



National  
Farmers  
Federation

***Submission to *Issues Paper – review of the  
agvet chemicals regulatory system: future  
reform opportunities****

4 September 2020

## NFF Member Organisations





The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

## **Statistics on Australian Agriculture**

---

Australian agriculture makes an important contribution to Australia's social, economic and environmental fabric.

### **Social >**

---

There are approximately 88,000 farm businesses in Australia, 99 per cent of which are wholly Australian owned and operated.

### **Economic >**

---

In 2018-19, the agricultural sector, at farm-gate, contributed 1.9 per cent to Australia's total Gross Domestic Product (GDP). The gross value of Australian farm production in 2018-19 is estimated to have reached \$62.2 billion.

### **Workplace >**

---

The agriculture, forestry and fishing sector employs approximately 318,600 people, including full time (239,100) and part time employees (79,500).

Seasonal conditions affect the sector's capacity to employ. Permanent employment is the main form of employment in the sector, but more than 26 per cent of the employed workforce is casual.

### **Environmental >**

---

Australian farmers are environmental stewards, owning, managing and caring for 51 per cent of Australia's land mass. Farmers are at the frontline of delivering environmental outcomes on behalf of the Australian community, with 7.4 million hectares of agricultural land set aside by Australian farmers purely for conservation/protection purposes.

In 1989, the National Farmers' Federation together with the Australian Conservation Foundation was pivotal in ensuring that the emerging Landcare movement became a national programme with bipartisan support.

## Contents

---

<b>NFF Member Organisations</b> .....	2
<b>Statistics on Australian Agriculture</b> .....	4
Contents .....	5
Executive Summary.....	6
Part 1 – Is the National Registration Scheme working as needed? .....	8
Part 2 – Who should ultimately be responsible for aspects of the system? .....	9
Part 3 – What chemicals are currently being regulated? .....	11
Part 4 – Are there gaps in the agvet chemicals regulation or management? .....	12
Part 5 – How can communication and engagement be improved?.....	14
Part 6 – How can we simplify the regulatory system?.....	15
Part 7 – How can Australia build national and international capacity?.....	17
Part 8 – How will a new regulatory system be sustainably funded?.....	18

## Executive Summary

---

The National Farmers' Federation (NFF) welcomes the opportunity to provide comment on the issues paper for this important national review of Australia's regulatory system for agricultural chemicals and veterinary medicines (agvet chemicals). We thank the Independent Review Panel for its proactive and constructive engagement with NFF and its member organisations throughout the consultation process.

Access to safe, effective, innovative technologies – such as agvet chemicals – underpins agricultural productivity, sustainability and competitiveness, and is a priority for the farm sector. Indeed, access to world leading technologies will be critical to achieve the sector's ambition of \$100 billion in farm gate output by 2030. The NFF's 2030 Roadmap recognises this, and calls for a fit-for-purpose regulatory environment that manages risk without hindering access to safe technologies. In this context, we see this review as a valuable opportunity to modernise and streamline the agvet chemical regulatory system so that it is fit for the future.

The NFF strongly supports the independence and scientific rigour of our national regulator for agvet chemicals, and this must be maintained. However, we recognise the considerable opportunity for reform to improve efficiency, encourage innovation and investment and optimise access to agvet chemicals for Australian farmers.

This submission provides comment on a range of issues identified by NFF and its member organisations in response to the reform proposals outlined by the panel in the issues paper. Key points include:

- The proposed system objectives are a good start, but amendments are needed including to highlight the importance of supporting trade.
- A risk-based approach to regulatory assessment is strongly supported.
- Harmonisation of control of use is a priority, and careful consideration must be given to the management of issues such as off-label use.
- Shared responsibility is an important mechanism for achieving regulatory efficiencies, and there are opportunities for expanding this approach.
- Education and capacity building are efficient means of managing unintentional non-compliance and should be supported.
- There are risks associated with the proposal to remove some plant protection and animal health products from the regulatory system.
- Agricultural chemicals and veterinary medicines should continue to be regulated under the same framework.
- A benefits test should not be a condition of product registration, but the regulator should be enabled to prioritise applications for assessment.
- Further discussion is needed about a nationally coordinated monitoring program for domestic produce and the environment.

