

Untested APVMA cost recovery model proposes massive fee increases and puts farm innovation and food prices at risk

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The Australian Pesticides and Veterinary Medicines Authority (APVMA) has today announced a new proposed Cost Recovery Implementation Statement (CRIS) that will see Australian farmers pay significantly more for crop protection products while missing out on the next generation of productivity enhancing technologies.

CropLife Australia, the national peak industry organisation for the plant science sector, warned the new arrangements are the product of a misguided and flawed policy process undertaken by the Department of Agriculture, Forestry and Fisheries (DAFF). Not even the main fundamentals of the new policy were tested with the industry expected to operate under it, or the farming sector, who will suffer because of it. This policy should now be included in the CRIS consultation itself so that deficiencies in the Department's work can be identified and corrected.

"APVMA proposes fee increases of more than 200 per cent, equating to hundreds of thousands of dollars for many agricultural chemical registrations, and this increase in the upfront cost of registering new crop protection products adds to the already substantial burden of bringing the latest plant science technologies to Australian farmers," said Mr Matthew Cossey, Chief Executive Officer of CropLife Australia.

"It will drive up farmers' input costs and put our nation's agricultural productivity and international competitiveness at risk by denying farmers access to new technologies. It also ignores the foundation that the system has operated under for several decades that recognises the small size of the Australian market. That alone will mean Australia's farmers will miss out on innovation or at best get it much later than their international competitors.

"With around one third of Australia's \$100 billion agricultural output directly attributable to the use of crop protection products, a step change in fees of this scale will feed longer-term food inflation by denying farmers the tools they need to boost the supply of fresh Australian grown fruit and vegetables."

About CropLife Australia

CropLife Australia is the national peak industry organisation representing the plant science sector in Australia. CropLife's members are the world-leading innovators, developers, manufacturers and formulators of crop protection and crop biotechnology products. The plant science industry, worth more than \$20 billion a year to Australian agricultural production, provides products to protect crops against pests, weeds and diseases, as well as developing crop biotechnologies key to the nation's agricultural productivity, profitability and sustainability. CropLife is part of the plant science industry's 91 country international federation.



Mr Cossey said the policy behind the new CRIS overturns settings that have stood for thirty years and to propose such significant structural change to be imposed in one leap is a direct threat to supply chain resilience of these essential products.

“The previous policy deliberately limited upfront recovery of application costs to 40 per cent, precisely so fees would not deter companies from bringing innovative products to the Australian market. That safeguard has now been discarded without a shred of analysis shared with those it affects.

“In plain defiance of the Australian Government’s own Cost Recovery Policy Guidelines, DAFF has developed these arrangements without ever putting the specific proposal to industry to test its assumptions or its impact on the market. At no stage were policy options presented to the businesses that must raise the hundreds of millions of dollars in R&D to develop these highly scientific farm inputs and bring them here.

“Even where a new product has a large market in crops like wheat or barley, the new fee structure will place a handbrake on bringing it to Australia early in its commercial lifecycle. For products developed specifically for smaller or speciality crops, like fruit and vegetables, it is unlikely they will be brought here at all.

“It will also discourage companies from seeking approval for minor uses, worsening the partial registration problem that already exists in Australia and piling further pressure onto the APVMA’s permit program.

“In attempting to fix the existing cross subsidisation created by products registered in Australia primarily to gain access to overseas markets, a problem CropLife has been raising for many years and offered targeted solutions to, the Department’s approach will create a much more severe problem.”

Mr Cossey said the proposed CRIS also fails the most basic test of the Government Charging Framework, that regulatory functions be delivered efficiently.

“The CRIS proposes the APVMA spend almost an additional \$8.2 million each year to deliver its chemical review and compliance functions, increasing annual expenditure on public good functions from approximately \$5 million to \$13.2 million. No justification whatsoever has been offered for a cost base of this size and from any reasonable assessment no one could claim the APVMA is operating efficiently. The Regulator has not even introduced basic IT assessment modernisation tools that would significantly improve efficiency, despite being provided funding for such initiatives, and now the plant science industry and Australia’s farmers are expected to pick up the tab for this incompetence.

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“CropLife has always backed the APVMA receiving the resources it needs. We welcomed the Government’s \$8.7 million for the regulator’s operations in 2026-27 and the ongoing \$3.2 million. Our concern has never been about industry paying its share. Rather, it is about a funding model that actually works for farmers, for the regulator and for the country’s food security as well as the productivity and competitiveness of one of Australia’s most important export industries.

“I acknowledge the briefing that the APVMA CEO provided to its Strategic Advisory Group this morning, where he indicated the consultation will allow the assumptions that underpin the cost recovery model to be tested.

“I encourage Minister Chisholm to instruct DAFF and the APVMA to fully consult and make recommendations to him for adjustments to the policy as part of the CRIS consultation process, this time with genuine engagement with the industry and the farming sector. Developing a fundamentally better policy will not only meet the needs of the APVMA but more importantly also support the industry to serve Australia’s farmers and the national interest of improving agricultural productivity.

“CropLife and its members stand ready to work with the Australian Government to develop arrangements that give the APVMA the resources it needs to deliver the world class scientific regulation our farmers and the wider community rely on,” concluded Mr Cossey.

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