



SUBMISSION IN RESPONSE TO

REVIEW OF THE NATIONAL INDUSTRIAL CHEMICALS
NOTIFICATION AND ASSESSMENT SCHEME
(NICNAS)

10 AUGUST 2012

CropLife Australia

CropLife Australia (CropLife) is the peak industry organisation representing the agricultural chemical and biotechnology (plant science) sector in Australia. CropLife represents the innovators, developers, manufacturers, formulators and registrants of crop protection and agricultural biotechnology products. The plant science industry provides products to protect crops against pests, weeds and diseases, as well as developing crop biotechnologies that are essential to the nation's agricultural productivity, sustainability and food security. The plant science industry is worth more than \$1.5 billion per year to the Australian economy and directly employs thousands of people across the country.

CropLife member companies spend more than \$13 million a year on stewardship activities to ensure the safe use of their products on the environment and human health. CropLife ensures the responsible use of these products through its industry code of conduct and has set a benchmark for industry stewardship through programs such as **drumMUSTER**, ChemClear® and Agsafe Accreditation and Training.

The products of the modern agricultural chemical industry are critical to maintaining and improving Agricultural and Veterinary Chemicals Code Act 1994 is the primary legislation regulating agricultural chemicals in Australia and accordingly determines how plant science and agricultural chemical companies bring crop protection products to the Australian market.

CropLife Submission

CropLife members are required to utilise the NICNAS Scheme in respect of a number of their products and have a strong interest in any proposed changes to the NICNAS Scheme.

CropLife welcomes the review of NICNAS as it comes at a time that provides the opportunity to complement the Federal Government's proposed major changes to legislation covering the operations of the Australian Pesticides and Veterinary Chemicals Authority.

In context, CropLife believes that there is a need for better coordination across all agencies to ensure that there is consistency across all regulatory agencies in their various regulatory systems, their respective risk appetite and in consistency in assessment.

CropLife is anxious to see that efficiency reforms promised over many years in respect of regulation in this area are enacted. These include COAG initiatives, Better Regulation and Red Tape Reforms, and Productivity Commission recommendations.

CropLife is concerned that in an economic, productivity and industry development context it is extremely important that Governments understand the pressures that are faced by manufacturing in the Australian domestic market. Price considerations continue to drive markets with Australian manufacturers facing a high Australian dollar which makes imports cheaper, puts constraints on research and development and makes it imperative that Governments through regulatory processes do not make greater imposts on business.

There are also greater and significant costs that industry is incurring due to pressures on State Government finances, including registration costs, fees and charges, higher energy costs that has led to significant, if not strangulating imposts that industry has to offset to remain competitive in the Australian market.

CropLife members are concerned that we may again see increasing regulatory burden placed on companies which will increase both the cost of the system which will result in further reductions in innovation to the Australian market. This will occur unless NICNAS adopts a system that allows for greater flexibility and a concentration of its activities where the risk profile is greatest and implements more streamlined and efficiency processes where applicable..

The consequences of increasing regulatory burden are significant. Excessive and inappropriate regulation will:

- Delay introduction of newer and modern chemicals;
- Increase the cost of key inputs with corresponding flow on impacts through the supply chain; and
- Increased risks that demonstrably safe and effective chemicals are not available in the Australian market.
- Bring to a failure from regulatory agencies to grasp the importance of their assessments in the context of the National Food Plan and increasing Australia's outputs to be a part of the worldwide challenge to increase Australia's exports and competitiveness in food commodities and valued added produce.

CropLife suggests that understanding the complexity and number of chemicals that are in the inventory, that any assessments that are conducted by NICNAS must be assessed against the Council of Australian Government Best Practice Regulation Principals. This is the most effective means of delivering improvements in human health, OHS and environment protection.

CropLife also remains concerned that there is no clear mandate of what activities should be carried out by NCNAS when it may be considered that these activities could be more appropriately undertaken by other agencies. This is particularly the case where these other agencies may already have a legislative remit that could accommodate some of current activities. This could be the case in respect of international obligations, environmental aspects and OHS issues.

CropLife particularly is concerned that the recommendations of the Productivity Commission have not been taken up by Government (Recommendation 4.3 in its 2008 Research Report on Chemicals and Plastics Regulation) which would have the effect of freeing up resources for NICNAS core activity. CropLife strongly recommends that Recommendation 4.3 be implemented as it is central to the reform of NICNAS.

CropLife suggests that NICNAS be required to assess the chemical inventory and applications using the following principles:

- Any reforms to review chemicals must be identified to ensure that there is a net benefit to the Australian community. There must be a cost benefit analysis performed to ensure that this is the case.
- A properly developed risk compendium for both initial assessment and review must be developed to ensure that companies understand the assessment process, thus providing applicants with a greater understanding and demonstrated transparency in agency assessments. Such a risk compendium should be consistent with those of all other government agencies such as the APVMA for example.
- If resources are being diverted to ensure completeness of applications, the development of a risk compendium is essential. A stricter regime in applications completeness or rejection should be introduced.
- With the introduction of a risk compendium this should allow for a more efficient process for Low risk chemicals. CropLife is aware that the assessment of Low Risk Chemicals is currently a tortuous process, with the current processes being as complex as to those of higher risk chemicals.
- Fees paid for assessment and registration should not be utilised to other than the core activities. Any corporate activities or promotion of the agency should be funded from government appropriation. Similarly any other activity such as FOI requests, policy development must not be funded from charges levied by the agency.
- Utilisation of assessments by overseas authorities must bring about agency efficiency and reduced duplication of assessment activity that currently characterises the agency's behaviour. Sophisticated regulatory systems exist not only in the USA and Canada but in the European Union. The acceptance of the assessments of these overseas authorities on chemicals in most circumstances should be accepted by NICNAS to avoid duplication of assessment work and effort and allow the reported scarce resources of NICNA to be better utilised.
- Administrative arrangements and services provided by the Department of Health and Ageing must meet the agency's needs and not inhibit the efficiency of operations. Service level agreements and objectives and of the key performance indicators should be developed..

- CropLife would be interested in gaining access to any documentation or independent assessment that has been made of the current service arrangements, namely to assess whether industry is getting the most efficient system and value and to use any such assessment to benchmark future agency activities. This should be utilised in gauging NICNAS performance and its conformity to timeframes in dealing with assessments.

Significantly improving the efficiency and minimising unnecessary burden of the NICNAS Scheme is crucially important for the entire chemical industry sector in Australia and such reforms should be implemented as a matter of urgency.