

Coalition Senators' Dissenting Report

1.1 The Coalition Senators do not support the Agricultural and Veterinary Chemicals Legislation Amendment Bill 2012 in its current form.

1.2 Inherent in this bill is the all too familiar layering of red tape, bringing with it additional costs and further complicating and tangling the workings of business and industry.

1.3 As stated by Mr Matthew Cossey, Chief Executive Officer, CropLife Australia:

In its current form, this bill will only serve to hinder agricultural productivity.¹

1.4 This theme was common to much of the evidence presented:

I do not think there has been an adequate cost benefit analysis done, not a quantitative one. There are big jumps from between \$2 million to \$8 million that could turn into \$20 million. Those costs will come back to the farming community. We are told how lucky we are to sit here and to be able to produce food and fibre sustainably that and our place in the sun will be to feed the teeming millions in Asia and so forth but at the same time we try and put every restriction on being able to compete in a global market. I think this is another example of another shackle that could be imposed that will stymie that competitiveness that we need to work in those global markets.²

The new Bill adds over 200 new pages of legislation for the APVMA to administer and it removes none of the existing legislation.³

...the APVMA has become a barrier to the provision of low-cost products by demanding unnecessary data or a range of common commodities... We are being strangled by the current regulatory environment. This needs to be addressed as a matter of urgency.⁴

1.5 Of particular concern is the requirement for mandatory re-registration of agricultural and veterinary chemicals. This requirement is seen as expensive and developed without a compelling cost/benefit analysis:

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

1 Mr Matthew Cossey, Chief Executive Officer, CropLife Australia, *Committee Hansard*, 4 February 2013, p. 35.

2 Mr Reg Kidd, Chair, Agricultural and Veterinary Chemicals Committee, NSW Farmers Association, *Committee Hansard*, 4 February 2013, p. 48.

3 Animal Health Alliance (Australia) Ltd, *Submission 6*, p. 2.

4 Veterinary Manufacturers and Distributors Association, *Submission 24*, p. 1.

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 in the productivity and profitability of individual farm businesses.⁵

...the proposed bill increases costs for registrants and applicants. The APVMA's own cost recovery discussion paper associated with the bill already demonstrates that the proposed new registration system will cost an extra 30 per cent. To put the effect of this increased cost in perspective, it currently costs the same real dollar amount to register a crop protection product in Australia as it does in the United States, but the Australian market is one-tenth the size of the market in America.⁶

1.6 The three tiered re-registration methodology suggested by the bill may appear inexpensive with estimated re-registration cost of the lowest tier being \$700.

1.7 However, the Majority report concedes that tier 2 assessments 'would require the generation of potentially expensive data and may well cause manufacturers to consider whether to continue to seek re-registration.'⁷

1.8 Even more concerning is evidence provided suggesting how easily re-registration requirements could move from tier 1 to tier 2. While appearing to present a risk based tiered approach to the re-registration process, the potential for abuse is clear and is confirmed in the Majority report where a departmental official indicated that re-registration considerations would progress to the second tier if there is "the sniff of a doubt" at the first stage.⁸

1.9 The potential for re-registration to be escalated from tier 1 based on unfounded, ill-informed social media campaigns rather than sound evidence is clear and has been a hall mark of the current Labor Government, particularly in relation to primary production.

1.10 The Coalition recognises that a consequence of this amendment could be a dramatic reduction in the availability of agricultural and veterinary chemicals, not because use of the chemicals is proven to be unacceptably dangerous to humans or the environment, but for economic reasons:

5 Mr Matt Linnegar, Chief Executive Officer, National Farmers Federation, *Committee Hansard*, 4 February 2013, p. 46.

6 Mr Matthew Cossey, Chief Executive Officer, CropLife Australia, *Committee Hansard*, 4 February 2013, p. 35.

7 Mr Marc Kelly, Director, Reform Development and Implementation, Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 4 February 2013, p. 65; and Majority report paragraph 3.26.

8 Mr Marc Kelly, Director, Reform Development and Implementation, Department of Agriculture, Fisheries and Forestry, *Committee Hansard*, 4 February 2013, p. 65; and Majority report paragraph 3.26.

However, a re-registration/ re-approval program will result in loss of products as approval holders and registrants decide not to supply new data if the APVMA requests new data not required by other regulators.⁹

We are seeing that in the international experience—for example, in the EU approximately half the products ended up off the market through the re-registration process and much of that was due to commercial decisions made by the chemical companies not to take those products forward. In Australia, due to it being a small market, we may even see that sort of issue magnified.¹⁰

1.11 This in turn reduces the ability of Australian producers to effectively produce the food and fibre that is essential for domestic and international supply:

...the re-registration process is going to make it very difficult to maintain the existing suite of minor use chemicals that our industry relies on...¹¹

1.12 Inherent in evidence provided to the Committee was a level of frustration with the Government response to the consultation process:

The [Animal Health Alliance] has been active over the last years in attempting to highlight to the Government and DAFF, while drafting the new Bill, the flaws and impediments in the proposed new processes intended to operate to deliver this new Bill.¹²

It would appear that the outcomes of the consultation did not deliver the genuine improvements to the bill as proposed. There has been movement, Senator. To give credit where credit is due, there has been movement. But I am concerned that the focus, as publicly stated, of this initiative at the beginning, which was all about efficiency when the government made the announcement of the review, has not been in fact the focus of the work that has delivered the bill before the parliament.¹³

The point that you make is something that we have put in our submission—that is, about the way the APVMA consults with industry and the need for enhanced consultation with the grower bodies. That is something that we have put down, and a number of grower bodies, through the consultation the department has undertaken and in submissions to the two parliamentary inquiries, have noted that there needs to be enhanced consultation.¹⁴

9 Mr Tichon, *Submission 20*, p. 1.

10 Mr Dave McKeon, Manager, Rural Affairs, National Farmers Federation, *Committee Hansard*, 4 February 2013, p. 52.

11 Australian Forest Products Association, *Submission 12*, p. 2.

12 Animal Health Alliance (Australia) Ltd, *Submission 6*, p. 2.

13 Mr Matthew Cossey, Chief Executive Officer, CropLife Australia, *Committee Hansard*, 4 February 2013, p. 36.

14 Mr Justin Crosby, Policy Director, NSW Farmers Association, *Committee Hansard*, 4 February 2013, pp 50–51.

1.13 This amendment is further evidence of the disconnect that exists between the Labor Government, the Greens Party and the Australian farming community. It does not recognise that the means to remove unacceptably hazardous chemicals already exists in the current legislation.

1.14 Instead of requiring what already exists to work more effectively, the Government's solution is to place responsibility and cost on industry and increase the opportunity for manipulation by minority groups.

Recommendation 1

1.15 The Amendment Bill should not be passed in its present form.

**Senator the Hon Bill Heffernan
Deputy Chair
Liberal Senator for New South Wales**

**Senator Fiona Nash
Nationals Senator for New South Wales**

**Senator Chris Back
Liberal Senator for Western Australia**

**Senator the Hon Richard Colbeck
Liberal Senator for Tasmania**

**Senator Sean Edwards
Liberal Senator for South Australia**

**Senator Anne Ruston
Liberal Senator for South Australia**