CropLife AUSTRALIA

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

2019-20 PRE-BUDGET SUBMISSION

1 FEBRUARY 2019

1 INTRODUCTION

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.

CropLife member companies are world leaders in industry stewardship initiatives and contribute millions of dollars each year to activities to ensure the safe and effective use of products throughout their lifecycle. CropLife and its members are committed to the responsible and sustainable use of agricultural chemical products in Australia. 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 its Pollinator Protection Initiative, including the world first BeeConnected app, and successful Agsafe programs, ***drum****MUSTER* and ChemClear®.

CropLife welcomes the opportunity to make a submission to the 2019-20 Federal Budget. CropLife's submission highlights opportunities for the Federal Government to responsibly invest in Australian agriculture, an industry key to economic growth in Australia.

The plant science industry is critical to maintaining and improving Australia's agricultural productivity and sustainability, both through crop protection and crop biotechnology products and innovations.

A 2018 Deloitte Access Economics report, *Economic Activity Attributable to Crop Protection Products*[1], estimates $20.6 billion of Australian agricultural output (or 73 per cent of the total value of Australian crop production) is attributable to the use of crop protection products. The same report found the plant science sector contributes 9,225 in full time equivalent employees. This consists of 1,725 directly in the manufacturing sector and 7,500 in the sectors that supply inputs to the industry.

It takes over 11 years of research and development, requiring the testing of more than 140,000 compounds, to bring just one new successful crop protection product to market. This carries a cost of over US$286 million. Without access to these products, Australian farmers could lose up to two-thirds of their annual production to pests, weeds and diseases.

Each crop protection product 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.

Crop protection products must be used sparingly, carefully and responsibly. The effective and responsible use of agricultural chemicals must be supported by an efficient and appropriately balanced regulatory scheme that maximises the benefits associated with their responsible use.

1 Deloitte Access Economics 2018, Economic Activity Attributable to Crop Protection Products, Canberra

Poorly considered and unnecessarily excessive regulation will discourage investment and innovation, while not delivering any improvement in safety, health or environmental outcomes.

Since 1996 the plant science industry has been providing Australian agriculture with the benefits of crop biotechnology in the form of genetically modified (GM) crops. These innovations have delivered significant benefits in producing safe and affordable food, feed and fibre to the nation and the world. Since their approval for commercial cultivation, GM canola and GM cotton crops grown in Australia have delivered Australian farmers more than AUD$1.37 billion[2] in additional farm income benefits. Future GM crops will bring further environmental benefits, like more efficient use of water, have greater tolerance of salinity and acid soils, and produce healthier oils and starches.

It takes around 13 years and costs US$136 million to bring a new GM crop to market, most of which goes towards gathering the data required for global regulatory approvals. This is longer than it takes to get a new medicine from the laboratory to the pharmacy shelf, and longer than it takes from conceptualisation to market release of some new aircrafts.

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 then managing those risks through regulation. Food Standards Australia New Zealand (FSANZ) is required to approve any GM food or food ingredient and the APVMA regulates GM crops with inbuilt pest protection.

Australian agriculture and its associated industries generate over $155 billion each year and underpin 12.1 per cent of Australia's GDP. As the plant science industry is an integral input driving this performance, it must be well supported.

This submission identifies areas where additional Federal Government investment is required. This will drive plant science innovation and ensure the relevant regulatory systems can rapidly respond to emerging issues and allow Australian farmers to better compete in global markets.

CropLife Australia submits the following recommendations to the 2019-20 Federal Budget:

- First-principles cost recovery review of the APVMA
  - Application for minor and emergency use
  - Website, annual report and corporate publications
  - Consultative committees, presentations and seminars
  - Future capital improvements due to poor strategic planning
- APVMA public benefit functions should be funded by Government
  - International perspective
  - World-leading industry stewardship initiatives
  - Public funding of the reconsideration program
  - Government regulator productivity dividends
- Ongoing funding to improve access to crop protection for minor uses and specialty crops

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

- Funding to implement amendments to the Scheduling Policy Framework for medicines and chemicals
- Implementing the recommendations of the Productivity Commission Inquiry Report '*Regulation of Australian Agriculture'*
  - Removal of state-based moratoria on GM crops and repeal of the relevant legislation
  - Communication strategies to increase public knowledge about the benefits of, and risks from GM technologies
  - Voluntary labelling of genetically modified foods
- Sufficient funding for the Department of Health to implement the recommendations of the Third Review of the National Gene Technology Scheme

2 RECOMMENDATIONS

First-principles cost recovery review of the APVMA

The then Department of Agriculture initiated a first principles review of the cost recovery arrangements for the Australian Pesticides and Veterinary Medicines Authority (APVMA) in 2012. The final report titled *First Principles Review of Cost Recovery at the Australian Pesticides and Veterinary Medicines Authority* (the Report) was published in 2014. Not one of the Report's recommendations have been implemented.

