

## Timing and size of fee increases on farming sector disappointing

**18 May 2020 (Canberra)** – The approval by Minister Littleproud of significant fee increases on the plant science and animal medicines industries that add costs to the farming sector are disappointing in both their timing and their size.

Chief Executive Officer of the national peak industry organisation for the plant science sector, Mr Matthew Cossey, said, “Given the extraordinary circumstances and challenges we are facing with supplying crucial products to Australian farmers at the moment, it is bewildering that government has signed off on these unnecessary fee increases for the Australian Pesticides and Veterinary Medicines Authority.

“The plant science industry is under immense strain from global trade disruptions and significant increases in demand and all its efforts are going into ensuring farmers have the products they need to farm productively. These APVMA fee increases are borne by the farming sector – just when they are finally getting some decent rainfall and giving their all in producing the food, feed and fibre requirements of the nation.

“These fee increases can have a real impact on which critical crop protection products make it to the Australian market. With 73 per cent of the total value of Australia’s crop production enabled by crop protection products, government must be very cautious of any possible inhibitors to farmers accessing these crucial products.

“It is disappointing the Minister has signed off on these fee increases considering the funding sought by the APVMA through the cost recovery arrangements is significantly more than justified on any independent assessment. It is clear the regulator has an expenditure management problem as opposed to a revenue shortfall issue.

“We acknowledge that following engagement with industry, the regulator reassessed their initial proposed increases. However, more should have and could have been done in containing costs and they absolutely should have delayed any increases during this period of pandemic.

“This decision further highlights the disparity between this ag-related regulator and other regulators, in that almost 100 per cent of APVMA operations are funded by industry fees and levies. Other regulators receive significant levels of government funds because of the recognised community benefits. The APVMA is no different and government should recognise its importance to the broader community and make ongoing contributions for the functions the APVMA undertakes not directly related to product assessments and registrations.

“With these fee increases, the government must withdraw any consideration of further unnecessary administrative costs such as the APVMA Governance Board unless it is going to directly fund it. You don’t need a \$500,000 a year governance board to see that these aren’t justifiable fee increases.

“The most recent performance statistics of the APVMA show that performance has improved to almost meeting the minimum statutory requirements across the board and I commend the APVMA for that. However, this improvement shows that it’s simply a matter of better financial management, not increased fees that is required.

“The soon to be appointed new CEO of the APVMA will need to show that these increased resources are going to a genuine step change in timeliness and efficiency in operations of the regulator. Industry will expect more value than just meeting the minimum statutory timeframes considering the APVMA is now one of the most expensive regulators in the world for industry, on a dollar for dollar basis.”

Mr Cossey concluded, “CropLife and our members value the important role of the APVMA and have been constructive in accepting the fee and levy system imposed on it. We remain committed to ensuring the APVMA is appropriately funded to undertake its work in a timely and efficient manner, however these increases at this time are not necessary.”

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### 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.