CropLife AUSTRALIA

Representing **the best** of the plant science industry

2017-18 PRE-BUDGET SUBMISSION

19 JANUARY 2017

1 INTRODUCTION

CropLife Australia (CropLife) is the national peak industry organisation representing the agricultural chemical and biotechnology (plant science) sector in Australia. CropLife represents the innovators, developers, manufacturers and formulators of crop protection and agricultural biotechnology products. The plant science industry provides products to protect crops against pests, weeds and diseases, as well as developing crop biotechnologies that are key to the nation's agricultural productivity, sustainability and food security. The plant science industry is worth more than $20 billion a year to the Australian economy and directly employs thousands of people across the country.

CropLife and its members are committed to the stewardship of their products throughout their lifecycle and to ensuring that human health, environment and trade issues associated with agricultural chemical use in Australia are responsibly and sustainably managed. Our member companies contribute more than $13 million a year on stewardship activities to ensure the safe and effective use of their products. CropLife ensures the responsible use of these products through its mandatory industry code of conduct and has set a benchmark for industry stewardship through programs such as ***drum****MUSTER*, ChemClear® and Agsafe Accreditation and Training. Our stewardship activities demonstrate our commitment to managing the impacts associated with container waste and unwanted chemicals.

The plant science industry's crop protection products include herbicides, insecticides and fungicides that are critical to maintaining and improving Australia's agricultural productivity to meet global food security challenges in coming decades. Each of these products is rigorously assessed by the Australian Pesticides and Veterinary Medicines Authority (APVMA) to ensure they present no unacceptable risk to users, consumers and the environment.

It now takes over 11 years of research and development requiring the testing more than 140,000 compounds, costing more than US$286 million to bring just one new successful crop protection product to the market. Without access to these tools, farmers may potentially lose as much as 50 per cent of their annual production to pests, weeds and diseases. According to a 2013 Deloitte Access Economics report entitled *Economic Activity Attributable to Crop Protection Products*, it is estimated that up to $17.6 billion of Australia agricultural output (or 68 per cent of the total value of Australian crop production) is attributable to the use of crop protection products.

Crop protection products must be used sparingly, carefully and responsibly. The responsible use of agricultural chemicals must be supported by a regulatory scheme that maximises the benefits associated with their responsible use, while minimising the costs from excessive, inappropriate and ineffective regulation. Farmers need these products because of the benefits they provide to their businesses and consumers need these products to ensure they have access to safe, affordable and nutritional food.

While it is important for governments to provide for appropriate and rigorous regulation of pesticides and biotechnologies, any regulation must be mindful of the effects that poorly considered and excessive regulation will have through increasing production costs, discouraging investment and innovation, while not delivering any improvement in safety, health or environmental outcomes.

The 2017-18 financial year represents a period of significant change for registrants and developers of agricultural chemical products with the relocation of the APVMA from Canberra to Armidale, NSW being progressed. Structural changes and substantial initiatives are necessary to necessitate a smooth transition and deliver a centre of excellence for agricultural chemistry. This will involve leveraging technology to streamline APVMA and associated regulatory operations through more efficient data-sharing, digital communications and next-generation infrastructure.

New approaches to regulation potentially involve significant additional cost to registrants that may have detrimental impacts on the capacity of companies to provide Australian farmers with innovative new products. The APVMA's 2012 Cost Recovery Discussion Paper[1] highlights the significance of some of these costs associated with unnecessary regulation. The focus, however, is on ensuring that Australia's regulatory system for agricultural chemicals is effective, efficient and provides an opportunity for government to ensure they have all the necessary tools in place to support Australian innovation in agricultural production.

This submission identifies those areas where additional investment by government is required to continue to drive innovation and to ensure Australia's regulatory system for agricultural chemicals can rapidly respond to emerging issues and facilitate Australian farmers' ability to compete in global markets.