- The regulator and the department should play greater roles in educating and reassuring the community regarding the regulator’s purpose and processes.
- Efficacy assessment should remain a requirement of registration.
- Further consideration should be given to how the regulator can best use international data and assessments while also managing risk.
- The system should incentivise registrants to invest in new use patterns and provide growers with access to a wider range of agvet chemicals.
- Chemical reviews should be risk-based and triggered by new information.
- The introduction of electronic (smart) labelling should be prioritised, while ensuring that labelling meets the needs of a range of end users.
- Expanding the use of third-party assessors, with appropriate safeguards in place, has merit.
- The regulator must be sustainably funded, through an appropriate mix of cost-recovery and appropriation.

Access to technologies depends not only on the right regulatory framework, but also on the investment environment. Australian farmers can have difficulties accessing particular agvet chemicals or uses that are available to overseas competitors, due to the small size of the Australian market. This is a particular issue for smaller industries and for emerging pests and diseases. The NFF strongly supports the Australian Government’s improved access to agricultural and veterinary chemicals initiative, which helps to address this market failure and generate a significant return on investment. We encourage the panel to consider how national regulatory settings can assist with addressing the minor use issue, and incentivising investment in the Australian market.

A central consideration for the panel should also be ensuring that the regulatory system creates certainty for investors in research and development into the next generation of crop protection and animal health technologies. The regulatory environment plays an important role in the development and adoption of innovative technologies and practices. This review is a critical opportunity to ensure that regulatory settings are optimised to encourage innovation and support Australian agriculture’s international competitiveness.

The NFF encourages the panel to continue to consult widely with stakeholders – including the agricultural sector – as it develops its recommendations for reform.

## **Part 1 – Is the National Registration Scheme working as needed?**

---

### *1.1 State of the system*

The NFF appreciates the analysis of future trends and issues identified by the panel and canvassed in the issues paper, and generally supports the panel's position. It is important that these discussions are balanced, and don't give undue weight to the views of minority groups and instead promote proactive and transparent engagement with the wider community. Australia is fortunate to have a world-class, independent, science-based regulator overseeing the registration of agvet chemicals. Being responsive to and aware of community sentiment is important for the primary production sector, but should not influence the independence and scientific rigour of our national regulator. This would compromise confidence in regulatory decisions regarding the safety and use of agvet products, and may disincentivise agvet companies from investing in the Australian market.

### *1.2 What should be the core objectives of the future system?*

The NFF generally supports the proposed system objectives, noting that the concept of a hierarchy (ranking one objective over another) is somewhat fraught. Our preference would be for a set of objectives that are not labelled as a hierarchy, and not ranked beyond the first and overarching objective which is *'To protect the health and safety of people, animals, plants and the environment while providing safe and timely access to agvet chemicals.'*

We note that since the issues paper was released the panel has received feedback from stakeholders and considered a number of revisions to the proposed objectives. However, based on what is presented in the issues paper, we would stress again the need to reflect the protection of trade in particular as of equal importance as the other objectives and suggest a revised objective to account for this, perhaps *'to promote primary industry and protect trade'*.

The objective *'to protect animal welfare'* also needs revisiting, as this not a primary function of the national agvet chemical regulatory system. Animal welfare is regulated by state and territory governments. A more appropriate objective would be *'to protect animal health'*.

Agvet chemicals are important not only to primary production, but also for other non-urban land management, particularly for the control of invasive pest species. This important function – of supporting sustainable land management – could potentially be captured in the set of objectives.

Consideration should also be given to including an objective relating to preparedness for biosecurity emergencies.