Implementing the Report's recommendations would ensure the APVMA's cost recovery arrangements are transparent, equitable and consistent with government policy. The Report proposes an effective way to fund the operations of the regulator. It does not, however, include analysis of how the proposed framework will affect the agricultural chemical industry and Australian farmers.

CropLife recommends that a review into whether the proposed funding framework enables the best possible outcomes for the Australian agriculture sector is undertaken before any new fee structure is implemented.

The APVMA's operations are inconsistent with the Australian Cost Recovery Guidelines July 2014 (CRGs) in that it is not currently operating in an efficient manner, with no driver of efficiency identified in the proposed cost recovery framework. A cost recovery model attempts to recover the full cost of an activity. Under such a framework, however, an inefficient process cannot be highlighted through financial analysis. There is a need to conduct a Business Process Review, linked to cost recovery, within the APVMA to ensure processes subject to cost recovery can be made as efficient as possible.

The Report correctly identifies the suitability of Commonwealth Appropriation for the APVMA to ensure their cost recovery arrangements are consistent with the CRGs. Activities such as informing policy and other activities requested by government should be at the cost of government. Commonwealth Appropriation is the right mechanism for funding these activities. However, the current level of Commonwealth Appropriation is substantially insufficient to fund the level of services the government receives from the APVMA. There are APVMA activities not included in the proposed model that, under the CRGs, should also not be subject to cost recovery from industry.

The following are activities that should be at the cost of the Federal Government, funded by Commonwealth Appropriation.

- Application for minor and emergency use

Manufacturers of agricultural chemicals rarely make applications for minor and emergency use. Applications for minor and emergency use are predominately made by farming sector groups or individual farmers seeking permission to use an existing crop protection product for an off-label use. Therefore, there is a disconnect between the user and the payee (in the form of total sales levy) of these APVMA services. CropLife acknowledges that compliance with the CRGs would lead to these user groups being subject to cost recovery from the APVMA, which may not lead to the desired outcome of the programs. A sales levy imposed on registrants is, however, inconsistent with the overarching cost recovery policy of the Federal Government.

- Website, annual report and corporate publications

The APVMA website, annual report and other corporate publications are for both government and non-government audiences. The website is largely a platform for the communication of information to both industry and the general public. The annual report is not only an information tool for external stakeholders, but a key government reporting tool required under legislation. The annual report is used by the Department of Agriculture and Water Resources and the Department of Finance in the preparation of consolidated reports. Other corporate publications are also used for a variety of purposes, by government and non-government stakeholders.

- Consultative committees, presentations and seminars

The agricultural and veterinary chemicals industry is not the only recipient of services relating to consultative committees, presentations and seminars provided by the APVMA. Each has an element of providing information to the public and/or other government sectors involved in Federal Government policy.

- Future capital improvements due to poor strategic planning and management

Implementation of the 2014 legislation highlighted the APVMA's failure to maintain the currency and capability of its Information and Communication Technology systems. Under current cost recovery arrangements, funding for these systems and their maintenance has already been provided by the agricultural and veterinary chemicals industry. Any future capital improvements necessary to rectify this failure must be funded by the Federal Government. It is entirely inappropriate for industry to have increased costs imposed on it due to previous management failures of the APVMA.

APVMA public benefits functions should be funded by Government

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 chemicals 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.

A cost recovered regulatory environment poses no scope for undue influence from the industry it regulates. CropLife recognises, however, that the perception of independence by the Australian public and therefore confidence in the APVMA would be considerably increased under a public funding arrangement. This would align the APVMA with the Office of the Gene Technology Regulator, which is entirely funded via government appropriation, receiving more than $8 million each year to conduct its regulatory responsibilities.