The plant science industry, since 1996, has also been providing Australian agriculture with the benefits of crop biotechnology in the form of genetically modified (GM) crops. The utilisation of these innovations has delivered significant benefits in producing safe and affordable food, feed and fibre to the nation and the world. GM crops that are in the innovation pipeline have the opportunity to further improve the environmental benefits by allowing more efficient use of water, nutrients and other crop production inputs. Future GM crops will produce healthier oils and starches and other major human health benefits, as well as have a greater tolerance of salinity and acid soils.

Similar to the regulatory approval process for crop protection products, every GM crop in Australia is subjected to intense scrutiny and rigorous regulatory assessment. The Gene Technology Regulator protects the health and safety of people and the environment by identifying risks posed by gene technology and by managing those risks through regulating certain dealings with genetically modified organisms. Food Standards Australia New Zealand (FSANZ) is required to approve any GM food or food ingredient and the APVMA regulates those GM crops with inbuilt pest protection. The GM canola and GM cotton crops that are grown in Australia have passed all of these regulatory assessments and delivered Australian farmers more than AUD$1.37 billion[2] in additional farm income benefits over the past 20 years.

1 http://www.apvma.gov.au/consultation/public/2012/interim_cost_recovery.php

2 Brookes G (2016) 'Adoption and impact of GM crops in Australia: 20 years' experience'. Report prepared for CropLife Australia Ltd., Canberra, May 2016.

Emerging global food security challenges highlight the critical need to properly support Australia's farming sector and the critical supporting industries to agriculture, such as plant science. Should the following identified activities and initiatives be funded and implemented, they would complement current reform processes and result in a comprehensive package of reforms. Australian agriculture and its associated industries generate over $155 billion each year and underpin 12.1 per cent of Australia's GDP. The agricultural chemical and biotechnology industry is an integral input driving this performance.

2 RECOMMENDATIONS

Additional funding to deliver an Australian Centre of Excellence in Agriculture

As the peak national body for the plant science sector with a commitment to the long term growth and success of Australian agriculture, CropLife supports in principle, government initiatives that improve the economic activity in rural and regional Australia. However, relocating the APVMA to Armidale in its current form, and in isolation, will not deliver a net benefit to the efficient operations of the regulator, the plant science industry or the Australian farming sector in the short, medium or long-term.

The creation of an Australian centre of excellence in agriculture that involves the relocation of the APVMA may, however, deliver benefit to the Australian farming sector. Structural changes and initiatives are required to successfully create such a centre of excellence, leveraging technology to streamline APVMA and associated regulatory operations through more efficient data-sharing, digital communications and next-generation infrastructure.

CropLife's vision for an Australian centre of excellence in agriculture that drives Australian agricultural productivity through innovation and efficiency, is built on the following four pillars:

- **New agricultural and industrial chemicals regulator**
  - Absorb NICNAS within the APVMA, incorporating necessary regulatory functions
  - Incorporate environment and health assessment functions
  - Improve regulatory efficiency
- **Next generation regulator**
  - Online platform
  - Leverage NBN accessibility
  - Harness domestic and international regulatory capacity remotely
  - Assist transition
- **Policy functions**
  - Centre of excellence for agriculture must have agricultural policy development capacity
  - Improved policy development that delivers for agriculture
  - Synergy with University of New England (UNE)
- **Minor use and speciality crops program**
  - Enhance existing program by adopting a model more consistent with IR-4 (US program)
  - Truly leverage association with UNE
  - Alleviate existing economic and regulatory market failure
  - Deliver more sustainable pest management practices and increase the Australian GDP

New agricultural and industrial chemicals regulator

Absorb NICNAS within the APVMA, incorporating necessary regulatory functions – Overwhelming evidence suggests that the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) is inefficient, unpredictable and becoming increasingly redundant. NICNAS was never intended to be a regulator and performs this function poorly with no signs of improvement. Absorbing the necessary regulatory functions of NICNAS within the Australian Pesticides and Veterinary Medicines Authority (APVMA) would put effect to recommendations of the 2008 Productivity Commission Report into the Reform of the Regulation of Chemicals and Plastics Industries[3] and the National Commission of Audit[4].