### *1.3 What principles should underpin design of the system?*

The NFF supports the principles to underpin agvet chemical regulatory system design and reform, as proposed by the panel:

- performance of the system (objectivity, independence and consistency)
- access (simplicity and certainty)



- shared responsibility
- transparency and accountability

The principles that the system should be based on sound science and be evidence and risk-based in its decision making, and that decisions of the national regulator should continue to be independent from government are particularly important and underpin confidence in the regulatory system.

#### *1.4 Is a risk-based system better than a hazard-based system?*

The NFF strongly supports the retention of a risk-based approach to regulatory assessments, to ensure that agvet chemicals registered for use in Australia are safe for use, protecting the health of people, animals and the environment. While hazard identification is integral to the risk assessment process, a risk-based approach that allows for the likelihood and extent of exposure to be determined, as well as whether the hazard can be appropriately mitigated, more accurately reflects the probable risk associated with the use of a product. A hazard-based approach disregards the ability manage any risks to an acceptable level, and could unnecessarily impede access to safe and effective agvet chemical products and disincentivise investment in the Australian market.

## **Part 2 – Who should ultimately be responsible for aspects of the system?**

---

#### *2.3 Should control of use be nationally consistent?*

Efforts to achieve nationally harmonised control of use regulation across all jurisdictions have been underway for many years, and have met with limited success. Inconsistencies can be a source of frustration, confusion, uncertainty and administrative burden for end users – including those who operate in multiple states and territories – and create duplication and inefficiencies in the system. The current arrangements can also lead to inconsistent regulatory interpretation and advice from regulators. As the panel has noted in the issues paper, benefits from nationally harmonised use arrangements would accrue to the full spectrum of system participants, including registrants, regulators, exporters and end users.

While the NFF does not have a strong preference for the preferred mechanism for achieving nationally harmonised control of use, we would note the limited success that has been realised through the current approach, which appears to closely align with Option 3. The applied law model proposed in Option 1 has much merit, but also presents some risks. For example, this model has been used for the regulation of gene technology, but state governments have continued to implement their own moratoria on the cultivation of genetically modified organisms. This has created a great deal of uncertainty for growers, researchers and for our trading partners, and prevented growers in some states from accessing proven safe and effective technologies.

Option 2, that the Commonwealth assume control of agvet chemical regulation, would appear to be a practical approach to resolving this issue, notwithstanding the risks of resistance and divergent views among the states. Should this option be

pursued, consideration will need to be given to the best mechanism for managing compliance and enforcement, education and awareness activities currently delivered by the states and possibly outside of the current capability of the Commonwealth. In some instances, co-regulatory approaches may be appropriate.

The management of issues such as off-label use will also require careful consideration in any harmonisation agenda. There are a range of views on the off-label system currently available in Victoria, which can provide greater range of access that is important to growers, but ultimately means that the end user accepts liability and bears the cost of compliance. The benefits and risks of this approach will require further detailed consideration, with priority also given to how government and industry can continue to expand the labels of registered products to include minor uses and speciality crops.

#### *2.4 Should there be shared responsibilities between industry and government?*

The rationale for sharing of regulatory responsibility that is presented by the panel is compelling at a high level, with possible benefits including reduced administrative and compliance costs, increased flexibility and autonomy, greater opportunity for innovation and increased speed of product to market. Consistent national co-regulatory arrangements that allow industry to be accountable for managing lower risk areas would enable regulatory efficiencies that free up regulators to focus on higher risk areas.

The NFF strongly supports industry stewardship programs such as ChemClear and drumMUSTER, which provide a pathway for safely disposing of and recycling farm chemical waste and containers. While returnable schemes already exist for a number of other containers, such as intermediate bulk containers for some products, there is appetite among end users to look at the expansion of these programs to other products and container types, and for greater interaction between the programs and state and local regulatory jurisdictions to ensure that the approach to collection is consistent and efficient. Regulatory costs associated with these programs must be minimised, as they are ultimately passed on to farmers and need to be carefully targeted to mitigate unintended consequences.