- International perspective

The APVMA receives its funding via fees, charges and levies imposed on agricultural and veterinary chemical registrants. Comparable regulators internationally receive a significant level of public funding. For example: The European regulator for agricultural and veterinary chemical products, the European Food Safety Authority (EFSA), was publicly funded by the EU at a cost of approximately €79 million for 2017[3], while the United States Environmental Protection Agency (US EPA) and Health Canada's Pest Management Regulatory Agency (PMRA) operate on a partial cost recovery basis. Under this arrangement, the PMRA received approximately CAD$36.5 million in government funding in 2016-17, with an additional CAD$7.9 million received via cost recovery.[4] Similarly, the US EPA received US$128.3 million in government funding in 2017, along with approximately US$46 million via industry fees.[5]

- World-leading industry stewardship initiatives

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. These programs support the safe, sustainable and responsible transport, handling and use of agricultural chemicals. CropLife's ***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 and responsible use of chemical products to delay and prevent the development of pest and weed resistance. Our Agsafe Accreditation and Training Program ensures that facilities handling and storing agricultural chemical products are compliant with all Commonwealth, state and territory legislative requirements. These activities minimise the burden on jurisdictions to enforce their legislation.

The plant science sector contributes significant resources each year to stewardship activities for agricultural chemicals throughout their lifecycle.

The APVMA's monitoring, compliance and enforcement activities are critical to supporting and maintaining the integrity of the regulatory system. This does require the APVMA to 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 Federal Government's CRGs[6] 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 CRGs 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.

3 https://www.efsa.europa.eu/sites/default/files/corporate_publications/files/ar2017.pdf
4 https://www.canada.ca/en/health-canada/services/consumer-product-safety/reports-publications/pesticides-pest-management/corporate-plans-reports/annual-report-2016-2017.html#a8
5 https://www.epa.gov/pria-fees/annual-reports-pria-implementation
6 Department of Finance, 'Australian Government Cost Recovery Guidelines', Resource Management Guide No. 304, July 2014 - Third edition

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

- Ensure the magnitude and scope of compliance and enforcement activities can be effectively matched to the size of the problem. It will 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; and
- Facilitate greater voluntary stewardship initiatives by industry to support government compliance functions.

An appropriately funded regulatory scheme should reflect the commitment of all interested parties to enforcing the scheme. **CropLife recommends** the Federal Government increase public resourcing for monitoring, reconsideration, compliance and enforcement.

- Public funding of the reconsideration program

Following initial registration, the ongoing human, animal health and/or environmental safety of an agricultural or veterinary chemical product is constantly monitored. As part of the regulatory process, all new scientific information regarding an agricultural or veterinary chemical product is considered in a timely manner.

This system provides a highly responsive regulatory review system, whereby a formal review or 'reconsideration' that focusses on new scientific information, rather than a purely administrative process, can be initiated at any time.

If any new, relevant scientific information that contradicts the current information entered or shows a product or constituent may not meet the safety, trade or efficacy criteria, the registrant is required by law to provide it to the APVMA. Legislative amendments implemented in 2014 were intended to ensure that reconsiderations are conducted in a transparent, predictable and efficient process. A number of significant chemical reconsiderations were tracking to be completed by their newly determined statutory deadlines during 2017 and 2018. CropLife believes, however, that the relocation of the APVMA to Armidale from Canberra, and subsequent loss of experienced staff, has delayed their finalisation.

As the APVMA's reconsideration program is a public benefit function, **CropLife recommends** it be funded through general revenue, in line with the APVMA's international counterparts. This would improve the Regulator's capability in this important area and neutralise criticisms regarding the APVMA's independence.

- Government regulator productivity dividends

CropLife recommends the APVMA should be subject to the same productivity dividends as other government agencies, with dividends either reinvested into core operations of the agency or providing fee relief to registrants. 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 the ongoing criticism from activist organisations who claim the APVMA is not independent of industry as a result of its funding structure. Comprehensive public funding would significantly reduce barriers to market entry for smaller registrants and facilitate the deployment of new products by small and medium businesses tailored for lesser grown crops and smaller industries.