The chemical ingredients currently regulated by NICNAS would be better administered by the APVMA, ensuring consumer safety while supporting competitiveness, innovation and growth for the industry. The current regulatory reform process being undertaken by NICNAS will only delivery a regulatory environment that is worse than the status quo. Absorbing NICNAS within the APVMA will deliver on proposed regulatory efficiencies such as the electronic lodgment of applications, but without the exorbitant cost. This however cannot be achieved in isolation - the immediate removal of the unnecessary NICNAS regulation is crucial to ensure the NICNAS reform agenda is achieved as a matter of urgency.

The APVMA's Risk Profiling Tool will effectively manage the numerous products of low regulatory concern currently regulated by the NICNAS, resulting in lighter touch regulatory pathways such as self-assessment for registration, followed by post-market compliance. This will result in faster entry to market for registrants and access to innovative products faster for Australian consumers. It will also satisfy the existing COAG initiatives looking to streamline chemical regulation.

Retain position with the Agricultural portfolio – Unlike NICNAS, the APVMA has a specific policy department in the Department of Agriculture and Water Resources (the Department). Also, even with the APVMA absorbing the necessary functions of NICNAS, the overwhelming operational activity (at least 80%) of the APVMA would still directly relate to agricultural product registration. Retention within this specific policy department structure is essential considering the Department's main policy impact is directly associated with agricultural and veterinary chemicals, and that agricultural and veterinary chemicals are a higher regulatory risk due to being applied directly to the environment. Noting that the Department has extensive experience in developing regulatory policy for non-agricultural and veterinary chemicals, the APVMA is best placed to remain within the Department of Agriculture and Water Resources' portfolio.

Incorporate assessment functions – Chemical assessment is not the primary function of either the Departments of Health or Environment and as such, assessments are inefficient, expensive and not undertaken to the highest of scientific credibility. Transferring control of assessment functions to the APVMA will enable in-house assessments whilst also pursuing increased external

[3] Productivity Commission Research Report, *Chemicals and Plastics Regulation*, July 2008, http://www.pc.gov.au/inquiries/completed/chemicals-plastics/report/chemicals-plastics-regulation.pdf

[4] National Commission of Audit, *Towards Responsible Government – Phase One,* February 2014, http://www.ncoa.gov.au/report/docs/phase_one_report.pdf

assessments. Both Departments will retain policy input through ongoing engagement with the Department of Agriculture and Water Resources.

The Office of Chemical Safety within the Department of Health recently ceased undertaking its health assessments responsibilities for agricultural and veterinary chemicals. The APVMA have assumed this responsibility and have created Toxicology and OHS teams in-house and intend to utilise the existing panel of external assessors. This will deliver clear benefits through assessment effectiveness and efficiency, and one that should be replicated with the Department of Environment in relation to its environmental chemical assessments.

Next generation regulator

For many years CropLife has raised concerns about the APVMA's inability to meet its statutory timeframes. Increasing contestability of assessment services supports the Australian Government Efficiency through Contestability Programme which seeks to shift the emphasis of Commonwealth entities from the functions to be carried out, to the desired outcome governments seek to achieve. Assessments undertaken by third party assessors in recent times have been completed within significantly shorter timeframes, at a lower cost and to an equivalent or higher scientific standard than those undertaken by the Department of the Environment or the Department of Health.

Online platform – Developing an online platform is necessary for the development of a next generation regulator, allowing evaluations and assessments to be undertaken remotely by either permanent employed regulatory scientific specialists or accredited third-party assessors, harnessing domestic and international regulatory scientific assessment capacity. An online platform would appropriately leverage the existing National Broadband Network (NBN) that is already operational in Armidale and align with the government's plan for smart cities.

CropLife International is currently working closely with CropLife Australia and other sister organisations to develop similar approaches internationally. The APVMA initiative would build upon the specific work currently being undertaken by the Organization for Economic Cooperation and Development (OECD) on both the *Globally Harmonised Submission and Transport Standard* and draft guidance regarding Joint Reviews of Pesticides, specifically the *Communication and Information Resource Centre Administrator (CIRCA)*. With such a system implemented, the APVMA would no longer be restrained by internal capacity. By easily accessing regulatory expertise remotely from Australia and internationally as required, the APVMA would deliver regulatory efficiency which will benefit Australian agriculture broadly.

