



## **SUBMISSION**

### **GPA response to the Senate Rural and Regional Affairs and Transport Legislation Committee review –**

### **Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Bill 2019**

Addressed to:

Committee Secretary  
Senate Standing Committees on Rural  
and Regional Affairs and Transport  
PO Box 6100  
Parliament House  
Canberra ACT 2600

10 October 2019

**GPA response to the Senate Rural and Regional Affairs and Transport Legislation Committee review – Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Bill 2019**

Thank you for the opportunity for Grain Producers Australia (GPA) to provide a response to the **Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Bill 2019<sup>1</sup>**.

The GPA submission is made on behalf of all our members including the State Farming Organisations. In some cases State Farming Organisations will make a separate submission to more clearly articulate state based concerns.

As detailed in the 2014, 2017 and recent 2019 GPA submissions regarding Agvet chemicals regulatory reform, the outcomes for community and industry that need to be achieved through policy and legislative reform include;

- Increased National and foreign investment in Australia
- Increased agricultural profitability and sustainability
- Increased delivery of a diverse range of foods to a multicultural community
- Increase productivity and scale of industries contributing to GDP and balance of trade
- Improving safety to community, environment and trade.

Potential options for addressing increased investment in Australia have been identified which include;

- Improved prioritisation
- New incentives for investment
- Co-investment partnerships
- Increased clarity on benefits and return on investment
- Regulation co-equivalence opportunity
- Clarity of roles for commercial companies, RDCs and regulators
- Regulation reforms.

The proposed regulatory reforms detailed in the Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Bill 2019 only address a small number of the issues identified, or in some cases created, through previous rounds of legislative reforms. There is clearly a need for further legislative reform to deliver technology access outcomes for Australian agriculture including grain growers.

There is an urgent need for the chemical industry to embrace digital agriculture and automation technologies and the legislation must embrace these 21<sup>st</sup> century technologies and encourage the consideration of these systems by the APVMA. There is also an urgent need for reforms to enable electronic labels and for these changes to be reflected in state control of use legislation.

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<sup>1</sup>[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Rural\\_and\\_Regional\\_Affairs\\_and\\_Transport/APVMABill2019](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/APVMABill2019)

## Executive summary

GPA provides the following overview of comments on the operation of the amendments in the Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Bill 2019. Further clarification of the rationale behind these comments are contained within the body of the submission.

GPA provides detail on its position on the amendments to the AgVet Act proposed in this Bill, noting there has been limited time to provide a considered response:

- **GPA Supports most of the proposed legislative changes in the Bill.**
- **GPA supports the introduction of Schedule 2 to establish a governance board for the APVMA and cease the existing APVMA Advisory Board.** It is however critical that this is a skills based board and independence of directors will be essential. To ensure absolute public confidence in the independence of a skills based APVMA board, the costs associated with the appointment and operation of this board should be fully funded by the Australian Government in annual appropriation budgets rather than funded through the APVMA by registrant levies which are indirectly supported by producers through pesticide sales.
- **GPA does not support Part 13 of Schedule 1 (Items 90 to 95) to simplify the APVMA's corporate reporting requirements by removing the need for the APVMA to develop and seek approval of an annual operational plan in addition to a corporate plan.** GPA believes that the publication of the annual operational plan provides transparency of its operational plans, which will be additionally supported by the proposed re-establishment of the APVMA board.
- **GPA does not support proposed changes to Part 16 of Schedule 1 (Items 105 to 107) to address anomalies in relation to prescribing matters for the labelling criteria and for overseas trials and experiments.**
- GPA considers as an outcome of the current AgVet Act, that the timeframes for chemical reviews resulting will not meet industry and community expectations.
- Significant delays for approval of new active products is a significant cost to industry with delays in access leading to combined productivity losses and accelerated impact of pesticide resistance.
- There is a need for pragmatic discussion on what legislative reform is required to speed up the APVMA assessment timeframe for new actives.
- There is a significant issue of increasing market failure of AgVet investment in Australia and this situation has not improved since the reforms of the 2014 and 2017 bills. Commercial investment in new pesticide technologies compared to the USA and Canada appears to have become worse in recent years.
- There should be significant consideration of models based on international datasets if the case can be made for agro-ecological co-equivalence and similar good agricultural practice.
- There is an urgent need for the chemical industry to transform from current 19<sup>th</sup> century paper based systems into a 21<sup>st</sup> century smart digital agriculture system. Legislative reform is required that allows for the outcome of an electronic label.
- GPA would support the Australian government to engage in a discussion on potential incentives to support increased AgVet investment into Australia to provide the tools and production capacity for industry to remain internationally competitive.

