

4 September 2026

Chief Financial Officer
Australian Pesticides and Veterinary Medicines Authority
GPO Box 574
Canberra ACT 2601

Via email: costrecovery@apvma.gov.au

To the Chief Financial Officer,

RE: APVMA draft 2027-28 Cost Recovery Implementation Statement (CRIS)

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission on the APVMA's draft *2027-28 Cost Recovery Implementation Statement (CRIS)*.

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, outside of public good functions to address market failure such as minor use permits and emergency permits.

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.

NFF Policy Position

When considering the APVMA CRIS, the NFF has given strong regard to the needs of and priorities agriculture and its AgVet chemical end users. The NFF urges the APVMA to consider these needs, as outlined in the NFF's Agricultural Chemicals and Veterinary Medicines (AgVet Chemicals) Policy.

This policy affirms that: "Agricultural chemicals and veterinary medicines (AgVet chemicals) are essential to producing food and fibre in Australia. Timely access to safe and effective AgVet chemicals is critical to Australian agriculture's productivity, sustainability, competitiveness, and supports food and fibre security. The National Farmers' Federation (NFF) seeks an efficient, science- and risk- based regulatory environment that delivers world-leading access to technology."

Furthermore, and particularly relevant to this consultation, the NFF's Policy includes the following policy principles:

1. Australian farmers require timely, consistent and viable access to agricultural chemicals and veterinary medicines that meet the unique needs of their production systems and farming methodologies.
2. Regulation should encourage innovation, investment, and registration of new or alternative products, making Australia an attractive and competitive market.

Key priority initiatives to deliver on the principles include the following:

1. Operational reform: The APVMA should be empowered to meet its statutory timeframes and deliver timely access to AgVet chemicals.
2. Sustainable, appropriate resourcing: The APVMA should be sustainably and appropriately funded and staffed. This includes public funding for areas of public good or market failures like minor use. Cost recovery settings should encourage investment and registrations.
3. Improve availability of products and uses: Governments and the APVMA should reduce regulatory barriers and improve timely access to products, including by fast-tracking lower-risk products and expanding uses in line with international evidence.

The NFF strongly believes that the APVMA CRIS should reflect these core principles and priority initiatives. Doing so would help deliver the NFF's vision for Australia's regulatory environment: one that appropriately manages risk and supports agile, efficient access to AgVet chemicals to bolster productivity, manage threats to production systems, and strengthen Australia's food and fibre security.

NFF concerns over cost recovery policy shift

The NFF acknowledges the CRIS reflects a significant shift in government policy, to recover the full cost for all fee-for-service regulatory activities upfront and reduce levies charged on AgVet chemical products. While the NFF supports the APVMA being sustainably and appropriately funded, the NFF is deeply concerned that this major policy change risks establishing a serious impediment to the registration and sale of AgVet chemicals in Australia.

The APVMA and Australia's AgVet chemical regulatory system should encourage the registration of products in Australia, not pose an undue burden on applicants that disincentivises bringing products to market.

Industry bodies representing AgVet chemical registrants and manufacturers, including CropLife Australia and Animal Medicines Australia, have informed the NFF that the cost-recovery policy change could foreseeably lead to reduced products or uses being registered in Australia, due to upfront cost recovery increasing the time before a product registered in Australia becomes profitable. These bodies have informed the NFF that this risk is especially applicable for products that have a relatively smaller potential market or smaller projected sales.

The NFF views this risk as a major concern.

Such a structural change should be carefully considered in the broader context of Australia's AgVet chemical system, based on clear and transparent evidence, and with implementation deliberately managed to mitigate clear risks of reduced access to AgVet chemicals for Australian farmers.

The NFF believes the current CRIS, and the policy shift behind it, have so far been delivered without sufficient evidence being made public that would reassure users that these risks will not materialise. The APVMA has, in the view of the NFF, not provided convincing evidence that the new model will result in increased access to innovative products.

Modelling around the likely impacts on product registrations should be made public at the earliest convenience to support the new cost recovery model. Without such an evidence base for a change of this magnitude and which bears high risks, the NFF therefore cannot support the CRIS in its current form.

APVMA performance as impediment to registration

Concerns that increased upfront costs may prove an impediment to registration and sale of products in Australia cannot be taken in isolation.

Australia is a small market in terms of global AgVet chemical sales, restricting total profitability for manufacturers or registrants – and the appetite of businesses to bring such products to the country. This issue is further exacerbated for smaller agricultural commodities or for more niche products under the broader umbrella of minor uses, where the market size is further restricted.

When viewed against this market size problem, any increased regulatory costs to be borne by registrants may reduce anticipated product profitability – and therefore the likelihood a product is brought to the Australian market.

Equally important, however, is the timing and predictability of regulatory registration processes. Where registration of a product occurs in a timely and predictable fashion, products are made available to the market sooner – benefitting Australians, agriculture, and manufacturers alike. The APVMA's performance falls far short of this standard and its own statutory requirements, further disincentivising the registration of products, especially novel ones, in Australia compared to other markets.