This alleviates the core concern regarding the potential loss of key senior and experienced technical assessment staff, which is a key driver of the Regulator's capability and efficiency, by moving the regulator to Armidale, and provides a viable transition option. Canberra-based experienced and well-regarded regulatory scientists unwilling to move, won't need to. Additional funding to deliver a next generation regulator, through the delivery of an online platform, would be an additional $20 million further to the $24 million already promised to cover the direct costs of relocation,

It should be noted that CropLife does not believe that the existing commitment of $24 million will properly cover the direct and indirect specific relocation and transition costs for the APVMA. Budgeting should allow for up to $30 million so that industry and farmers do not unnecessarily bear the cost of relocation.

Policy functions

A centre of excellence for agriculture can only truly be achieved if it incorporates both the Regulator and relevant policy development functions, allowing for significant synergies with UNE to be created and leveraged. While there is no direct synergy to be achieved between the APVMA regulatory assessment function by being co-located with the UNE, there is a significant direct and indirect benefit to agriculture broadly by having agricultural chemical policy development undertaken in a regional and rural agriculture centre.

Building agricultural chemical policy development capacity within the centre of excellence for agriculture would deliver a specific and substantial synergy with the existing expertise and skill set at UNE.

Minor use and specialty crop program

In the 2014 federal budget where very few project proposals received funding, the Australian Government finally committed an initial $8 million over 4 years towards helping farmers gain improved access to safe and effective agricultural chemicals. This investment, leveraged by additional funding from CropLife, its members and Research and Development Corporations, will deliver significant value to the Australian agricultural sector through the approval of label uses for minor crops and specialty uses. However, the momentum achieved so far is only the tip of the iceberg, and structural change and further funding is required to alleviate the existing economic and regulatory market failure, deliver more sustainable pest management practices and increase the Australian GDP.

Similar programs in the United States have demonstrated that every dollar invested in the minor use program, generates a net return to the economy of $500. The minor use and specialty crops program in the US, known as IR-4 or Interregional Research Project number 4, began over 50 years ago. The success of the IR-4 Project, with additional USDA funding, is proven and can be measured in its development of data to support nearly 20,000 food use and ornamental horticulture label approvals. IR-4 is managed by Rutgers, The State University of New Jersey and its success is due in no small part to how the program leverages it network of university researchers. With appropriate funding from government, in the order of $45 million over 4 years, UNE could accomplish similar feats in Australia. Such an investment by government is necessary for a true centre of excellence for agriculture to be established.

Transitional requirements and offsets

The creation of a centre of excellence for agriculture will require detailed planning and significant input from the relevant industry sector to ensure best outcomes and minimal disruption.

Even with the best planning and implementation, relocating the Regulator within a centre of excellence and the implementation of a new online operating model will still cause disruption to APVMA operations and have significant negative impact to regulatory efficiency in the interim. Transitional offsets for registrants are necessary to account for delays to product registration, resulting from anticipated operational difficulties during implementation of the centre of excellence.

If a delay to product registration was encountered by a registrant, their application fee would need to be refunded and a waiver for the sales levy for 12 months be granted. It is foreseeable that delays due to implementation issues would be experienced for at least three years and therefore,

such transitional arrangements would need to be in place for at least that period. The Regulator would need to be provided with that lost revenue so that operations were not unduly impacted.

Moving to a next generation registration model will obviously require corresponding legislative reform, aside from the regulatory efficiency legislative reform agenda that the Department has been working on for the last three years. Accordingly, prioritisation and passage of that reform package will also be required for the initiative to be implemented.