## **Background: Grain Producers Australia**

Grain Producers Australia (GPA) represents Australia's broadacre, grain, pulse and oilseed producers at the national level. Grain Producers Australia works to foster a strong, innovative, profitable, globally competitive and environmentally sustainable Australian grains industry. Representing 5200 farm businesses, it strives to represent Australian grain farmers nationally and internationally in their contribution to sustainable development and society.

Working with its members – state farm organisations and farmers across the grain production area of Australia - GPA advocates for sound outcomes that deliver a positive commercial result. GPA is a not-for-profit company limited by guarantee. It is governed by a board, elected by its members.

The objectives of GPA are to:

- Provide a strong, independent, national advocate for grain producers based on a rigorous and transparent policy development process.
- Engage all sectors of the Australian grains industry to ensure operation of the most efficient and profitable grain supply chain.
- Facilitate a strategic approach to research, development and extension intended to deliver sound commercial outcomes from industry research.

The GPA policy council, is strategically focused on three pillars of economic development, social responsibility and environmental management.

Our policy council includes representatives from State Farm Organisations including:

- Agforce Grains
- Grain Producers SA
- NSW Farmers Association
- Victorian Farmers' Federation Grains Group
- Tasmanian Farmers and Graziers Association
- WA Farmers
- WA Grains Group

GPA manages the biosecurity program for the grains industry through Plant Health Australia and is a joint Representative Organisation (RO) responsible for overseeing the performance of the Grains Research and Development Corporation (GRDC).

## **GPA and AgVet chemicals**

GPA has been engaged for many years in cross industry discussion in relation to increasing market failure of commercial investment in agricultural pesticides and veterinary medicines (AgVet) in Australia.

Key relevant GPA responses previously submitted include:

- *GPA response to Department of Agriculture Proposed Agricultural & Veterinary Chemicals Legislation Amendments Consultation Paper (7 March 2014)*
- *GPA response to Australian Government Senate Inquiry into the Agricultural and Veterinary Chemicals Legislation Amendment (Removing Re-approval and Re-registration) Bill 2014 (17 April 2014)*
- *GPA response to Australian Government Agricultural Competitiveness Issues Paper (17 April 2014)*
- *Grain Producers Australia response to Department of Agriculture First Principles of Cost recovery at the APVMA final report (24 October 2014)*
- *GPA response to the Exposure Draft of the Agricultural and Veterinary Chemicals Legislation Amendment (Operational Efficiency) Bill 2017 (19 July 2017)*
- *GPA response to the consultation on Agricultural and Veterinary Chemicals Legislation Amendment exposure draft (Streamlining Regulation) Bill 2018 (22 August 2018)*

- *GPA response to the Senate Committee on Rural and Regional Affairs and Transport on Agricultural and Veterinary Chemicals Legislation Amendment (Streamlining Regulation) Bill 2018 (19 December 2018).*
- *GPA response to Acil Allen Consulting consultation on operation of the amendments in the agricultural and veterinary chemicals legislation amendment act 2013 (29 March 2019)*

As detailed in previous submissions by GPA, it is recognised that Australia is no longer on the global priority list for pesticide and veterinary medicine investment in commercialisation as it was 20 years ago. It is essential that unnecessary reviews and red tape does not further erode Australian AgVet investment and resulting productivity through reduced technology access. It is important that APVMA reviews are based on science-based evidence where adverse events or new international scientific evidence calls for reconsideration of existing chemical actives.

The Australian grains industry is not resourced to meet the potential significant cost of an unnecessary regulatory process where time bound compulsory re-registration is likely to result in commercial market failure for regulatory support of generic off patent chemical actives. Australia is also missing out from productivity improvement through commercial investment in a large number of potential emerging biological, biochemical and biotechnology based AgVet technologies. It is essential that Australian grain growers have access to the same pesticide technologies to remain internationally competitive with other overseas producers,

While GPA is responding positively to the Australian Government initiative of ongoing legislative reform, key changes in the Agricultural and Veterinary Chemicals Legislation Amendment Act 2013 and subsequent reform bills do not address the declining commercial pesticide investment into Australia. While there is clearly many limitations of how the regulator can operate under the 2013 and subsequent AgVet Acts, GPA would like to commend the APVMA and its staff in supporting the Australian grains industry with effective and timely communication on key chemical access issues including permits and the ongoing product registration needs of the industry.

