



Community and Public Sector Union
Michael Tull ♦ Assistant National Secretary

17 January 2019

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

Email: rrat.sen@aph.gov.au

Dear Committee Secretary

The Community and Public Sector Union (CPSU) welcomes the opportunity to make a submission to this Senate Inquiry into the Agricultural and Veterinary Chemicals Legislation Amendment (Streamlining Regulation) Bill 2018. As the primary union representing Australian Pesticides and Veterinary Medicine Authority (APVMA) employees, the CPSU is committed to providing a strong voice for our members in key public policy and political debates.

The CPSU has significant concerns about allowing chemical companies to pay accredited third-party assessors to undertake assessment services under the proposed Bill.

Allowing chemical companies to fund outsourced assessment services could lead to real or perceived conflicts of interest and undermine public trust in the APVMA.

There already have been concerns that the APVMA's reliance on industry funding may result in conflicts of interest.¹ A move to a third-party assessment regime would substantially increase the risk of conflicted decisions.

Chemical companies invest significant resources in product development and delays in regulatory approval can carry significant costs. It is foreseeable that they may prioritise their financial interests ahead of the public interest. Independent assessors would also have a financial interest in attracting and retaining assessment work. This increases the risk of decisions being influenced by financial concerns or pressures. These risks are inherent in the third-party assessment model.

The CPSU, based on membership advice, does not believe that an accreditation process whereby APVMA accredits third-party assessors is an effective way to deal with the risks inherent in the third-party model. These risks can only be properly dealt with by way of independent public sector regulation by the APVMA.

The experience of biosecurity is telling in this regard. The CPSU previously warned about conflicts of interest by industry participants who had "approved arrangements" for self-regulation. CPSU members report that large areas of biosecurity control were passed to "Approved Arrangements"

¹ Lucy Knight (2018, 20 November). APVMA inquiry: Regulator's independence is essential, inquiry hears. The Weekly Times. Retrieved from <https://www.weeklytimesnow.com.au/news/politics/apvma-inquiry-regulators-independence-is-essential-inquiry-hears/news-story/c5ee479650fe87f37522128f68beda75>

and it resulted in multiple outbreaks of pests due to industry not cleaning and inspecting empty containers. These outbreaks have substantial economic and environmental risks and impacts, for example, the outbreak was Khapra Beetle in South Australian wheat belt which meant that almost all biosecurity officers from South Australia had to be sent for prolonged inspections and fumigations of grain storage sheds over several months.

The CPSU is aware of, and sympathetic to, the needs of industry for a timely and effective regulatory system. For example, a submission to the Senate Inquiry into the operation, effectiveness, and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016 outlined how the late registration of a product cost one company \$750,000 in missed sales.²

It is understandable that some companies may believe that allowing companies to pay for third-party assessors could be an improvement for the businesses that do the right thing. However, the CPSU argues that the risks to the public, and to industry, of unscrupulous behaviour enabled by a third-party assessment regime substantially outweighs perceived benefits to industry.

While APVMA has not met statutory timeframes for approving agricultural and veterinary chemicals, members report the delays in completing reports are not always at APVMA's end. Submissions need to be made with enough time for assessment so that approval can occur prior to the release date. Companies are not always aware of timings, have unrealistic expectations and make incomplete submissions that cause delays for staff.

Furthermore, the forced relocation and under resourcing of APVMA, has also greatly affected its capacity. Members stated the maintaining of a "satellite" office in Canberra for 40 staff is because the capabilities do not exist in Armidale as a result of staffing losses. There is a concern that skill sets will not be rebuilt if work is contracted out to third-party assessors.

For the above reasons, the CPSU opposes any move to allow chemical companies to pay accredited third-party assessors to undertake assessment services.

Instead of implementing a highly risky third-party assessment regime, the Government should look to improve the resourcing and independence of the APVMA by reducing APVMA's reliance on industry funding and providing more funding to hire the staff and build the capacity needed to meet statutory timeframes.

The CPSU is happy to provide information on the matters raised in this submission. Please contact

Yours sincerely

Michael Tull
ASSISTANT NATIONAL SECRETARY

² Stephen Pettenon and Michael Gaven (2017, 10 March) Joint Submission by the consultancy firms Agsense and Gaven and Associates to the Finance and Public Administration References Committee. Senate Inquiry into the operation, effectiveness and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016