Funding requirements for Centre of Excellence in Agriculture		
	Current funding	**Recommended funding**
APVMA relocation	$24 million	$30 million
Online platform	–	$20 million
Minor use and specialty crop program	–	$45 million over four years

Addressing community concerns with agricultural biotechnology through improved communication

The 2016 Productivity Commission Draft Report on the Regulation of Australian Agriculture notes that governments have a role in providing information about the benefits and risks of GM technology. This is analogous to the role of government in providing information about vaccinations to counter misleading safety claims which can harm public health. Misinformation about GM technology could result in the community forgoing the benefits of GM foods. Governments are uniquely placed to provide information about GM technologies.

The Commission notes that some agencies already provide information to the public about GM technologies. For example, both FSANZ and the OGTR provide clear and accessible information about their risk assessment processes on their websites. In addition, risk communication is a key part of the OGTR's risk analysis process, and FSANZ publishes its responses to studies that claim to show that GM foods have adverse effects, or that have been interpreted by others as being evidence of adverse effects.

However, there is scope for governments and regulatory agencies to provide more information and to clarify misinformation about GM technologies.

CropLife believes there is the opportunity for the Government to re-launch the agency *Biotechnology Australia*, that existed within the Department of Industry from 1999 to ~2010. There is also the opportunity for a revised and refreshed National Biotechnology Strategy to build on the Strategy first outlined in 2000 and map the way forward for biotechnology policy in Australia.

Government regulators that impose industry fees and levies being subject to the same productivity dividends as other government agencies

Prohibitive cost recovery arrangements from government regulators leads to inequity and reduces Australia's agricultural competitiveness. Currently, the cost of the APVMA is almost entirely met through application fees and levies recovered from applicants and registrants of agricultural chemical and veterinary products. This has led to some public criticism that agricultural chemical manufacturers have captured the APVMA, leading to perceptions that the decisions of the APVMA are not independent and expose users, consumers and the environment to excessive risks from chemical use.

CropLife accepts that cost recovery is an important and appropriate tool to recover the costs associated with the APVMA's risk assessment and registration functions. That stated, CropLife accepts that an equally strong and valid argument might be made for the APVMA to be fully funded though general revenue.

While CropLife accepts the need for cost recovery, different elements of the APVMA's functions may be considered separately. CropLife considers there is a difference between the registration and assessment functions of the APVMA, and the monitoring, compliance and enforcement functions. The significant public benefit enjoyed by consumers and the environment from assurance about the safety, quality and integrity of the regulatory system justifies consideration of the appropriate level of public funding.

Currently, in addition to funding the regulatory scheme for agricultural chemicals, CropLife and its member companies contribute to, and sponsor a range of other stewardship programs that support the safe, sustainable and responsible transport, handling and use of agricultural chemicals. Our ***drum****MUSTER* and ChemClear® programs are world leading initiatives to responsibly deal with waste containers and chemical products. Our resistance management strategies support the effective responsible use of chemical products to delay and prevent the development of pest and weed resistance. Our Accreditation and Training Program also ensures that facilities that handle and store agricultural chemical products are compliant with all Commonwealth, state and territory legislative requirements. These activities minimise the burden on jurisdictions to enforce their legislation.

Collectively, the sector contributes more than $13 million each year to stewardship activities that reduce the risk from agricultural chemicals throughout their lifecycle.

The APVMA's monitoring, compliance and enforcement activities are critical to supporting and maintaining the integrity of the current regulatory system. Maintaining this integrity does require that the APVMA take a broad approach to monitoring and compliance. The APVMA must not only focus on product registrants and approval holders, but manufacturers and importers that deliberately seek to avoid Australia's regulatory system.

The Australian Government's Cost Recovery Guidelines [5] also outline that it is usually inappropriate to cost recover some government activities, such as general policy development, ministerial support, law enforcement etc. In certain circumstances, cost recovery may also be contrary to intended policy outcomes such as industry support. The Guidelines also point out that if the same cost recovered activity is provided to both government and non-government stakeholders, charges should be set on the same basis for all stakeholders.