GPA consultant on all AgVet chemical related issues, Dr Rohan Rainbow has previously facilitated discussions with most of the agricultural industry RDCs, Department of Agriculture and Water Resources, APVMA and key registrant groups CropLife Australia and the Animal Medicines Australia to identify the major factors resulting in declining investment in Australia which include;

- Australia is a small market in a global context < 1.5%
- Since the last round of AgVet reforms in 2014 and 2017, Australia is continuing to experience difficulties with complex AgVet regulations, timeliness and costs relative to commercial return on investment
- Global multinational companies face a poor rate of return on commercialisation investment compared with major developing markets including Brazil and China.

As detailed in previous 2014<sup>2</sup>, 2017<sup>3</sup>, 2018<sup>4</sup> and 2019<sup>5</sup> GPA submissions regarding AgVet chemicals regulatory reform, the outcomes for community and industry that need to be achieved through policy and legislative reform include;

- Increased national and foreign investment in Australia
- Increased agricultural profitability and sustainability

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<sup>2</sup> GPA response to Australian Government Senate Inquiry into the Agricultural and Veterinary Chemicals Legislation Amendment (Removing Re-approval and Re-registration) Bill 2014

<sup>3</sup> GPA response to the Exposure Draft of the Agricultural and Veterinary Chemicals Legislation Amendment (Operational Efficiency) Bill 2017

<sup>4</sup> GPA response to the Senate Committee on Rural and Regional Affairs and Transport on Agricultural and Veterinary Chemicals Legislation Amendment (Streamlining Regulation) Bill 2018

<sup>5</sup> *GPA response to Acil Allen Consulting consultation on operation of the amendments in the agricultural and veterinary chemicals legislation amendment act 2013 (29 March 2019)*

- Increased delivery of a diverse range of foods to a multicultural community
- Increase productivity and scale of industries contributing to GDP and balance of trade
- Improving safety to community, environment and trade.

Potential options for addressing increased investment in Australia have been identified which include;

- Improved prioritisation
- New incentives for investment
- Co-investment partnerships
- Increased clarity on benefits and return on investment
- Regulation co-equivalence opportunity
- Clarity of roles for commercial companies, RDCs and regulators
- Regulation reforms.

GPA has reviewed previous February 2012 Grains Research and Development Corporation submissions to the 2013 AgVet Act that have not yet been considered in draft Bills and recognises that the reforms could have potentially improved efficiencies and reduced time frames for application assessments and chemical reviews. A wider range of enforcement tools should also have enabled the APVMA to better ensure compliance with regulations. However GPA notes that data protection reforms to application processes could have removed some disincentives to seeking permits, re-approvals and re-registrations. The cost of generating data is likely to remain a disincentive for minor uses and generic products. More recent regulatory reforms detailed in the Agricultural and Veterinary Chemicals Legislation Amendments (Operational Efficiency Bill 2017 and Streamlining Regulation Bill 2018) only address a small number of the issues identified, or in some cases created, through previous rounds of legislative reforms. There is clearly a need for further legislative reform to deliver technology access outcomes for Australian agriculture including grain growers.

There is an urgent need for the chemical industry to embrace digital agriculture and automation technologies and new legislation must embrace these 21<sup>st</sup> century technologies and encourage the consideration of these systems by the APVMA. There is also an urgent need for reforms to enable electronic labels and for these changes to be reflected in state control of use legislation.

## **Feedback on AgVet Bill 2019**

### ***Proposed changes supported***

**GPA supports proposed changes to Part 1 of Schedule 1 (items 1 to 3) - information to be taken into account in determining applications.** These changes will address current issues for requests for simple clarifying information related to information that has already been provided in the original submission.

**GPA supports proposed changes to Part 2 of Schedule 1 to the Bill (items 4 to 14)** which amends the Agvet Code to provide the APVMA with greater flexibility to manage applications and to align regulatory effort with risk, similar to the APVMA's existing streamlined options for prescribed variations to approvals or registrations.