It is imperative that the Federal Government's CRGs[7] provide clarity on what can and cannot be cost recovered, and what agency expenses can be included for calculating cost recovery fees and levies. The current CRGs are not sufficiently clear on 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. This includes all costs associated with FSANZ staff, irrespective of whether they are involved directly or indirectly with revenue generating work. This will result in a 75 per cent increase in hourly fees, from $115 to $195 per hour.

It is quite clear that the CRGs link cost recovery to the cost of the provision of specific activities. 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 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.

Ongoing funding to improve access to crop protection for minor uses and specialty crops

In the 2014 Federal Budget, where very few project proposals received funding, the Australian Government committed an initial $8 million over four years towards helping farmers gain improved access to safe and effective agricultural chemicals. Further funding of $4 million over two years was announced in the 2018 Federal Budget towards correcting the market failure caused by a mandatory regulatory system, by better enabling the inclusion of minor uses and specialty crops on agvet labels.

These investments, leveraged by additional funding from CropLife, its members and research and development corporations, have begun to deliver significant value to the Australian agricultural sector through the approval of label uses for minor crops and specialty uses. In 2017:

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

- 360 unique crop/pest issues were identified by grower industry bodies
- 160 of these had no identified solution, for which 51 new potential solutions were identified by registrants
- An additional 64 new solutions were identified by registrants adding to existing options proposed by industry

The momentum achieved so far is only the tip of the iceberg. Structural change and further funding are 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 US$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 and receives government funding of approximately US$14 million a year. The success of the IR-4 Project, with additional U.S. Department of Agriculture 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. Part of its success is due to the program leveraging a network of university researchers. With appropriate funding from government, the University of New England could accomplish similar feats in Australia. **CropLife recommends** the Federal Government invest in the establishment of a centre of excellence for agriculture.

In 2002, the Ministers of Health Canada and Agriculture and Agri-Food Canada announced funding of CAD$61.8 million to address problems in the minor use system. These included slow access to pesticides, loss of uses due to reliance on older chemistry, international competitiveness, and the high cost of data generation to support minor uses.

The Department of Agriculture and Water Resources held their Agvet Chemical Minor Use Prioritisation forum in late 2018 to allocate the funding $2 million in for the 2018-19 year. Grant applications, however, totalled over $8 million. This shows significant demand and need for an additional and ongoing funding commitment. **CropLife recommends** the Federal Government continue this funding commitment.

Funding to implement amendments to the Scheduling Policy Framework for medicines and chemicals

The Department of Health, via the Therapeutic Goods Administration (TGA), is responsible for scheduling medicines and chemicals, which controls how they are made available to the public. Medicines and chemicals are classified into schedules according to the level of regulatory control over the availability of that medicine or chemical required to protect public health and safety.

In 2017, the Department of Health initiated a review of the Scheduling Policy Framework (SPF). The review was completed in early 2018, with the updated SPF and accompanying Scheduling Handbook published on 18 January 2018. Resulting from the review, the SPF now allows for applications for scheduling of chemicals to be submitted directly to the TGA, in a manner similar to the one previously only available for pharmaceuticals.

Although it is now legislated, the TGA are not supportive of receiving scheduling applications for agricultural chemicals directly from manufacturers, citing a lack of available resources to complete application assessments and implement the new legislation. As such, agricultural chemical scheduling applications must still be made directly to the APVMA for assessment and evaluation prior to being referred to the Department of Health for scheduling.

The unpredictability associated with poison scheduling has long been a significant concern of the plant science and Australian farming sectors. It leads to unnecessary delays to the introduction of new and innovative crop protection products to the Australian market.

Considering scheduling of chemicals is a public benefit, **CropLife recommends** the costs associated with resourcing the Department of Health to implement the 2018 legislative amendments and carry out their legislative requirement be funded by the Federal Government.

Enabling applicants to submit scheduling applications directly to the TGA will provide the registrant with more control of when submissions are made for scheduling and therefore reduce the risk of missing key deadlines during the product registration process. Implementation of this legislation would, in principle, remove unnecessary discrimination of agricultural chemicals compared to their pharmaceutical chemical counterparts.