Publicly funding monitoring, compliance and enforcement activities of pesticides will offer significant benefits to governments, industry and the community. It will:

- Ensure that the magnitude and scope of compliance and enforcement activities can be effectively matched to the size of the problem. It need not be restrained by the APVMA's limited budget;
- Demonstrate that registrants and approval holders have not captured the regulator and increase public perception of an independent compliance function;
- Address current inequity where the APVMA provides resources to identify non-compliance, gather evidence and conduct prosecutions, but is not able to access the proceeds from any fines imposed. Under the Better Regulation package of reforms, introduction of more extensive civil penalty provisions may result in a greater reliance on fines for legislative breaches; and
- Facilitate greater voluntary stewardship initiatives by industry to support government compliance functions.

CropLife considers an appropriately funded regulatory scheme should reflect the commitment of all interested parties to enforcing the scheme. Increasing public resourcing for compliance and enforcement would represent a significant increase in the Government's commitment.

CropLife recommends that despite the fact that the APVMA is a cost recovered agency, it should still be subject to the same productivity dividends as other government agencies, with those dividends either being reinvested into core operations of the agency or providing fee relief to registrants. Indeed, a more equitable split between cost recovered and government funding should encourage the APVMA and the Department of Agriculture and Water Resources to seek out and implement genuine efficiency and productivity reforms.

Alternatively, comprehensive public funding for the APVMA would address and neutralise much of the ongoing criticism from activist organisations that the APVMA is not independent of industry as a result of its funding structure. Comprehensive public funding would also significantly reduce barriers to market entry for smaller registrants and facilitate the deployment of new products by small and medium businesses tailored for smaller crops and industries.

CropLife considers it imperative that Australian Government's Cost Recovery Guidelines [6] provide clarity on exactly what can and cannot be cost recovered, and exactly what agency

5 Department of Finance, 'Australian Government Cost Recovery Guidelines', Resource Management Guide No. 304, July 2014 - Third edition

6 Department of Finance, 'Australian Government Cost Recovery Guidelines', Resource Management Guide No. 304, July 2014 - Third edition

expenses can be included for calculating cost recovery fees and levies. CropLife does not consider the guidelines are clear enough with regard to this matter.

Similarly, there remains a lack of clarity around when levies can be used in addition to fees under a cost recovery model. Equally important is a justification of the efficiency of a levy system, particularly with regard to ensuring agency operations are not being inappropriately subsidised by larger levy payers.

Food Standards Australia New Zealand Cost Recovery Plans

In December 2016, Food Standards Australia New Zealand (FSANZ) released a draft Cost Recovery Implementation Statement (dCRIS). In the dCRIS, FSANZ are attempting to recover all costs, including the direct and indirect costs associated with all FSANZ staff, whether or not they are involved directly or indirectly with revenue generating work. This will result in a 75% increase in hourly fees, from $115 to $195 per hour.

It is quite clear that the Cost Recovery Guidelines link cost recovery to the cost of the provision of **specific activities**; and therefore FSANZ have substantially erred in attempting to use the full costs of running the organisation in the dCRIS, as a substantial proportion of these costs are not linked to the specific activity of the revenue generating (RG) staff.

To correct this, FSANZ will require an ABC model that more elegantly and precisely allocates the correct proportion of indirect costs to the costs involved in providing the **specific activity**.

Australia's complex regulatory system for the control of chemicals

Aside from the plant science industry's specific products regulated through and by the APVMA, the broader formulated chemical products sector is heavily regulated which has resulted in an overly complex system made all the more difficult through the duplication of roles and responsibilities for chemical management between Commonwealth entities, state and territory governments as well as some local government bodies. Governments have recognised the complexity of the regulatory system and the chemicals and plastics sector has been the focus of multiple reform efforts including the Productivity Commission study into chemicals and plastics regulation which was released in 2008.

Australia's costly, complex and fragmented regulatory system for the management of chemicals is a serious issue for the broader chemical industry. Member companies and other related industry bodies have raised concerns at the very slow pace of reform, the ongoing loss of innovation and business opportunities, as well as continuing problems with the decision making and operational performance of our key regulatory agencies involved in chemicals management.