**GPA supports proposed changes to Part 3 of Schedule 1 (items 15 to 27) to the Bill** which amends the Agvet Code to provide improved data protection (Protected information and limits on use of information) incentives for the chemicals industry to seek approval of certain kinds of active

constituents with new, desirable features, or to register certain uses (priority uses) of chemical products. The proposed legislation change to extend the period of time up to a maximum of five additional years is supported by GPA. There is however a lack of clarity on how priority uses would be identified. GPA proposes that the priority list developed by all Australian plant industries through the AgVet Collaborative Forum should be the basis for identifying these priorities. The sources or location of this priority list should be specified in APVMA regulations. There is also a need to address improvement through data protection for minor and emergency use permits to ensure that both Australian and International companies commit to supporting industry through provision of valuable data, particularly on new chemistry.

**GPA supports proposed changes to Part 4 of Schedule 1 (Items 28 to 35) —Annual Returns and record keeping.** The proposed amendments will reduce the regulatory burden on industry for reporting requirements, while ensuring sufficient data is provided.

**GPA supports proposed changes to:**

- Part 5 of Schedule 1 (items 36-44) to provide that the APVMA may choose to use computerised decision-making as part of its processes, thereby increasing efficiency.
- Part 6 of Schedule 1 (Items 45-51) to provide the APVMA with greater flexibility to manage application errors during the preliminary assessment of those applications.
- Part 7 of Schedule 1 (Items 52 to 56) to enable the APVMA to vary the relevant particulars or conditions of an approval of an active constituent, a registration of a chemical product, or an approval of a label for containers for a chemical product.
- Part 8 of Schedule 1 (Items 57 to 66) to enable the APVMA to introduce practical measures to deal with suspended label approvals or registrations and to address the reason for a suspension.
- Part 9 of Schedule 1 (Items 67-71) to establish civil pecuniary penalties for contraventions of provisions relating to false or misleading information.
- Part 10 of Schedule 1 (Items 72-74) to introduce more comprehensive grounds for suspending or cancelling approvals or registrations where information is provided that is false or misleading
- Part 11 of Schedule 1 (Items 75-78) to require persons to inform the APVMA when they are undertaking certain voluntary recalls and requires the APVMA to publish such recalls.
- Part 12 of Schedule 1 (Items 79-89) to ensure that obligations to provide relevant information to the APVMA apply to holders of label approvals, and applicants for both label approvals and variations to approvals or registrations
- Part 14 of Schedule 1 (Items 96-97) amending the Agvet Code definition of a registered chemical product
- Part 15 of Schedule 1 (items 98 to 104) to address inconsistency in the Agvet Code by clarifying what information must be included in a label. GPA notes that this could be addressed through the introduction of electronic label information.
- Part 17 of Schedule 1 (Items 108 to 112) to simplify, and provide flexibility on the timing of, the notification that must be provided to FSANZ by the APVMA
- Part 18 of Schedule (Items 113 to 114) to amend the definition of expiry date in section 3 of the Agvet Code to clarify that the expiry date is the date after which a chemical product must not be used.

- Part 19 of Schedule 1 (Items 115 to 157) to improve the operation of the Administration Act and the Agvet Code.

**GPA supports the introduction of Schedule 2 to establish a governance board for the APVMA and cease the existing APVMA Advisory Board.** It is however critical that this is a skills based board and independence of directors will be essential. To ensure absolute public confidence in the independence of a skills based APVMA board, the costs associated with the appointment and operation of this board should be fully funded by the Australian Government in annual appropriation budgets rather than funded through the APVMA by registrant levies which are indirectly supported by producers through pesticide sales.

#### ***Proposed changes not supported***

**GPA does not support Part 13 of Schedule 1 (Items 90 to 95) to simplify the APVMA's corporate reporting requirements by removing the need for the APVMA to develop and seek approval of an annual operational plan in addition to a corporate plan.** GPA believes that the publication of the annual operational plan provides transparency of its operational plans, which will be additionally supported by the proposed re-establishment of the APVMA board.

**GPA does not support proposed changes to Part 16 of Schedule 1 (Items 105 to 107) to address anomalies in relation to prescribing matters for the labelling criteria and for overseas trials and experiments.**

GPA understands that the APVMA has advised that they are already maximising the use of international standards, assessments and data in its assessments under the current AgVet Act. There is clearly no need to introduce a legislative requirement in the 2019 Bill reforms. Registrants have the right to include international data to support label applications and the legislation should reflect the right for this data to be considered in a label application.