The purpose of the proposal for formal training requirements for end users to access agvet chemicals above a certain volume isn't entirely clear. Current training programs are aimed at ensuring an understanding of the requirements around transport, storage, use and application of chemicals, and the need for a higher level of training based on volume isn't articulated to a level that facilitates more informed comment. The NFF notes that there is support among its member organisations for consideration of enterprise-based licencing that is attached to a particular business, rather than requiring licencing for individual employees.

#### *2.5 Compliance and enforcement*

A well targeted and adequately resourced compliance and enforcement regime is essential to the success of the regulatory system in managing risk. The NFF agrees that compliance and enforcement activities should focus on the people and businesses that pose the greatest risks to the integrity of the system, with a range of sanctions available to respond to – and deter – different types of regulatory non-

compliance. Concerns have been raised that state and territory regulators are not sufficiently resourced or committed to undertaking meaningful and consistent compliance and enforcement activities, as well as education and training.

From an end-user perspective, the NFF supports a mix of formal compliance and enforcement activities (delivered by state and territory governments and targeting deliberate and repeated non-compliance) and educational activities that build end-user understanding and capabilities, including through peer-to-peer learning. The NSW Stop Off Target Spraying<sup>1</sup> (SOS) group is an excellent example of an industry-led initiative, established in partnership with government, that is supporting end users to improve spray practices. Community-led initiatives like SOS should be supported by government and also by registrants, who have a vested interest in ensuring compliant use of their products.

Education and capacity building are efficient and sensible means of managing unintentional non-compliance, and supporting end-users to take responsibility as part of a co-regulatory approach. State and territory governments should take a consistent approach to compliance activities, including through support for education and training activities to build end-user understanding of their regulatory responsibilities and capability to manage risks.

### **Part 3 – What chemicals are currently being regulated?**

---

#### *3.1 Should the system only include chemicals for primary producers, veterinarians and non-urban land managers?*

The NFF appreciates the rationale behind the Panel’s proposal to narrow the scope of the agvet chemicals regulatory system, however we have some concerns about the potential consequences and recommend that caution be exercised.

Removing products that have no relevance to plant protection or animal health – such as pool and spa chemicals – is sensible and the NFF recognises that this could lead to efficiency improvements by better enabling the APVMA to focus resources on its core responsibilities. However, removal of a number of the other products proposed is not supported as the benefits of removing these products is unlikely to outweigh the associated risks.

In particular, the NFF would not support the exclusion of home garden products. Not only are these products likely to be used in the vicinity of food and small-scale food production, removing them from the national regulatory system presents a risk to community confidence at a time when there is increasing community interest in and concern about the safety and use of agvet chemicals. The misuse of these products also has the potential to pose a risk to human, animal and plant health.

Relying on Australian Consumer Law to regulate the occupational use of agvet chemical products outside of primary production, veterinary use or non-urban land management could also be problematic. Issues with efficacy should be considered, for example excluding over the counter companion animal products could lead to

---

<sup>1</sup> <https://sos-nsw.com/>

ineffective products being used, with consequences for animal welfare and human health. Our consumer protection laws are not necessarily designed to work with consumer products where technical assessment is required.

### *3.2 Should agricultural and veterinary chemicals be regulated together?*

The NFF supports the continued co-regulation of agricultural chemicals and veterinary medicines under the same framework. Creating two separate regulatory frameworks for these products would be likely to lead to increased costs for registrants – and ultimately end users – given the associated administrative costs. A consistent regulatory approach for both product types, which are both used in primary production businesses, is beneficial, and co-housing these regulatory functions allows for the sharing of expertise and experience.

