Authority (APVMA) is currently conducting a review of the status of paraquat under the *Agricultural and Veterinary Chemicals Code*. It is expected the review should be complete by mid-2005.
  - 1.5 Due to its toxicity, the Australian Democrats strongly believe the manufacture, importation, sale and use of paraquat should be prohibited in Australia. However, we believe it is necessary for the formal review process to be completed before this step is taken.
  - 1.6 Given the serious nature of the threat paraquat poses to human health and the environment, we believe the review of the status of paraquat should be expedited.

#### Recommendation 1

That the APVMA be instructed to complete the review of the status of paraquat dichloride under the Agricultural and Veterinary Chemicals Code by 30 September 2004.

- 1.7 If the APVMA determines that paraquat dichloride's approval or registration under the *Agricultural and Veterinary Chemicals Code* should not be withdrawn, the Australian Democrats believe consideration should be given to whether it is appropriate to impose an environmental tax on the sale of paraquat so as to provide an incentive for users to adopt safer and more environmentally benign alternatives.

**Recommendation 2:**

If the APVMA decides not to withdraw paraquat dichloride's registration or approval under the Agricultural and Veterinary Chemicals Code, the Government consider imposing an environmental tax on its sale to provide an incentive for users to shift to safer alternatives.

# **APPENDIX ONE**

## **INVITATIONS TO MAKE SUBMISSIONS**

The following organisations were invited to make a submission to this inquiry:

Nufarm Australia Ltd

Syngenta Crop Protection Pty Ltd

Du Pont (Australia) Ltd

Farmoz Australia

Department of Agriculture, Fisheries and Forestry

Department of Industry, Tourism and Resources

Office of Chemical Safety, Department of Health

Australian Customs Service

ChemAg

Australian Pesticides and Veterinary Medicines Authority



# APPENDIX TWO

## SUBMISSIONS

<b>Submission Number</b>	<b>Author</b>
1	Office of Chemical Safety - Department of Health and Ageing
2	Department of Industry, Tourism and Resources
3	Syngenta
4	Australian Pesticides and Veterinary Medicines Authority

