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**Submission to the 'House Standing Committee on Agriculture, Resources, Fisheries and Forestry' (ARFF) Inquiry on the 'Agricultural and Veterinary Chemicals Legislation Amendment Bill 2012'**

The Australian Forest Products Association (AFPA) is the peak national body for Australia's forest, wood and paper products industry. We represent the industry's interests to governments, the general public and other stakeholders on matters relating to the sustainable development and use of Australia's forest, wood and paper products.

AFPA members include native forest managers, plantation growers, wood and paper product manufacturers who also are chemical users. Forestry and its related industries are economically significant and important to rural economies and employment.

The forest industry has a keen interest in ensuring efficient and effective regulation of agricultural and veterinary (agvet) chemicals. This reform will first impact the chemical companies that develop the chemicals for registration via the regulator. However, the Australian forest, wood and paper products industries are end-users and the continued availability of viable, efficient and cost-effective chemical solutions is essential in forest growing applications, and processed wood and paper end products. Further it is critical to maintaining and improving our industries productivity to meet Australia's wood fibre and product needs into the future.

AFPA welcomes the opportunity to provide comment to the House Standing Committee on Agriculture, Resources, Fisheries and Forestry (ARFF) Inquiry on the 'Agricultural and Veterinary Chemicals Legislation Amendments Bill 2012' (*Bill*). This comment follows our feedback to the Department of Agriculture, Fisheries and Forestry (DAFF) on the Revised Exposure Draft Bill in October 2012 (appended as **Attachment 1**).

AFPA's comments relate specifically to the following ARFF Terms of Reference:

- a) *Factors that affect new agricultural and veterinary chemicals (agvet) chemical regulation, including the risk assessment process;*
- b) *Re-approval and re-registration of agvet chemicals; and*
- c) *Cost and impost on stakeholders especially users of minor use chemicals (i.e. smaller scale chemical using industries).*

## *Agvet Chemical Regulation Reform and Industry Key Issues*

AFPA appreciates, and sees considerable merit, in the objectives of the Bill (i.e. *improve the efficiency and effectiveness of the current regulatory arrangements, and provide greater certainty*).

We note DAFF's statement that the Bill has been revised to include comment following the October 2012 stakeholder consultation process, and prior to its introduction into Parliament.

However, we feel many of the issues in our submission have not been adequately dealt with to date and will need to be considered further and addressed in this reform process, the ARFF inquiry, and the current draft legislation. Our issues are detailed more thoroughly in our previous submission appended as **Attachment 1**, but include:

- *the lack of any real reform and regulation simplification* - Unfortunately most of the provisions in the Bill would appear to be about increasing the amount of red tape, process and cost recovery (fees), with very little in the way of increasing efficiencies. The additional regulatory processes result in increased costs and inefficiencies for both existing registrants and new applicants, and as a result increase flow-on costs and may limit availability of chemical solutions to industry users;
- *proposed re-approval and re-registration process* - The proposed structure of the re-approval and re-registration process does not meet the stated objective to '*increase the scrutiny of chemical constituents and products through a scheme that minimises impacts on industry*'. The additional regulatory processes, measures and regulatory structure for the proposed re-approval and re-registration are likely to increase cost and uncertainty for industry. It will also make it very difficult to maintain the existing suite of minor use and existing chemicals that our industry relies on. Further the current proposed selection of re-approval and re-registration periods based on 'hazard' of the active constituent rather than 'risk' can lead to perverse outcomes. Chemicals that have similar risks but different active constituents could be subject to different reconsideration periods;
- *risk assessment* - there remains continued uncertainty in the detail and application by the regulator of the proposed risk assessment framework underlying the approval process. This framework needs to be better aligned with the principles of assessment for 'risk' not 'hazard' (i.e. 'hazard' is the assessment of the potential harm of the chemical, and the 'risk' is the probability (likelihood) of harm occurring from exposure to a harm and the likely consequences of that harm); and
- *minor use* - Due to the forest industry's relative small amount of chemical use compared to other agricultural sectors, the continued availability of 'minor use' permits coupled with an effective and streamlined 'minor use' permit approval process, are essential to ensure chemicals are available to use for forestry applications. The Bill in its current form does not appropriately address the issue of minor use. It is expected to increase costs and barriers to the registration and availability of chemical solutions to smaller scale chemical-using industries and variations to application methods (i.e. significant occurrence of aerial application due to average site conditions faced by the forest industry).

There remains significant uncertainty whether the proposed Bill will achieve its aims, reduce red tape, and be effective, equitable and efficient. Further, the complexity of the amending legislation and the current absence of detailed supporting documentation (including regulations) entail a large and difficult task of policy implementation.

There is little in the proposed amendments that will reduce or streamline the existing regulation process. To the contrary, the Bill introduces additional tests, hurdles and regulation that do not appear to provide any clear benefit to agvet chemical registrants and users. These are likely to increase the cost burden, increase complexity, create unnecessary barriers, duplicate existing processes, and be inefficient.

Overall, the Bill in its current form is a poor outcome for agvet chemical registrants and users. It creates significant uncertainty for the forest industry in the continued availability of operationally cost effective chemical solutions into the future.

It is in industry's and the wider economy's best interest (especially in a competitive world trade market) that the goal of any proposed reforms should be a chemical regulation framework which is consistent, streamlined, flexible, unambiguous, equitable, effective and efficient in order to achieve the desired outcomes at the lowest possible cost.

### *Summary*

AFPA strongly recommends that the identified issues and content of our previous feedback to DAFF in October 2012 (appended as **Attachment 1**) be considered and addressed prior to further progression of the Bill through Parliament.

Thank you for the opportunity to provide comments to the ARFF Inquiry into the Bill. AFPA is available to discuss the issues raised in this submission in more detail and welcomes additional opportunities to provide further comment.

**ATTACHMENT 1:** *'AFPA October 2012 Submission on the 'Revised Exposure Draft - Agricultural and Veterinary Chemicals Legislation Amendments Bill 2012' to the Department Of Agriculture, Fisheries and Forestry.'*