## **Part 4 – Are there gaps in the agvet chemicals regulation or management?**

### *4.1 Can we assess use by region, pest, disease or other instead of state boundaries?*

Differing state specific use patterns and instructions for certain products creates a number of issues for end users, which the panel has described in the issues paper. The NFF understands that this issue largely relates to older products, and that state-specific instructions are less likely to have been included on newer product labels. Mandating a five-yearly review of all product labels therefore would not seem to be the most effective approach to addressing this specific issue and could lead to significant additional workload for registrants and the regulator.

Assessing products by region where there are genuine specific environmental or biological considerations (beyond what already occurs through the APVMA's assessment processes) may be beneficial, however would need to be carefully managed to ensure it doesn't lead to confusing or overly complicated label instructions.

### *4.2 Should benefits be considered in assessments?*

The NFF is not supportive of requiring a benefits test as a condition of product registration. Such a condition would impose additional administrative burden on registrants and create uncertainty and ambiguity, and may even create a disincentive to enter the Australian market. The NFF supports better enabling the regulator to manage its workflow by prioritising applications for assessment, in line with the proposal described in the submission from CropLife Australia.

### *4.3 Should the impact of chemical combinations matter?*

The regulator is already required to assess risk associated with chemical combinations in specific product formulations, and the panel acknowledges that it will never be possible to consider every potential combination of chemicals, uses and potential health and environmental impact. As outlined in the issues paper, there has been recent progress internationally in examining the impact of chemical combinations, and the NFF would encourage the regulator, the Department of Agriculture, Water and the Environment and Australian experts to continue to work with international colleagues in the further development and implementation of

methodologies to effectively assess the impacts of chemical combinations. The future introduction of any additional regulatory requirement regarding cumulative impacts must consider the effect on investment in the Australian market.

#### *4.4 Can data mining drive better targeting of efforts?*

The NFF appreciates that there may be benefits associated with regulators and governments improving their data holdings to improve the management of agvet chemicals, however we have serious reservations about imposing new data reporting requirements on registrants or chemical users without first fully assessing the purpose and benefits of any such requirements, as well as the risks and costs.

The issues paper touches on a number of the challenges associated with mandated record keeping and reporting for chemical users, but does not make the case for introducing such a system. Based on the information presented in the issues paper the NFF is not able to support any additional or new data reporting requirements being imposed on chemical users. Mandatory reporting can impose another administrative burden on users, and the case would need to be clearly made for why it would be beneficial to impose such a requirement.

As part of this discussion, more detail is needed on the type of data sets the panel believes should be in scope for data mining, and how these datasets would be used, by whom and for what purpose. Demonstrating clearly how new data reporting requirements would assist with targeting regulatory effort and policy responses would also be important to justify the significant cost and complexity associated with establishing the required data platforms and systems, and to secure buy in from chemical users.

#### *4.5 Should there be greater monitoring of chemicals in produce and the environment?*

The NFF would welcome the opportunity to participate in further discussions about a possible nationally coordinated monitoring program for domestic produce and the environment. The scope and purpose of any national monitoring program would be clearly defined and appropriately designed and funded, to minimise regulatory burden and costs, maximise benefits and mitigate associated risks.

The reporting of monitoring data needs careful management, and will depend on the purpose for which it was collected. There are significant risks associated with poor communication of monitoring data, given the level of scientific understanding and literacy within the community may lead to misinterpretation of results and pose risks to social licence. For example, community members who aren't familiar with primary production systems may be concerned to learn about the presence of a chemical residue in produce or the environment, even at levels well below those that indicate a health or environmental risk.

Any new national monitoring program would also need to incorporate effective trace-back processes so that any issues that are identified can be sourced, investigated and remedied. Without such processes in place the identification of residues may aggravate community concerns. Any monitoring programs should be established using a risk-based, and targeted approach that uses internationally recognised methodologies for measurement and interpretation.

