

Jan. 4, 2013

Standing Committee on Agriculture, Resources, Fisheries and Forestry
arff.reps@aph.gov.au

The Victorian Farmers Federation

The Victorian Farmers Federation (VFF), Australia's largest state farmer organisation and only recognised consistent voice on issues affecting rural Victoria, welcomes the opportunity to comment on the National Penalties Framework.

Victoria is home to 25 per cent of the nation's farms. They attract neither government export subsidies nor tariff support. Despite farming on only three per cent of Australia's available agricultural land, Victorians produce 30 per cent of the nation's agricultural product. The VFF represents the interests of our State's dairy, livestock, grains, horticulture, flowers, chicken meat, pigs and egg producers.

Introduction

The VFF welcomes the opportunity to comment to the Standing Committee on Agriculture, Resources, Fisheries and Forestry on the Agricultural and Veterinary Chemical Legislation Amendments Bill 2012. We acknowledge the terms of reference that have been outlined for this inquiry, as stated below:

The Terms of Reference comprise the text of the Bill and without limiting the scope of these Terms of Reference, the Committee has resolved to target a number of key areas for consideration:

1. *Initial assessment and registration processes (Schedule No. 1 of the Bill), including:*
 - a. *Factors that affect efficient regulation, including the risk assessment process;*
2. *Re-approval and re-registration of agricultural and veterinary chemicals (Schedule No.2 of the Bill), including:*
 - a. *The need for re-approval/and re-registration;*
 - b. *The process and practical effects (including the financial impacts) for all stakeholders including the regulator;*
3. *International comparisons and trade issues, including the effect on small companies; and*
4. *Consultation processes and outcomes:*
 - a. *Including intergovernmental consultations.*

The VFF have raised concerns with the Bill since its first introduction and appreciate the opportunity to discuss our specific concerns, which align closely with the terms of reference.

Mandatory re-registration

The VFF remains concerned with the requirement for mandatory reregistration between 7 – 15 years. While there has been the comment that the re-registration process will be risk based, we are concerned that the process will be needless complex and costly.

The goal of regulatory reform should be to reduce needless red tape and improve industry performance. The mandatory re-registration of chemicals every 7 to 15 years will not deliver on this goal. There is the potential this reform will increase the regulatory burden related to agricultural chemicals, impacting the chemical availability for the food producing community.

We are also concerned with the potential resources required by the APVMA to maintain this re-registration program will be much higher than in the past. In particular, it was mentioned that for this reform to be a success there would need to be a culture and resource shift within the APVMA. If the success of the new system hinges on significant changes within APVMA there needs to be considerable resources provided to APVMA to facilitate the shift and proof delivered by APVMA that they are prepared to take on this expanded role.

The cost impact assessment estimates the additional cost to the APVMA will be an additional \$4m (an additional 15% on current APVMA requirements). This is a substantial increase and we are concerned that the increase in costs associated with the re-registration process will lead to:

- The accelerated removal of products (for those already shown to be safe and effective),
- Innovative products delayed in their introduction to Australia, and
- Cost to increase on remaining chemicals

Timeframe of Implementation

We are concerned that the timeframe for the adoption of the chemical use reforms are more ambitious than the capabilities of the APVMA would be capable to deliver. It would be prudent to delay the implementation of any regulatory reform until APVMA is appropriately equipped to manage the considerable increased workload the proposed reform will require.

There are also practical, operations issues that will prevent some of the minor benefits within the act to be realised in the short term. For example, while the Bill will allow for electronic applications it will be sometime before APVMA will be able to process and accept electronic applications. This is a clear indication that the reforms are happening at a speed much faster than the APVMA will be prepared for.

A Net Benefit Test for Chemicals

We support Section 1A that recognises both the protection of human health and safety and also the importance of the use of agricultural and veterinary chemicals for trade, primary industry and manufacturing. However we are concerned that there is no consideration of perverse outcomes as a result of the removal of some chemicals through de-registering.

For example, if there may be the situation that a potentially more damaging product to the environment or human health due to the removal or access to a certain chemical. A case in point is the possible removal of diuron for use in cane farming that has been considered. Diuron can be used in a responsible and safe manner, but should it be removed from availability it will force canefarmers to pursue other means to control weeds, such as tillage. The resulting increased tillage activity would lead to increased sedimentation in the ocean with possible impacts on the Reef health.

CANEGROWERS have made the following comments regarding diuron:

Until the advent of green cane trash blanket harvesting systems, virtually all cultivation for weed control on cane lands was by mechanical means. The use of a trash blanket from green cane harvesting brought many benefits to the industry. These included:

- *Dramatic reduction in soil erosion and run-off*
- *Recycling of nutrients*
- *Improved soil structure and moisture holding capacity*
- *Reduced weed infestation*

As essential part of this farming system is the ability to control weeds that do emerge chemically, rather than mechanically. Farmers have developed specialised high clearance spraying equipment to allow passage of tractors through the field to allow weed control to continue until the cane is at the out-of-hand stage. As noted above, diuron is a vital part of the armoury to maintain this beneficial farming system. There are significant concerns if diuron is no longer available, farmers would revert to mechanical cultivation which would see increases in soil loss and run-off and declines in water quality.¹

The VFF would prefer to see a more rigorous test and holistic approach involving a net benefit evaluation before any chemical is considered for deregistration.

Review period

The VFF is supportive of a review after five years of operation. This review should include the appropriateness of the Act and also the performance of APVMA in delivering an efficient re-registration process and overall impact of the industries reliant on agricultural and veterinary chemical use. It should aim to answer questions such as:

- What has the net impact of regulation cost for chemical registrants?
- What has been the overall impact on chemical availability?
- Is there proof that the new regulatory regime to providing better outcomes for the community and industry?

¹ CANEGROWERS submission to APVMA, September 2011

Ability to refuse permits

The VFF is concerned with some of the provisions for the refusal of applications for permits. For example, under Part 7 Section 112. Issuing permits, subsection (3A) reads

***“the APVMA must also refuse the application if it is satisfied that:
b (i) the applicant; has, within the 10 years immediately before the application:
(x) had a permit that was issued under an agvet law suspended or cancelled...”***

This condition appears to be overly onerous and may prevent legitimate applicants to being refused due to a suspended permit. There are potentially many reasons for a permit being suspended that does not necessarily mean there was any mal doing by the permit holder.

The VFF recommends point b (i) (x) is removed.

Conclusion

We are concerned that the overall benefit to the industry will be outweighed by the increase in red tape and regulatory costs associated with the re-registration process. In large part we see this regulatory reform as a missed opportunity to improve the system and reduce needless regulatory burden.

The implementation of the reforms should not happen until such time that the APVMA is in a position to undertaken those reform effectively.

There should be greater rigour on a net benefit test that can adequately assess unintended consequences of the removal of chemical access.

Thank you for the opportunity to comment on the draft bill. Please feel free to contact Darryl Harrison, Policy Manager if there are any specific questions about the VFF submission

Kind regards,

Peter Tuohey
President
Victorian Farmers Federation