The 2019 Bill details that the APVMA **must** rather than **may have regard**. This change will unnecessarily increase the operational demands of the APVMA, requiring unsolicited review assessment under their normal assessment process. The requirement for the APVMA to consider international data included in a label registration application should be based on the need to review data as submitted by the registrant. There are also sovereignty risks to creating legislative review triggers in Australia based on overseas information from this amended legislation.

#### **Additional legislative reforms still required**

##### ***Incentivise AgVet investment in Australia***

GPA in previous submissions has proposed new incentives including options to reform data protection to address the significant issue of investment market failure of AgVet investment in Australia. The impact of this declining investment is highlighted in table 1 comparing differences in pesticide technology access for Australian grain growers with the USA. This data clearly identifies a significant problem from a lack of investment as growers are impacted by the 'double whammy' of lack of new, more advanced pesticide options delivering productivity outcomes, plus accelerated selection pressure for pesticide resistance due to a narrow pool of products. This situation has not improved since 2014 since implementation of the 2013 Act and commercial investment in new pesticide technologies appears to have become worse in recent years.



**Table 1. Comparison of first registered labels between Australian and USA.**

**Grain crops highlighted in red**

Comp.	Compounds	Type	Trade name	Australia – Initial registered Uses	Aus Reg Date	USA – Initial Registered Uses	US Reg date
Bayer	Penflufen	Fung	Evergol Prime ST	<b>Wheat and barley</b>	2012	Alfalfa, <b>Cereal Grains, Corn</b> , Cotton, Legume Vegetables, <b>Oilseed Crops, Rice, Soybean</b> , Tuberous & Corm Vegetables	2012
Syngenta	Sedaxane	Fung	Vibrance ST	<b>Barley, oats, triticale &amp; wheat</b>	2012	<b>Canola, Cereal Grains, Corn, Soybean</b>	2012
Dupont	Penthiopyrad	Fung	Fontelis	Pome fruit, stone fruit, tree nuts, brassica vegetables, cucurbit vegetables, fruiting vegetables, leafy vegetables, root & tuber vegetables and bulb vegetables.	2012	Alfalfa, Bulb Vegetables, Brassica Leafy Vegetables, <b>Canola, Cereal Grains, Corn</b> , Cotton, Cucurbits, Fruiting Vegetables, Leafy Vegetables, Legume Vegetables, Low-growing Berry, Peanut, Pome Fruit, Root & Tuber Vegetables, <b>Soybean</b> , Stone Fruit, <b>Sunflower</b> , Tree Nuts, Turf, Ornamentals	2012
BASF	fluxapyroxad	Fung	Imbrex	<b>Barley</b>	2012	Barley; <b>Corn (field, pop, sweet); Bean &amp; Pea, dried-shelled</b> ; Bean & Pea, succulent-shelled; Edible-podded Legume Vegetables; Fruiting Vegetables; <b>Oat; Oilseed Crops; Peanut</b> ; Pome Fruit; <b>Rye; Soybean</b> ; Stone Fruit; Sugar Beet; Tuberous & Corm Vegetables; <b>Wheat</b>	2012
Syngenta	prosulfuron	Herb	Casper	Turf	2012	<b>Field corn</b> , pop corn, <b>sorghum</b>	1995
BASF	Saflufenacil	Herb	Sharpen	<b>Pre-plant BL weed control</b>	2012	<b>Cereal Grains</b> ; Citrus; Cotton; Foliage of Legume Vegetables; Forage, <b>Fodder, &amp; Straw of Cereal Grains</b> ; Grape; Legume Vegetables; Pome Fruit; Stone Fruit; <b>Sunflower</b> ; Tree Nuts	2009
Bayer	Pyroxasulfone	Herb	Sakura	<b>Barley &amp; wheat</b>	2011	<b>Corn, soya bean</b>	2012
Bayer	Foramsulfuron	Herb	Tribute	Turf	2011	<b>Corn</b> , turf	2003

Source: compiled by Kevin Bodnaruk AKC Consulting Pty Ltd for Horticulture Innovation Australia Limited

GPA would support the Australian government to engage in a discussion on potential incentives to support increased AgVet investment into Australia to provide the tools and production capacity for industry to remain internationally competitive.