## **Part 5 – How can communication and engagement be improved?**

---

### *5.1 Is there a need for more community information on regulatory actions?*

As identified in the issues paper, effective identification of and communication with stakeholders is central to the credibility and responsiveness of the agvet chemicals regulatory system. Failure to manage stakeholder relationships, particularly failing to engage effectively with the broader community, could result in an unnecessary loss of confidence in the continued use of agvet chemicals. This could in turn have flow on impacts on agricultural productivity, animal welfare and the environment.

Governments and regulators have an important role to play in communicating with the community about regulatory issues, in a manner than can be readily understood by the average citizen. This is particularly true for matter relating to regulation of technologies – like agvet chemicals and gene technology – where the subject matter is inherently technical and often not well understood among the general public. This point regarding the role of government in risk communication was well made in the final report of the 2017 Productivity Commission inquiry into the regulation of agriculture<sup>2</sup>, which noted that:

*‘It is not the role of government to promote particular technologies. However, governments do have a role in addressing knowledge gaps that prevent consumers from making well-informed decisions. This includes facilitating an accurate understanding of the risks and benefits of GM technologies, and is analogous to the role of government in providing information about vaccinations to counter misleading safety claims which can harm public health.’*

It is critical that the Australian public has confidence in the national agvet chemical regulator, as an independent, world-class, science-based regulator. The NFF is supportive of the panel’s view that the national regulator, in consultation with governments, community, the agvet chemical industry and chemical users, should identify the information needed to support the agvet chemicals sector and the public. The NFF supports the view that the regulator and Department of Agriculture, Water and the Environment should play greater roles in educating and reassuring the community regarding the regulator’s purpose and processes.

Further, the NFF supports CropLife Australia’s proposal that the agvet chemical regulator engage proactively and effectively with local councils to ensure they understand approval and regulatory processes, and maintain confidence in approved products. Local councils are an important point of contact for residents regarding concerns about pesticide use and safety, and in response some councils have reviewed their own pesticide use and ceased using products approved as safe by the national regulator. Effective and proactive communication would go a long way towards managing some of these issues and building and maintaining confidence.

---

<sup>2</sup> <https://www.pc.gov.au/inquiries/completed/agriculture/report>

### *5.2 Do stakeholders require a formal consultation mechanism with the regulators?*

The NFF supports the panel's view that there would be value in establishing a formal consultative mechanism that brings together and facilitates communication between governments (regulators and policymakers), the agvet chemical industry, users and community groups. One issue that would need to be carefully managed, is the potential of such a forum to provide a platform for activist groups that are fundamentally opposed to the use of agvet chemicals and seek to disrupt the regulatory system.

Such a forum would deliver value in both directions – building understanding of the regulator's functions and decisions and supporting compliance, and allowing feedback on the operation of the regulator and priorities for industry and the community. The research sector – including the rural Research and Development Corporations – are important stakeholders in the agvet chemical regulatory system and should be included in any formal consultative mechanism.

## **Part 6 – How can we simplify the regulatory system?**

---

### *6.2 Who should be responsible for ensuring products work?*

The NFF does not support the removal of efficacy from the scope of agvet chemical regulation, though we would support consideration of whether the existing arrangements for assessing efficacy are fit for purpose or could be improved.

Users of regulated agvet chemical products must have confidence that these products are proven to be effective before being approved for use in Australia. The consequences of allowing inefficacious products to be used for crop protection or animal health purposes are potentially significant, and include major economic loss for individual producers and adverse animal welfare outcomes as well as broader issues such as failure to manage the spread of damaging pests, diseases or weeds (including exotic species), and the development of pesticide resistance issues. A further issue is agvet chemical users may be disincentivised to try new products without assurance that they will be effective. The removal of efficacy assessment could also undermine community confidence in agvet chemicals and the decisions of the agvet chemical regulator.

The NFF understands that there may be opportunities to change how efficacy assessment is currently managed by the regulator and to streamline the process and create efficiencies. We would support these opportunities being explored further provided there is no 'watering down' of efficacy requirements, for the reasons outlined above. Further consultation on this issue is required.

