



19 December 2012

Mr Stephen Palethorpe
Committee Secretary
Senate Rural and Regional Affairs and Transport Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Palethorpe,

Inquiry into Agricultural and Veterinary Chemicals Legislation Amendment Bill 2012

The dairy industry is one of Australia's major rural industries and is a significant user of agricultural and veterinary chemical products.

Accordingly the dairy industry has contributed throughout the process of agricultural and veterinary chemical regulation reform.

The importance of APVMA continuing to consider 'trade' implications and 'efficacy' in the registration process has been a critical issue for the dairy industry, and we welcome the increased clarity in the amendments and the accompanying regulations.

The dairy position on a registration / reapproval scheme has consistently been that while there may be merit in periodic review of registration, it must be cost effective and proportionate to risk, and aim to minimise requirements for chemicals with an established track record.

Improvements have been made to the proposed reregistration / reapproval scheme, for example: clarity that the process is not equivalent to reconsideration, and the explicit statement that new data is not required for an application for reregistration / reapproval.

However the dairy industry is still concerned that this may constitute a significant burden which will be borne by farmers, either through increased prices for agvet chemical products, or reduced access if chemical companies choose not to register (or reregister) products.

The extent to which these amendments are a burden will largely be determined by the attitude and stance taken by APVMA in applying the legislation. While this may be beyond the immediate scope of legislative amendments, it is an area that deserves continued scrutiny.

Similarly the dairy industry welcomes the inclusions to encourage APVMA to use overseas data to make it easier to register products that are already internationally registered and used. However, if APVMA retains discretion in how this information may be used, without a change in attitude by APVMA, these provisions will make little practical difference.

The dairy industry also notes the importance of mechanisms for review of the bill to ensure the measures operate as intended and remain appropriate. These should look at the impact of reforms on chemical availability and cost to identify whether unintended consequences (such as loss of generic or niche products) are occurring, and if reforms require modification.

These review mechanisms will be of particular importance given the poor process surrounding the recent agricultural and veterinary chemicals reforms.

The last few years have seen a significant amount of work on reforming regulation of agricultural and veterinary chemicals. As it stands it is unclear whether these reforms will actually be an advance on current agricultural and veterinary chemical regulation, for example, by facilitating access to useful chemicals and reducing usage costs

It is disappointing that these processes have achieved so little, have not been better integrated, and that issues with improving access to useful chemicals, especially for minor uses, so that responsible usage is on-label and legal, have not been addressed.

The National Food Plan green paper raised the potential for a new reform process to 'examine options to improve the regulation of minor use chemicals'. In responding to the green paper, the dairy industry supported this examination, but noted how unsatisfactory it is that these issues have not been addressed in the existing reforms as expected.

The industry also notes that the reform and consultation processes associated with the agvet chemical reforms have involved piecemeal release of documents, lack of a coherent overview of reforms and lack of systematic analysis of costs and benefits of reforms, which has made responding difficult.

This has made it extremely difficult and confusing for stakeholders and almost certainly has resulted in a reform process, and draft regulation and legislation that are not best practice.

Improved coordination and effective consultation mechanisms would improve the resultant legislation and facilitate better relationships with stakeholders across the board.

It would be a very poor outcome if the several consultation and reform processes that ran concurrently on Agricultural and Veterinary Chemicals resulted in more red tape, reduced access to vital chemicals and a reduced competitive position for Australia's dairy farmers.

Unfortunately it is the ADIC's fear that this is a likely outcome from the current approach.

Yours sincerely,

Noel Campbell
Chairman