Implementing the recommendations of the Productivity Commission Inquiry Report 'Regulation of Australian Agriculture'

- Removal of state-based moratoria on GM crops and repeal of the relevant legislation

Regulating GM crops at a state level undermines the National Regulatory Scheme for Gene Technology. As recommended in the Final Report of the Productivity Commission's Inquiry into the Regulation of Australian Agriculture, "the New South Wales, South Australian, Tasmanian and ACT Governments should remove their moratoria on GM crops. All states and territories should also repeal the legislation that imposes or gives them powers to impose moratoria on GMOs by 2018".[8]

The circumvention of the national scheme is facilitated by section 21(1)(aa) of the *Gene Technology Act 2000,* which states:

> The Ministerial Council may issue policy principles in relation to the following:
>
> recognising areas, if any, designated under State law, for the purpose of preserving the identity of one or both of the following:
>
> (i) GM crops;
>
> (ii) Non-GM crops;
>
> for marketing purposes.

[8] Productivity Commission 2016, Regulation of Australian Agriculture, Report no. 79, Canberra.

Section 21(1)(aa) allowed the then Gene Technology Ministerial Council to introduce the Gene Technology (Recognition of Designated Areas) Principle 2003. In doing so, states and territories have the power to disallow the cultivation of GM crops for marketing purposes.

The principle was used by Western Australia, South Australia, Tasmania, Victoria, New South Wales and the ACT to legislate for moratoria on the commercial cultivation of GMOs, leading to what was identified in the March 2015 Harper *Competition Policy Review* as a significant example of a regulatory restriction on competition[9].

Section 21(1)(aa) is a costly disincentive for private investment in Australian agriculture. It has been demonstrated to be unnecessary for preserving the identity of GM and non-GM crops and it removes farmer choice, with Australian farmers missing out on billions in additional farm income.

Since their introduction, the moratoria on GM crops in Western Australia has been repealed. Both the South Australian and Tasmanian Governments have announced reviews into their moratoria. CropLife will be actively participating in these inquiries.

CropLife recommends the repeal of s21(1)(aa) in the Commonwealth *Gene Technology Act 2000*, the repeal of the corresponding section in state and territory acts, and the immediate disallowance by the responsible Minister of the Gene Technology (Recognition of Designated Areas) Principle 2003.

- Communication strategies to increase public knowledge about the benefits and safety of GM technologies

Misinformation about GM technologies is extensive. Akin to governments providing information about vaccinations to counter misleading safety claims, governments have a role to play in providing facts about the benefits and risks of GM technology. Without this, the Australian community could forgo the benefits of GM foods.

While both FSANZ and the Office of the Gene Technology Regulator (OGTR) provide information about GM technologies and publish clear and accessible information about their risk assessment processes, there is scope for more information and better clarification of misinformation.

CropLife recommends the Federal Government re-launch the agency *Biotechnology Australia* that existed within the then Department of Industry from 1999 to ~2010. In doing so, a revised National Biotechnology Strategy can be developed to map the way forward for biotechnology policy in Australia. This strategy has not been revised since 2000.

- Voluntary labelling of genetically modified foods

CropLife supports FSANZ's rigorous and transparent process for assessing the safety of GM foods, based on internationally established scientific principles and guidelines.

[9] Harper I, Anderson P, McCluskey S and O'Bryan M 2015, The Australian Government Competition Policy Review, pp116.

Every legitimate scientific and regulatory body that has examined the evidence has arrived at the conclusion that approved GM crops, and the foods derived from them, are as safe as their conventional counterparts. This includes the World Health Organization; the Australian Academy of Science; the European Commission; and the American National Academy of Sciences.

CropLife does not support the mandatory labelling of GM foods and food ingredients in Australia where it bears no relevance to the health or safety of the food or ingredients. Mandatory labelling for non-health and safety reasons can imply a regulatory concern where none exists and only serves to reinforce misconceptions in the community.

A food label has finite space and can only contain a certain amount of information. Unnecessary mandatory requirements reduce the ability of food manufacturers to provide product information that might be more important to consumer purchasing decisions. All information on labels comes at a cost. Consumers should not be required to pay for mandatory information where there is no risk to human health or safety.

CropLife supports voluntary labelling of foods and food ingredients where that information is not misleading or deceptive. Voluntary labelling recognises a balance between the provision of consumer information with the cost and other practicalities of providing it. Food manufacturers will voluntarily provide production information according to consumer demand. For example, 'organic', 'low-fat', 'low-salt' and 'free-range' are all marketing terms widely and voluntarily used by food manufacturers in response to customer preference.