### *6.4 Does Australia need to assess products that comparable regulators already agree are acceptable?*

The panel suggests that adoption of a registration by reference approach could support greater product availability in Australia, by minimising the regulatory barriers to investment. However, as the panel has acknowledged, the challenge would be how to handle unique Australian circumstances, which would not have

been considered by an international regulator. This is not an insignificant challenge, and if not adequately addressed could present risks to human, animal and environmental health and compromise our trading status. For this reason, the NFF would recommend significant caution in pursuing this approach.

The NFF recognises that efficiencies could be realised by expanding the regulator's ability to use international data and regulatory assessments, and would support further consideration of how this could be done without compromising the quality of the APVMA's regulatory decisions and creating risk. Further work is needed to characterise the types of data and assessments that would be in scope for a 'by reference' approach and how such a scheme would operate. It's important to ensure that products are suitable for Australian conditions (including biophysical environment, production systems, dietary profile etc), and that agvet chemical companies are incentivised to deliver products for the Australian market, and particularly to add label uses for minor uses and speciality crops.

There is no clear definition or criteria provided in the issues paper as to what would constitute a comparable international regulator – this would need to be examined further. Another issue that should be considered is how adopting a registration by reference approach may impact Australia's domestic regulatory capability and capacity, and our international standing and reputation on agvet chemical science and regulation.

Cancellation of a chemical registration by a comparable overseas regulator should not lead to an automatic cancellation in Australia. The NFF supports the panel's view that in the case of a ban overseas, an Australian regulator would need to satisfy itself that the legislative criteria were no longer satisfied.

#### *6.5 Does the existing approach for assessing permits (minor-use and emergency use) meet the needs of users?*

As noted in the issues paper, the APVMA's permit system is considered a critical regulatory mechanism through which chemical access is gained and maintained for many minor crops and minor uses in major crops. Permits are the primary means by which Australian producers can access a use where there is no commercial incentive for agvet chemical companies to include the use on the label.

The Australian Government's Improved Access to Agricultural Chemicals and Veterinary Medicines Initiative is an important mechanism to address this market failure. The NFF has consistently advocated for ongoing financial commitment to the program, which delivers significant returns on government investment (\$117 per grant dollar invested over 20 years<sup>3</sup>) and is strongly supported by chemical users. The available funding is consistently oversubscribed, indicating the strong demand from industry and the need for ongoing financial commitment from government.

The NFF would support changes to further incentivise registrants to invest in new use patterns and provide growers with access to a wider range of safe and effective agvet chemical tools. Further, the minor use assessment area within the national

---

<sup>3</sup> [www.agriculture.gov.au/abares/research-topics/biosecurity/biosecurity-economics/minor-ag-vet-chemicals](http://www.agriculture.gov.au/abares/research-topics/biosecurity/biosecurity-economics/minor-ag-vet-chemicals)



regulator must be sufficiently resourced, given the importance of minor use permits to primary industries. The NFF would also support changes to the permit system that provide more flexibility in relation to emergency preparedness and products for managing incursions of exotic pests and diseases – such as arrangements that allow permits to be proactively put in place and activated in the event of an incursion of a known priority pest or disease.

#### *6.6 Should chemical reviews be timelier and more informative?*

The NFF supports the panel's proposal that chemical reviews be risk-based and triggered by new information, rather than rolling reviews based on specific timeframes. We understand that the adoption of calendar-driven reviews by other international regulators has tied up important regulatory resources and led to lengthy delays, and reduced the ability of regulators to respond to emerging issues. The NFF would also support a shift to more targeted reviews that are less resource intensive, in order to streamline the process and result in timelier decisions.

