

20th December 2012

Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
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Re: Agricultural and Veterinary Chemicals Legislation Amendment Bill 2012

The National Farmers' Federation (NFF) welcomes the opportunity to comment on the *Agricultural and Veterinary Chemicals Legislation Amendment Bill 2012*, to inform the Senate Standing Committee on Rural and Regional Affairs and Transport's current inquiry.

The NFF and its member organisations tend not to be engaged in the registration of chemicals. However, Australian farmers need a system of chemical registration that facilitates the introduction of new chemicals onto the Australian market in a timely and cost efficient manner. Australian farmers compete in international markets, and it is important that they have access to the tools which allow them to produce safe fresh produce in a cost effective manner. The costs of registration and timeframe around this process should not deter registrants from seeking to introduce new chemicals to the Australian market.

The NFF is not in a position to provide comment on all specific details of the Bill, but notes that the assessment and registration process should be efficient and effective to reduce the cost of the process, but also transparent. The NFF has confidence in the current system used by the Australian Pesticides and Veterinary Medicines Authority (APVMA) for the assessment and regulation of chemicals for agricultural and veterinary uses. Reforms that would improve the efficiency and effectiveness of the APVMA's operations would be supported. We note that Chemical Registrants will be impacted the most by the proposed changes, and are in a better position to understand the implications and potential costs for their sector.

The NFF supports sentiments outlined in the National Food Plan Green Paper, regarding improving access to agricultural and veterinary chemicals; and overarching approaches of regulatory reform to help create jobs, improve the adaptive ability of the economy, drive productivity and international competitiveness and help support economic growth. The following comments outline some of the key considerations required for successful reform of agricultural and veterinary chemical registration in Australia.

Key objectives that the agricultural industries are looking for from changes in chemical regulation include:

- Encouraging the introduction of new chemicals onto the Australian market
- Encouraging the registration of chemicals for 'minor use' applications
- Ensuring chemical registrants, chemical users and the Australian public have confidence in the regulatory system
- Encouraging the safe use of chemicals
- Ensuring that the process that underpins chemical assessment and registrations is efficient and effective, but also transparent.

The current Bill has made some positive improvements from the previous releases, in the aim of achieving these objectives. The Government has worked well to clarify industry concerns regarding some unclear terminology; trade considerations; data protection; and providing an in-built review mechanism. However, the NFF is still not convinced that the current reform process will achieve a more efficient or effective regulatory system for agricultural and veterinary chemicals.

In the absence of the Government undertaking a clear analysis of the costs and benefits of the proposed measures within this 'better regulation' process, the NFF continues to hold concerns that the proposed changes will impact on the costs of chemicals and the availability of chemicals in the Australian market. These impacts will ultimately be felt by the agricultural community and the productivity and profitability of individual farm businesses. The NFF views it would be appropriate for the Government to undertake work on analysing the costs and benefits, and provide this information to industry for consideration, prior to progressing these reforms.

Effective mechanisms must be in place to allow Australia's agricultural industries to access the chemicals, particularly where there is a market or regulatory failure which means that chemical registrants do not have the incentive to register chemicals. It is important that the system that supports chemical registration should not act as a regulatory barrier for chemical registrants. Fundamental in all of this is the need to ensure safe and effective chemicals continue to be available to chemical users while minimising the cost of regulation.

The NFF has significant concerns regarding the proposal to put in place a mandatory re-registration process. The NFF is aware that under existing chemical review arrangements the APVMA has the flexibility to review registrations when new research or evidence has raised concerns about the use or safety of a particular chemical or product. Fundamental concerns exist in the establishment of a new process which may duplicate, add minimal value or reduce flexibility in the existing processes and mechanisms in place, as well as concerns that Australia may be establishing a system which is 'out of step' with the international standards. There are likely to be limited benefits to end-users from the additional costs of this process, and the proposed arrangements will also increase the workload of the APVMA.

The NFF notes that whilst the regular review of chemicals seems appropriate, it increases the costs to chemical registrants. Because of the costs of review, chemical companies may choose not to go through the process of review and chemicals will be withdrawn from the market. This may particularly be the case with chemicals that have low margins or are not widely used. The loss of these chemicals as a consequence of increased requirements for reviews may deny Australian farmers

access to chemicals which are actually safe, and may exacerbate issues related to minor and off-label use of farm chemicals. The loss of chemicals may also have flow-on impacts, such as removing options for the management of chemical resistances. It is therefore difficult for the agriculture industry to consider supporting mandatory re-registration without any provision of pathways for access to cost-effective alternative products. Opportunities to strengthen the current framework should be explored before implementing a mandatory re-registration process.

The NFF would also like to note the importance of appropriate timeframes for implementation of any changes. The NFF notes that concerns exist whether the APVMA will be in a position to appropriately implement the proposed changes.

Additionally, it has been disappointing that this current process has not been better integrated with work on an effective minor use program and the efforts to harmonise state control-of-use. The lack of a clear and coherent approach no doubt limits the opportunity for improved outcomes.

If the changes are to proceed, a strong review arrangement is required which looks at the impact on chemicals being registered for the Australian market, the cost of chemicals, the cost of registration process, the impact on 'minor-use' chemicals, and the loss of chemicals from the market.

It will now be important to ensure that the increase in regulatory burden from the proposed changes does not outweigh the benefits to the industry and broader community. The NFF encourages the Australian Government to work collaboratively with industry and continue any further reforms of agricultural and veterinary chemicals through a more holistic approach.

Thank you for the opportunity to comment on the Bill.

Yours sincerely

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