While there have been recent proposals for legislative change in the 2019 Bill which GPA supports, GPA has previously suggested a number of incentive reforms likely to address market failure without any resulting additional cost to the government or regulators. These include:

- I. *Establish a points credit system for registrants who put minor use needs onto label* being rewarded with an option for acceleration of an alternate registration evaluation priority, to incentivise commercial investment in industry priorities where market failure exists. These credits could then be used to accelerate other applications being assessed perhaps even at a later time eg. 6-12 months later allowing the build up of credits;
  - Would be a self-funding program by registrants
  - Delivering minor use and new technology onto label to industry faster
  - Encourages parity with international labels for agriculture.
- II. *Adopt in new AgVet legislation and regulations a conditional registration program* which would enable companies to utilise international data held under data protection under what is essentially a permit program for registrants. This should be open only to specific industry needs on an identified industry priorities list allowing up to 3 years for companies to bridge any local data gaps identified:
  - *Would be a self-funding program by registrants*
  - *Would make decisions to invest and bring technology to Australia easier*
  - *Will significantly accelerate producer access to new pesticide technologies*
  - *Would be science based on international use patterns and data*
- III. *Adopt in new AgVet legislation and regulations improved data protection for emergency and minor use permits* to improve the value proposition and incentive for commercial investment, encouraging contribution of exiting Australian and International data to these programs. In addition provide data protection incentives on existing registered labels encouraging

investment in minor use through adopting a USA based system of 1 extra year for 3 minor use label extensions would;

- Be self funding program by registrants
- Potentially provide incentives for additional label registration of minor uses
- Improve product stewardship through company label communication

IV. *Increase Federal Government support and legislative incentives to build on the AgVet Collaborative Forum* - now established cross agricultural industry minor use program supported by all Australian plant industry RDCs resulting in;

- Improved priority setting and cost sharing
- Achieving Government, RDC and Commercial co-investment in data generation
- Achieving cost savings through cross industry efficiencies and international collaboration and co-investment with IR-4 USA and Canada.

The reforms to legislative tests have not addressed the key issue of a lack of investment in new active products to comply with safety, trade, efficacy and labelling criteria. The issue is that investment in new applications cannot be addressed through regulation, but rather requires incentives to facilitate fast tracked investment into Australia. To address investment market failure in the longer term, there is need for transformational change to AgVet regulation in Australia. This should include consideration to full international co-regulation with a major technology development country. A transition to this could be supported through an interim provisional and/or conditional registration process. This will increase multinational confidence for investment into Australia and also increase Australia's ranking on investment priority compared with competing investment opportunity in Asia and South America. This initiative would deliver;

- Consumer and government confidence in broader international standards
- Cost savings to Australia
- Fastest possible technology access for agricultural industries
- Ensuring Australia is on the first priority commercialisation list.

These options would capture not only minor uses, but also major uses where there is demonstrated market failure for investment and a need for additional investment intervention. There is a need to expand the minor use definition to not only those industry needs that are of low economic value to a registrant but also for situations where there is insufficient approved options for pest management or where investment market failure occurs impacting on industry productivity.

If Australia were to effectively collaborate with IR-4 in the USA, then there will need to be some government appropriation for an Australian equivalent. An investment model, which is at odds with the USA system, would be a significant disincentive for international collaboration with Australia. To address this, there is a need to consider amendment to regulations so that no fee is payable (or is reduced to a certain percentage) if the use qualifies as a priority by 'written submission in a prioritised list by the government nominated representative peak agricultural industry organisation or relevant research and development corporation defined under the PIERD<sup>6</sup> Act'.

There are significant advantages of having industry-linked incentives in place as soon as possible to encourage industries to participate in priority setting process and additional industry and commercial investment. This includes the USA IR-4 approach of priority review by the USEPA for support of key industry priorities. Having these linked in the legislation, particularly in terms of fees and assessment timeframes would be an excellent initiative to deliver rapid benefits to industry and the community.

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<sup>6</sup> <https://www.legislation.gov.au/Details/C2013C00545>

### ***Support for minor use pesticide programs***

A key deficiency in Bill is a lack of reform and improvement to the minor and emergency use program, which currently constitutes around 30% of all APVMA product approvals for use<sup>7</sup>. An effective minor and emergency use program is extremely important for the grains and other agricultural industries in addressing the needs of emerging industries and providing effective response to rapidly emerging pest and disease threats. GPA considers the minor and emergency use assessment and approval mechanisms a critical program to ensure timely delivery of industry pest control measures.

