

Australian dairy ranks third in farmgate value behind beef and wheat (\$4.3 billion in 2017/18).

Around 5,700 dairy farmers produce around 9 billion litres of milk a year.

The Australian dairy industry directly employs nearly 42,600 Australians on farms and in factories.

The industry has the potential to grow substantially over the next decade to meet growing domestic and international demand.

Response to: Senate Committee Inquiry into the independence of regulatory decisions made by the APVMA

The ADIC is the national peak policy body for the Australian dairy industry and represents all sectors of the industry on issues of national and international importance. Its constituent organisations— Australian Dairy Farmers Limited (ADF) and the Australian Dairy Products Federation (ADPF)—represent the interests of dairy farmers, manufacturers, processors and traders across Australia.

Dairy Australia is the dairy industry-owned service company, limited by guarantee, whose members are farmers and the industry bodies, ADF and the ADPF.

The Australian dairy industry welcomes the opportunity to provide a Submission to the Senate Rural and Regional Affairs and Transport References Committee Inquiry in to the independence of regulatory decisions made by the Australian Pesticides and Veterinary Medicines Authority (APVMA).

Key Points:

- The dairy industry is focussed on ensuring continued food safety. The protection of the milk supply is paramount and the role of the APVMA in making timely, science-based decisions is a crucial part of this.
- The dairy industry supports a risk-based approach based on scientific evidence and evaluation that is independent from the political process.
- In regards to Dairy Australia's specific applications for minor use permits, the APVMA has reviewed and responded in a timely manner.
- We acknowledge the significant program of reforms to the regulation and approvals of agricultural and veterinary medicines, however, the reform program has been slow to implement.
- The harmonisation of agvet chemicals between states remains a priority for the dairy industry and we continue to engage of consultative processes, however we have expressed concern at the length of time that harmonisation has taken.

Contacts

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(a) Responsiveness and effectiveness of APVMA processes

The role of the APVMA is critical to facilitating access by dairy farmers and processors to the latest new agricultural chemicals and veterinary medicines.

Most recently, the public debate on glyphosate has highlighted the importance of the APVMA's independent science based research. This has provided important reassurance to the community that glyphosate is safe based on a robust chemical safety risk assessment process. The dairy industry values the consistent messaging from the APVMA and acknowledges their role in continuing to track and consider any new scientific information associated with safety and effectiveness of glyphosate. Internationally, the independent and well-respected assessments by the APVMA have been important in reassuring dairy trading partners that rigorous processes are in place and that all scientific material has been considered.

Specifically, as an applicant for fodder beet and brassica minor use permits, the APVMA reviewed and responded in a timely manner.

We also acknowledge the most recent statistics from the APVMA that shows overall timeframe performance has increased, with 85 per cent of applications completed on time.

More broadly, in terms of the responsiveness of APVMA processes, we agree with the findings of the ANAO Audit of the APVMA (2017) that the Authority's implementation of agvet chemical legislative reform has been mixed.

As noted in the Dairy Australia submission to the 2017 ANAO Performance Audit of APVMA Reforms, the reform program to improve the efficiency and effectiveness of the APVMA commenced in 2014 was welcomed by the dairy industry. This laudable reform program included:

- Fast track assessment
- Making better use of international data
- Using outcomes-based standards
- Contestable assessment services

Specifically, the dairy industry has stated that the APVMA should further clarify and streamline their procedures with regard to accepting international regulatory assessments, data, product registration status and history of use in support of registering products in Australia. Using this type of data as the primary basis of applications for registration of new chemical products in Australia would reduce cost and increase certainty for potential registrants, and is the best way to encourage companies to introduce new chemistries to the local market.

We note furthermore, that the APVMA informed the industry (Industry Information Session, May 2016) that dairy sanitisers would be amenable to 'regulation by standard'—one of a suite of lower regulatory approaches slated for implementation by the regulator that the dairy industry would welcome. We were informed that a consultant had been engaged to commence this project and that it would lead to fast-track registration for relevant products. However, there has been no further communication from the APVMA about this project and we are wondering whether this reform, and others like it, are still going ahead.

The dairy industry believes the APVMA would benefit from a deeper understanding of agricultural production systems and the chemicals used within them. Many of the decisions made by the APVMA are based on assessing the risks of chemical use in particular circumstances, so having a thorough knowledge of the farming systems where chemicals are used would be useful for their evaluators. However many have no background or experience in agriculture. Dairy Australia has delivered presentations to APVMA's evaluation staff in the past to help skill them up, and these type of continuing education programs should be encouraged.

(b) Funding arrangements of the APVMA

Our view is that the primary source of funding, through cost recovery from the chemical industry (via fees and levies), is appropriate and in-line with the 'user pays' principle. We believe that there is an adequate degree of separation between funding and decision-making on particular products and that the APVMA is not unduly influenced by the chemical or agricultural industries.

However, there is considerable room for improvement in the services provided by the APVMA with regard to costs and timeliness. Acknowledging there has been considerable progress in introducing case managers for applications and automating many of the low-risk administrative services delivered for registrants, timelines to assess registration applications are still too long and in many cases fail to meet statutory timeframes. We have observed that APVMA staff have little capacity to spend time on some of the more strategic projects initiated with the dairy industry. For example, amending the teat sanitiser efficacy guidelines or regulating dairy sanitisers via a Standard.

(c) Roles and responsibilities of relevant departments and agencies of Commonwealth, state and territory governments in relation to the regulation of pesticides and veterinary chemicals

The harmonisation of agvet chemicals between states remains a priority for the dairy industry and we continue to engage in consultative processes that aim to progress the issue. As outlined in previous submissions by the dairy industry, national harmonisation of agvet chemicals is important to the dairy industry for assuring customers, consumers and regulators of Australian dairy product quality. We have expressed concern at the length of time the harmonisation has taken and we agree with the Productivity Commission report (2016) finding that progress in harmonisation has been slow.

In addition to the APVMA benefiting from a deeper understanding of agricultural production systems, we believe that all levels of Government could benefit from a better understanding of agricultural production and how agvet chemicals are used within them. This would lead to better regulatory decision making, increased confidence from the community in the regulatory framework and greater consistency between various levels of government.

(f) Any other related matters

The APVMA needs to maintain its focus on making evidence-based decisions based on the best available science. Whilst community concerns and values need to be taken into consideration in the APVMA's decision making, the APVMA needs to be protected from political interference in order to maintain its trust with the Australian community and its global reputation.