The NFF understands that there are concerns that the proposed CRIS could see manufacturers defer the introduction of new products or active in Australia, and instead seek to register in competitor markets with more cost-effective regulatory arrangements.

The NFF understands that potential registrants view inefficient, slow or unpredictable regulatory processes as a key impediment to bringing a product to market in a certain country. Given Australia's small global AgVet chemical market share, we can ill-afford to have an inefficient and unpredictable regulatory environment.

The NFF has heard from representatives of AgVet chemical manufacturers, who state they would be willing to pay increased regulatory costs – in line with APVMA's real costs – were the APVMA functioning and performing like a model regulator. That is, one that is efficient and timely, meeting its statutory obligations.

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 NFF understands there are concerns within the AgVet chemical industry that fees and costs presented in the CRIS have been insufficiently explained or justified, and that they may reflect inefficiencies within the APVMA rather than minimum efficient costs.

Elements of APVMA CRIS supported by NFF

Products registered – but not sold – in Australia

The NFF acknowledges the vast number of AgVet chemicals registered in Australia but never sold in this country. This poses a significant burden on the APVMA both in application or registration processes, and in after-market regulatory requirements. The NFF is deeply concerned that present cost recovery settings effectively mean the costs to APVMA of regulating these products are not fully recovered. The result is that levies on products sold in Australia – including for use in agriculture – are effectively subsidising the APVMA's regulatory work on products which provide zero benefit to Australian agriculture. This situation is wholly unacceptable and must be remedied.

The NFF believes the proposed model of fully recovering upfront registration costs may be beneficial in addressing this untenable cross-subsidisation.

Government appropriations for emergency use permits

The NFF strongly supports government funding for public good APVMA functions, particularly for emergency permits and to subsidise costs of minor use permits. These help address systemic market concerns and ensure Australia benefits from safe and appropriate AgVet chemical usage where registration is not commercially viable.

The NFF believes government appropriation should be provided to all public good APVMA functions, where regulation benefits not just the AgVet chemical registrants or users (including in agriculture) but all Australians. This includes monitoring, compliance and enforcement activities, as well as costs necessary to ensure the APVMA can deliver efficient regulation, such as through its ICT systems.

Consideration of implementation approach

While noting the NFF currently opposes the CRIS due to the lack of evidence that the new model would not reduce the registration of new products and uses in Australia, the NFF urges consideration of implementation approaches that may support registrants and limit potential negative impacts of the CRIS.

Phase-in of new cost recovery settings

One such implementation consideration would be phasing in the new cost recovery model. This could be done in different ways. One such approach would be phasing in the new settings by item number, in which case products registered in Australia but not intended to be sold in this country should immediately face full upfront cost recovery, while other application types could move to the new model in subsequent years. This would foreseeably aid in the long-term business planning of AgVet chemical companies and support the ongoing registration of new products and uses in Australia, while immediately tackling the issue of products registered but not sold in Australia.

Another approach would be to increase all upfront fees in an incremental fashion over multiple years. This approach would similarly provide additional lead-in time to aid in long-term business planning for AgVet chemical companies. It would also reduce the likelihood of AgVet chemical companies submitting high numbers of applications for registration prior to the new CRIS being implemented, in an attempt to be captured by current cost recovery settings. The NFF is concerned the APVMA is ill-equipped to deal with a higher than usual

number of applications, given its ongoing inability to meet statutory obligations around timeliness.

Staggered payments

An additional approach to reduce the risk of fewer products being brought to the Australian market is to implement staggered payments from registrants to the APVMA. Noting the length of time taken by APVMA to process applications, payments could be split (i.e. into three equal payments) to support applicant cashflow including across multiple financial years. The NFF understands this may reduce the financial burden of the increased upfront fees and charges on AgVet chemical businesses.

Expansion of data protection periods

The NFF believes consideration should be given to expanding the length of data protection periods, increasing the period whereby a novel product is significantly more profitable before the arrival of generic competitors. This would incentivise product registration in Australia and help mitigate the risks that the new cost recovery model would reduce product registrations and availability for agriculture.

Conclusion

The NFF is deeply concerned that the new model may result in fewer innovative products being registered and sold in Australia. This could be severely damaging to Australian agriculture. The NFF is disappointed at the failure to make public any modelling showing the potential impacts on product registration.

Based on the lack of information provided to support the CRIS and the new cost recovery model, the NFF cannot support it at this time.

Were the APVMA to adopt the new CRIS, all efforts should be made to support increased AgVet chemical registrations in Australia, including through implementation considerations outlined above.

The NFF thanks the APVMA for the opportunity to engage on this significant matter and welcomes additional discussion.

Yours sincerely,

Michael Guerin
NFF Chief Executive Officer