The cost of doing business in Australia is quite high and the cost of an inefficient regulatory system along with significant delays to market caused inefficient registration systems are an unnecessary burden and negatively impact both industry and consumers and the national economy as a whole. Further, Australia is the only advanced economy which imposes 100% cost recovery on industry in order to fund its major regulatory agencies.

Presently there is an opportunity for significant reform to our sector with a number of major reviews currently underway and it is crucial they deliver genuine regulatory efficiency outcomes:

- Implementation of further reforms to the agvet sector;

- Absorption of NICNAS into the APVMA and immediate removal of the unnecessary NICNAS regulation;
- Implementation of the National Standard for Environmental Risk Management of Industrial Chemicals; and
- COAG's review into Australia's chemical assessment regime.

3 CONCLUSION

Productivity in Australian agriculture has been flat lining for more than a decade and one of the key causes of that is the delay in innovative products making it to market due to unnecessary regulation. Crop protection and GM products are some of the core components of agricultural innovation that enable Australian farmers to be internationally competitive, benefiting the broader economy.

A truly productive, competitive and sustainable agricultural industry in Australia that improves market returns at the farm gate is not achievable in the long-term without ensuring that regulatory oversight is efficient, effective and where necessary commensurate with the risks, costs and benefits to the broader community.

A greater public funding investment in the agricultural chemicals regulatory system will help deliver a true centre of excellence in Agriculture. Structural changes and initiatives are required as is leveraging technology to streamline APVMA and associated regulatory operations through more efficient data-sharing, digital communications and next-generation infrastructure.

A further investment in the Minor Use and Specialty Crops Program has the potential to significantly improve Australia's agricultural productivity through continued innovation and development of plant protection products for minor and emerging industries.

Incorporating assessment functions undertaken by the inefficient, unpredictable and increasingly redundant National Industrial Chemicals Notification and Assessment Scheme (NICNAS) in to the APVMA while retaining its position in the Agriculture portfolio is an important step in creating a centre of excellence. Likewise, creating and leveraging synergies between UNE and both the APVMA and relevant policy development functions, will assist in meeting the Government's objective.

The relocation of the APMVA will cause disruption to operations and have significant negative impact to regulatory efficiency in the interim. Transitional offsets for registrants are necessary to account for delays to product registration, resulting from anticipated operational difficulties during implementation of the centre of excellence. Further funding to ensure the delivery of a next generation regulator is crucial.

Specific investments in monitoring, compliance and enforcement will also improve consumer perceptions regarding the independence of the APVMA. While CropLife does not accept the claims that the APVMA has been 'captured' by industry, specific investments to enhance the monitoring, compliance and enforcement functions of the APVMA would substantially address concerns regarding regulatory capture.

A program to no longer apply cost recovery to the APVMA would comprehensively address claims of regulatory capture. Provided that assurances regarding approval and registration performance were maintained, this alternative option would improve community faith in the independence of the APVMA, as well as reducing barriers to market entry for minor use products.

Assessing the seriousness and impact of proposed cost recovery increases and/or new models on both private and public sector applicants is imperative as such actions can seriously disincentivise innovation.

GM technologies (cotton and canola) have delivered Australian farmers more than AUD$1.37 billion[7] in additional farm income benefits over the past 20 years. Misinformation about GM technology could result in the community forgoing the benefits of GM foods. There is an opportunity for governments and regulatory agencies to provide more information and to clarify misinformation about GM technologies.

Re-launching the agency *Biotechnology Australia* and developing a revised and refreshed National Biotechnology Strategy to build on the Strategy first outlined in 2000 to map the way forward for biotechnology policy in Australia will help inform the Australian public while providing business security for ongoing innovation.

Furthermore, ensuring the range of reform agendas currently being undertaken provide real reform that delivers genuine regulatory efficiency outcomes must be a serious priority of government if the Australia economy is to have the opportunity to take full advantage of the innovation from the plant science and broader chemical industries.

[7] Brookes G (2016) 'Adoption and impact of GM crops in Australia: 20 years' experience'. Report prepared for CropLife Australia Ltd., Canberra, May 2016.