

APVMA BOARD AN ILL-CONSIDERED COST TO AUSTRALIAN AGRICULTURE

18 September 2019 (Canberra) – While most of the reforms in the Agricultural and Veterinary Chemicals Legislation Amendment Bill introduced today are welcomed, the plant science industry is disappointed the government is attempting to impose more unnecessary costs onto Australian farmers with its ill-considered and poorly planned governance board for the Australian Pesticides and Veterinary Medicines Authority (APVMA).

Adding this additional layer of bureaucracy comes at a significant cost and does not address the core inefficiencies in the APVMA's operations. This is a price that will ultimately be borne by Australian farmers who should not be expected to pay more for crucial products as a result of increased regulatory costs, especially at this time when so many are doing it tough due to one of the worst periods of drought Australia has ever experienced.

The cost of chemical regulation in Australia is already three times greater per product registered use than in the United States – despite the Australian market being just one tenth the size of the US. The APVMA has already announced it will be seeking an additional \$2.5 million in fees annually to cover years of mismanagement and an inability to meet its statutory performance requirements within budget. Adding another cost of upwards of half a million dollars per year for a governing board is exorbitant.

It is a slap in the face to the farming sector that this board will be fully funded by industry fees and levies, rather than by general revenue like other government regulators – even those with industry cost recovery arrangements.

The APVMA has previously had a governance board. It was abolished in 2007 following recommendations made in the independent Review of Corporate Governance of Statutory Authorities and Office Holders. The agency now has a functioning governance structure, including an audit committee with external appointees. Any changes to this should only be implemented after proper and comprehensive assessment and consideration. It is clear and disappointing that the government hasn't properly considered other lower cost governance and management oversight measures.

It's also extremely disappointing that the government appears to be forcing the Parliament to take the bad with the good by adding this measure to previously proposed regulatory changes that had bi-partisan support when they were passed by the House of Representatives 18 months ago. We call on all Senators to amend the Bill to remove the governing board and pass the other conservative but important measures that have been long-awaited by the Australian plant science industry and agricultural sector.

The government's revised Bill to introduce an expensive governing board for the APVMA has been rushed without proper consultation as part of any long-term reform process. They clearly have not adequately considered the impact this will have on industry and Australian farmers.

CropLife and our members do not, in principle, oppose governance structures like boards. What we do oppose is ill-considered politically motivated initiatives that impose significant costs on the farming sector without corresponding improvement.

The APVMA has experienced a tumultuous few years relocating to Armidale. This isn't the time to introduce slapdash, costly measures. If the government wishes to be so belligerent and is intent on having this expensive board, then it should pay for it instead of Australia's farmers.

Statement attributable to: Matthew Cossey, Chief Executive Officer, CropLife Australia

About CropLife Australia

CropLife Australia is the national peak industry organisation representing the plant science sector in Australia. CropLife's members are the world-leading innovators, developers, manufacturers and formulators of crop protection and crop biotechnology products. The plant science industry, worth more than \$20 billion a year to Australian agricultural production, provides products to protect crops against pests, weeds and diseases, as well as developing crop biotechnologies key to the nation's agricultural productivity, profitability and sustainability. CropLife is part of the plant science industry's 91 country international federation.