#### *6.7 Should greater use of technology be used – smart labelling?*

Product labels are a central medium for risk communication, and need to be easy to access, clear and comprehensive, particularly regarding mandatory requirements. A shift to smart labelling for agvet chemicals would be supported where it improves users' understanding of their legal requirements and best practice product handling and use – by making the information more clearly and readily available. It would also enable more rapid and efficient updates to label information and instructions and importantly, would facilitate the adoption of local risk assessment tools for chemical users, without compromising safety (e.g. providing access to alternative buffer zones for managing spray drift risk under local conditions – as proposed in Stage 2 of the APVMA's approach to spray drift).

A shift towards smart labelling may also better support on-farm automation, and digital record keeping for compliance and traceability. It will be important for labelling to meet the needs of a range of end users – including those that may not have access to appropriate technology to access smart label information.

## **Part 7 – How can Australia build national and international capacity?**

---

#### *7.1 Are there sufficient international networks of expertise?*

The NFF strongly supports the proposal that the national regulatory system should aim to foster and build national and international capacity to assess and manage the safe and effective use of agvet chemicals. Continued Australian participation in international committees and panels is essential, ensuring Australia has a seat at the table in the development of risk assessment methodologies and approaches.

#### *7.2 Is an operational regulatory working group needed?*

An operational forum that brings together regulators from across jurisdictions is sensible, and as the panel notes would assist in building capacity and skills across regulators. It may also be a useful mechanism for addressing cross-jurisdictional inconsistencies and other specific regulatory issues. This group would appropriately

have a good level of technical expertise and familiarity with the agvet chemical regulatory framework and processes.

### *7.3 Should the private sector be able to perform assessment work?*

The proposal to expand the use of third-party assessors (including through an accredited assessor scheme) has merit, and would potentially grow our national regulatory capacity outside of specific government or statutory agencies – as well as building efficiency in the assessment process. Rigorous safeguards to ensure the quality, reliability, consistency and impartiality of scientific assessments performed by third parties will be an essential component of any scheme.

### *7.4 What capabilities may be needed to adapt to future technology?*

Regulatory systems must be equipped to adapt to new and emerging technologies, and our agvet chemical regulator is no exception. It is important that the regulator is resourced to upskill and adapt to a changing technological environment, including both new technologies and practices. This is important not only so that end users have access to the latest proven technologies to maintain their competitiveness and sustainability, but also to incentivise ongoing investment in research, development and adoption. Consultation with industry and the research sector will assist the regulator to identify new areas for consideration and emerging risks.

## **Part 8 – How will a new regulatory system be sustainably funded?**

---

The national regulator's fee structures and cost recovery arrangements first impact agvet chemical companies, but will impact farmers as end users as costs are ultimately passed on. Cost settings may also lead to delays in the availability, or the non-availability of products. Australian farmers compete in international markets, and to maintain competitiveness it is important that they have access to the tools that allow them to produce food in a safe, efficient and cost-effective manner. The costs of registration should not deter registrants from seeking to introduce new chemicals to the Australian market. Changes to funding structures should ultimately be viewed from this perspective. In this context the NFF notes the panel's observation that regulatory charges in Australia are comparable to international regulators, and in many cases 'much cheaper.'

The NFF has previously provided comment on the APVMA's cost recovery arrangements through various inquiries and consultation process. We would reiterate our core priorities here for the information of the panel. We note that separately, the APVMA is commencing a Cost Recovery Implementation Statement process, and that that process and this review will intersect on these issues.

- It is critical that the national agvet chemical regulator is sustainably funded, and this should be through an appropriate mix of cost recovery and appropriation funding.
- Transparency is critical, and in moving to modify cost recovery fees it is incumbent on the regulator to demonstrate to registrants and end users how additional revenue will be allocated and where savings have been made.

- Cost recovery arrangements should recognise and incentivise efficiency improvements.
- Changes to cost recovery arrangements should consider the demand sensitivity of evaluation fees.
- Functions that deliver a public benefit should be funded by government appropriation – such as community engagement and general information resources.