



18 October 2024

Chief Financial Officer  
Australian Pesticides and Veterinary Medicines Authority  
GPO BOX 3262  
Sydney NSW 2001

Via email: [costrecovery@apvma.gov.au](mailto:costrecovery@apvma.gov.au)

To the Chief Financial Officer,

**RE: APVMA cost recovery arrangements 2025–26**

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission on the APVMA's *Cost Recovery Implementation Statement (CRIS): Evaluation and registration of agvet chemicals and their regulation up to and including point of sale 1 July 2025 to 30 June 2026*.

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

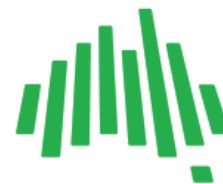
The APVMA plays an extremely important role as Australia's independent, science-based, national regulator of agricultural chemicals and veterinary medicines (AgVet chemicals), ensuring that AgVet chemicals sold in Australia are safe and effective. The APVMA's regulatory approvals allow AgVet chemical companies to sell their products on the Australian market. Under government policy, the costs of these regulatory functions are recovered from the AgVet chemical industry.

Regulatory costs are ultimately reflected in the prices paid by farmers and other end-users for the AgVet chemicals they purchase, so cost-effective regulation is in the interests of both registrants and users.

The NFF notes that the APVMA is exploring three charging framework scenarios, including:

- Scenario 1 - Align with current cost recovery policy for fees and levies at current budgeted activity levels.
- Scenario 2 - Enhanced resourcing levels cost recovered.
- Scenario 3 - Funding future reform programs via levy adjustments.

The APVMA has put forward a position in the CRIS that the costs associated with the APVMA's regulatory activities are not covered by the current fee structure, and that the imbalance between revenue and expenditure will grow under current cost recovery arrangements.



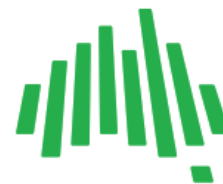
The NFF believes that further detail on APVMA forecasts and assumptions for both revenue and expenditure – including improved efficiency arrangements – should be provided to justify any changes in cost recovery structures.

Accordingly, the NFF does not support any of the cost recovery scenarios contained within the CRIS at this point. However, the NFF is open to working with the APVMA to ensure that cost recovery arrangements ensure the APVMA is suitably resourced to undertake its regulatory responsibilities.

To this end, the NFF recommends the APVMA and Australian Government have regard to the following principles when considering current and future cost-recovery framework scenarios:

- Australian farmers require access to safe, effective and innovative AgVet chemical products to produce food and fibre.
- The APVMA must strictly comply with the Australian Government’s Cost Recovery Policy and the Charging Framework requirement that government policy outcomes should be undertaken at the minimum efficient cost.
- The APVMA must be appropriately resourced to enable efficient and consistent core functions, including the timely processing of new product registrations, emergency and minor use permit applications and the undertaking of chemical reviews.
- Adequate resourcing of the regulatory system is critical to maintain public trust in the use of AgVet chemicals in Australia.
- Cost recovery models must improve the efficiency, productivity and responsiveness of the APVMA’s activities.
- Accountability and transparency are critical. It is incumbent on the APVMA to demonstrate efficiencies and improvements to registrants and users, and how any additional revenue will be allocated.
- Changes to fees and levies must not unduly hinder Australia’s international competitiveness. Regulatory costs should contemplate the comparative size and demand in the Australian chemical market.
- Public good functions of the APVMA, including for example community engagement, post-market monitoring and enforcement, should be better supported by the Australian Government.

Additionally, and specifically relevant to the scenarios proposed, any proposal for the APVMA to cost recover ‘enhanced resourcing levels’ or ‘future reform’ must be accompanied by robust economic analysis, include transparent allocation of funds to



specified priorities or activities, and enhance the value proposition for stakeholders. Such proposals must include analysis which contemplates why it is most appropriate for industry to fund the activities, in comparison to government revenue, and assess the appropriateness of available mechanisms. Scenarios 2-3 fail to provide the foundational information required for stakeholders to meaningfully consider the frameworks. As such, they cannot be endorsed by industry and should not be adopted by the APVMA.

Australian farmers compete in globally competitive markets and it is important that they have access to innovative tools and technology – including AgVet chemicals – that allow them to produce high quality commodities in a cost-effective manner. Therefore, it is important that changes to regulatory costs do not create a deterrent to registrants seeking to introduce new products to the Australian market. Noting the significant application fee increases proposed in Scenario 1, the NFF asks that the APVMA duly consider any potential price sensitivity in determining the preferred option.

The NFF notes the APVMA's proposal to review the CRIS on an annual basis moving forward, with the view that increasing the regularity of CRIS reviews will allow the APVMA to be more responsive to market conditions and allow operational efficiencies to be more quickly reflected in cost-recovery arrangements. If the CRIS is to be considered on an annual basis moving forward, the significant time and resourcing of this process must be adapted accordingly. The regularity of the CRIS review must contemplate which basis will facilitate the greatest efficiency dividends and appropriately account for the budget cycles of registrants. Any change to the review regularity must not diminish transparency and accountability.

The NFF appreciates the APVMA's engagement with AgVet chemical industry representatives and with the NFF on the CRIS 2025-26. We look forward to the APVMA further building upon this stakeholder engagement approach across other core functions, to increase transparency and understanding across the sector.

Thank you for the opportunity to provide a submission to this process. The policy contact for this matter is Ms Charlotte Wundersitz, General Manager of Rural Affairs, via e-mail: [cwundersitz@nff.org.au](mailto:cwundersitz@nff.org.au) or phone: (02) 6269 5666.

Yours sincerely

**TONY MAHAR**  
Chief Executive Officer