

28 February 2018

The Hon. Rick Wilson MP
Chair, Standing Committee on Agriculture and Water Resources
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Parliament House
CANBERRA, ACT 2600

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Dear Mr Wilson,

CropLife Australia is the peak industry organisation representing the agricultural chemical and biotechnology (plant science) sector in Australia. CropLife represents the innovators, developers, manufacturers and formulators of chemical and biological crop protection products and agricultural biotechnologies for plant breeding, such as genetically modified crops. CropLife members provide the majority of the crop protection products sold in the Australian market. Membership of CropLife requires strict adherence to our mandatory industry code of conduct based on world's best practice and the FAO's International Code of Conduct on Pesticide Management.

The plant science industry's crop protection products include fungicides, herbicides and insecticides that are critical to maintaining and improving Australia's agricultural productivity to meet global food security challenges in coming decades. Each of these products is rigorously assessed by the Australian Pesticides and Veterinary Medicines Authority (APVMA) to ensure they present no unacceptable risk to users, consumers and the environment.

There have been a large number of government, departmental, regulator and parliamentary inquiries into the APVMA's regulatory reform processes and CropLife and our members have actively and constructively engaged for many years in all the previous inquiries and proposed specific initiatives to improve the regulatory system. Those contributions go significantly to the specific issues being considered by this Committee and accordingly, I enclose a range of CropLife's submissions, which are already on the public record, that directly relate to those relevant processes. These submissions highlight the need for improvements in the regulation of agricultural chemicals and the failings of previous processes.

The Department of Agriculture and Water Resources (the Department) developed the 2014 reform package on the APVMA without realistic implementation timeframes or sufficient funding. These two factors directly contributed to the Australian National Audit Office's (ANAO) poor assessment of the implementation processes by the APVMA. The ANAO's detailed and considered performance audit report on the implementation of pesticide and veterinary medicine regulatory reform highlights the serious failure of the reform processes to deliver real regulatory efficiencies. It also confirms CropLife's long-standing call that urgent action is needed. The main findings of the report reflect industry's justified criticism of the Department and are best summed up on page eight of the report that *'...overall, the regulatory burden on industry has not been reduced since the reforms were implemented.'*

While there are clear failings by the APVMA to properly implement the reforms, the Department must also take responsibility for failing to provide the APVMA with adequate time or resources to implement a major reform package.

After the less than optimum outcomes of the 2014 reform package, the Department proposed additional legislative changes in the Agricultural and Veterinary Chemicals Legislation Amendment (Operational Efficiency) Bill 2017 (the Bill). Disappointingly, the amendments contained within the Bill are not the urgent reforms needed to streamline APVMA operations in respect to the organisation's transition to Armidale. They are rather, necessary minor amendments intended to address the failings of the 2014 reform package. The Bill has finally been introduced to Parliament two years later than originally promised, and three years after it was needed. This, at a historic low-point in industry confidence in the Department's capability to deliver effective and implementable regulatory reform. Instead of focussing on developing the urgent and necessary reforms required to assist the APVMA during the transition to Armidale, and subsequent changes in operating structure, the Department has spent more than three years rectifying the failures of the 2014 reform package.



It is beyond time that the Department and the APVMA deliver tangible ongoing improvements to the regulation of agricultural chemicals in Australia, otherwise the hundreds of millions of dollars every year in lost productivity currently experienced due to regulatory inefficiency will continue and worsen. CropLife has strongly advocated that immediate and meaningful regulatory reforms to reduce regulatory burden and improve operational efficiency was urgently needed to mitigate the current operational challenges facing the APVMA. The Department's astounding lack of urgency at delivering these reforms has culminated in the delivery of a tranche of underwhelming reform proposals, none of which will deliver any perceivable, immediate efficiency gains to the regulation of agricultural chemicals in Australia. At this rate, it is questionable whether these reform options will be implemented prior to the APVMA relocating to Armidale, let alone delivered in time to make a tangible difference.

CropLife recognises that the current regulatory system for agricultural chemicals in Australia is scientifically competent and technically proficient. CropLife's primary concerns with the current system relate to the ability of the APVMA to regulate agricultural chemicals efficiently, predictably and consistently. Despite our frustration with the slow process and lack of proper implementation of these reforms, we remain committed to continuing to work constructively with the Government to ensure Australia has the world's best agricultural chemical regulator.

The cost burden of the APVMA falls on the regulated entities – the developers, manufacturers and registrants of innovative crop protection products – through a cost recovery process. Delays and inefficiencies end up adding unnecessary costs to crucial agricultural input products, which is a cost that ends up on the farm gate. The importance of this regulator maintaining its technical competencies whilst significantly improving efficiencies is crucial to the plant science industry and the nation's farming sector.

Urgent action is needed and the importance of having the implementation of future specific and targeted reforms appropriately funded by Government with well-considered and appropriate timeframes cannot be underestimated. It is also important that the ANAO report findings are well understood and considered in context.

Please do not hesitate to contact CropLife's Director of Agricultural Chemical Policy, Mr Alastair James, should you require any additional information with regard to any aspect of this submission.

Yours sincerely

(SIGNED)

Matthew Cossey
Chief Executive Officer