A voluntary labelling system for approved GM foods and food ingredients would allow flexibility for manufacturers regarding what information is of interest to consumers. For example: if a manufacturer chose not to provide certain voluntary marketing information to consumers and producing food at a lower cost without losing market share, then competitors would quickly emulate this approach. Alternatively, if a large proportion of consumers preferentially purchased products containing certain voluntary information, manufacturers would react to this promptly.

CropLife recommends amending Food Standard 1.5.2 of the Australia New Zealand Food Standard Code to remove the requirement for mandatory labelling of approved GM foods and food ingredients.

Sufficient funding for the Department of Health to implement the recommendations of the Third Review of the National Gene Technology Scheme

In October 2018 the Legislative and Governance Forum on Gene Technology met to endorse the Third Review of the National Gene Technology Scheme and its 27 recommendations. Forum Ministers said these recommendations will enhance and strengthen the Scheme, crucial to ensuring it addresses future developments and challenges across health, medicine, agriculture, plants and animals. A Forum Action Plan has been produced to progress these recommendations.

The Forum Action Plan includes activities to be undertaken from 2018-2023. To be successfully implemented, adequate funding is required.

CropLife recommends the Federal Government provide adequate funding to the activities arising from the Third Review of the National Gene Technology Scheme.

3 CONCLUSION

Without new, innovative agricultural products, Australian agriculture's productivity cannot grow. Crop protection and GM products are core components of agricultural innovation that enable Australian farmers to be internationally competitive, which benefits the Australian economy.

Regulatory oversight must be efficient, effective and where necessary, commensurate with the risks, costs and benefits to the broader community. Only then will we realise a truly productive, competitive and sustainable agricultural industry in Australia.

A greater investment of public funding in the agricultural chemicals regulatory system will help deliver a true centre of excellence in agriculture. A thorough review of APVMA activities, in line with cost recovery and ensuring public benefit activities are appropriately funded by Commonwealth Appropriation, is consistent with the Cost Recovery Guidelines and will lead to better international regulatory equity.

Further investment to improve access to crop protection for minor uses and specialty crops has the potential to significantly improve Australia's agricultural productivity through continued innovation and development of plant protection products for minor and emerging industries.

The relocation of the APMVA has caused disruption to operations and caused significant negative impact to regulatory efficiency. This inefficiency must be addressed to ensure Australia's status as having a world-class regulator is maintained and encourage agricultural chemical innovation.

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.

Costs unnecessarily imposed to industry throughout the food and chemical regulation processes all add up to costs to farmers and consumers. The APVMA functions that are currently being cost recovered that are a public benefit, should instead be government funded.

Government should also adequately resource the Department of Health, so the Therapeutic Goods Administration have the available resources to complete scheduling for agricultural chemicals, as is now legislated. Implementation of this legislation would, in principle, remove unnecessary discrimination of agricultural chemicals compared to their pharmaceutical chemical counterparts.

GM technologies (cotton and canola) have delivered Australian farmers more than AUD$1.37 billion in additional farm income benefits over the past 20 years. Access to these agricultural innovations has helped the agriculture industry significantly contribute to Australia's economy. The implementation of the Productivity Commission's report recommendations would lead to a significant reduction in unnecessary and costly regulations while also ensuring Australians are aware of the benefits of GM technologies. The repeal of state and territory-based moratoria on GM crops would alleviate regulatory restriction on competition and ensure Australian farmers have real choice to grow federally regulated and approved GM crops.

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.

The agency Biotechnology Australia should be re-launched. In doing so, a refreshed National Biotechnology Strategy to build on the strategy first outlined in 2000 should be developed. This will map the way forward for biotechnology policy in Australia and help inform the Australian public while providing business security for ongoing innovation.

In addition, the Productivity Commission's recommendation to amend food regulation guidelines to make labelling of GM foods voluntary would prevent unnecessary labelling costs – particularly given there is no risk to human health or safety.

The Third Review of the National Gene Technology Scheme was recently released, along with 27 recommendations which have formed a Forum Action Plan. To progress these recommendations, (endorsed by all Forum Ministers) successfully, they must be adequately funded.

If the Australian economy is to take full advantage of the innovation from the plant science and broader chemical industries, these recommendations must be seriously considered.