There has been considerable discussion between the grains, horticulture and emerging crop industries in regard to potential improvements in collaboration and coordination programs to manage minor use registrations. Reference to a list of industry priorities by the government should include the list delivered through the successful AgVet Collaborative Forum, currently supported by all plant industry RDCs. A project and report funded by the Department of Water Resources through RIRDC, Delivery of Access to AgVet Chemicals Collaborative System – AgVet Collaborative Forum established this process and manages a current list of industry priorities and needs. The process used to develop this list is largely based on the Canadian government minor use priority setting process, incorporating some of the process from the USA IR-4 minor use program. Like these North American programs, the Australian government should consider additional financial incentives to underwrite an Australian minor use program such as fee waivers and discounts, particularly where generic compounds are involved.

### ***Electronic labelling***

There is an urgent need for the chemical industry to transform from current 19<sup>th</sup> century paper based systems into a 21<sup>st</sup> century smart digital agriculture system. There is a need for further legislative reform that allows for the outcome of the decision making process to result in an electronic label and or in combination with radio frequency identification tags (RDFI) as an alternative to the current paper based output. These changes should also be reflected in state control of use legislation to support the implementation of electronic labels. This will allow for the future integration of label information into computerised spray control systems that will facilitate the integration of autonomous machine control.

GPA supported the recent 2018 AgVet Bill reforms delivering options to implement computerised decision-making (Part 4 of Schedule 1), providing for internal review of an APVMA decision that is substituted for a computer-based decision, by providing for the APVMA to use computerised decision-making. This could be extended to more efficiently manage cost-effectively with incorrect information in notifiable variations and prescribed variations. GPA in its previous submissions suggested that these reforms should go further, highlighting the need for further legislative reform that allows for the outcome of the decision making process to result in an electronic label as an alternative to the current paper based output.

### ***Government review of international MRL support for trade***

There is an urgent need for a government review of support for agricultural industry in dealing with increased complexity of international trade and maximum residue limits (MRLs) for chemicals. A lack of MRLs for essential chemicals used in the grains industry and increasing divergence in the acceptance of chemical MRLs and acceptance of *Codex Alimentarius* Commission (*Codex*) MRL standards in the European Union, Asia and North America is causing significant issues for Australian grain traders and producers. There is an urgent need for a government review of the international trade and MRL landscape to consider how Australian MRL and *Codex* standards are referenced in trade negotiations. The United States government has similar concerns and is currently undertaking a review of missing and low MRL standards and its impact on trade.<sup>8</sup>

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<sup>7</sup> <https://apvma.gov.au/node/39216>

<sup>8</sup> United States International Trade Commission - public hearing - *Global Economic Impact of Missing and Low Pesticide Maximum Residue Levels* (Investigation No. 332-573) [https://www.usitc.gov/secretary/fed\\_reg\\_notices/332/332\\_573\\_notice\\_09232019sgl\\_0.pdf](https://www.usitc.gov/secretary/fed_reg_notices/332/332_573_notice_09232019sgl_0.pdf)

### **Other comments for future AgVet legislative reform**

As detailed in previous submissions to the Department by GPA, agriculture is facing significant challenges in being able to deal with the future resistance threats and emerging plant and animal health issues. Many agricultural industries, particularly grains will experience significant productivity losses in 8-10 years through the combined impacts of pesticide resistance evolution and the limited access to new technologies. With a lead-time of 7 to 10 years to deliver a commercial technology that has already demonstrated proof of concept, Australia cannot afford an increased burden of unnecessary costs.

Options that could be implemented through further legislative AgVet reform delivering productivity outcomes for industry including an improved approach to minor use and specialty needs of pesticide and veterinary medicines have been proposed following consultation with many RDC's and peak industry bodies. An option includes;

Supported through legislation, establishment of formal collaboration with USA and Canada through IR-4 minor use programs, establish an Australian minor use program cost recovery model, which mirrors these overseas programs with supporting legislation to ensure efficiency of this program;

- Delivering cost savings, which would need to be based on co-equivalence of cost recovery models for evaluation
- Delivering technology to agricultural industries faster
- Increasing international confidence of Australia as a cost effective investment option.

### **GPA commitment to further reform discussion**

GPA is committed to further discussion with the Australian and state governments on the need to deliver transformational change delivering improved pesticide technology access and stewardship in the Australian agricultural industry. There is commitment from GPA to work cross industry and deliver productivity outcomes to agricultural industries and the Australian economy and community.

If you would like to discuss any of these comments and suggestions further in detail, please contact me

Yours sincerely

Andrew Weidemann  
Chairman  
Grain Producers Australia