



**THE HON JOEL FITZGIBBON MP**

FEDERAL MEMBER FOR HUNTER

SHADOW MINISTER FOR AGRICULTURE, FISHERIES & FORESTRY

SHADOW MINISTER FOR RURAL & REGIONAL AUSTRALIA

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13 October 2016

Mr Grant Hehir  
Auditor-General  
Australian National Audit Office  
GPO Box 707  
Canberra ACT 2601

Dear Mr Hehir

**RE: Pesticide and Veterinary Medicine Regulatory Reform**

I write in relation to the current audit being undertaken by ANAO to assess the effectiveness of the Australian Pesticides and Veterinary Medicines Authority's (APVMA) implementation of reforms to agricultural and veterinary chemical regulation and the extent to which the Authority has achieved operational efficiencies and reduced the cost burden on regulated entities.

Following the Government's announcement that the APVMA will be relocated to Armidale at a cost of \$24.1 million dollars, I formally ask that the impact of the proposed relocation be included in the current audit criteria:

1. Were sound governance and project management arrangements established to support legislative and business process reform?
2. Have the regulatory reforms been effectively implemented?
3. Are regulatory activities being delivered with greater efficiency and reduced regulatory burden on industry?

The Government commissioned a cost-benefit analysis which by Minister Joyce's own admission during an interview on Sky News states that the relocation will have a negative impact on the capability of the APVMA to deliver their services.

Mr Joyce stated that, "If you're going to premise it on the cost-benefit analysis, we wouldn't do it."

Disappointedly, the Government is refusing to release this cost-benefit report.

Further, during Senate Estimate hearings Ms Arthy, CEO of the APVMA provided the following evidence:

**Senator CAMERON:** *Ms Arthy, are you still concerned about the implications of the move for your organisation?*

*Ms Arthy: I have had no reason to change the advice that I provided last year, which was based on the information at the time about the difficulty in taking the regulatory science component in sufficient numbers and that I would not be able to fulfil my statutory obligations. I have had no reason to change that view.*

**Senator CAMERON:** *So what would be the implications if you could not fulfil your statutory obligations?*

*Ms Arthy: It is a lot of speculation, but I take my role very seriously in terms of being able to deliver what the government has set me as part of my legislation. The implications—and this is hypothetical—is that, if we were not able to process applications, it could mean that a number of products would not be available. At the moment we handle about 5,000 applications a year with a significantly reduce staff. Without alternate mechanisms in place to process those, we would not be able to get through as many.*

Ms Arthy has stated that only 14 APVMA staff members were identified as possibly willing to relocate to Armidale.

Stakeholders who directly deal with the APVMA have also raised concerns about the relocation of the Authority.

Matthew Cossey, Chief Executive Officer of the peak industry organisation for Australia's plant science sector, CropLife Australia, has said:

*“The considerable operational disruption created by the unnecessary relocation of the APVMA will severely impact farmer access to crucial agricultural products. This will have a significant negative impact on national agricultural productivity.”*

*“It is also disappointing that the announcement of the APVMA relocation to Armidale in the Minister's electorate has been made outside of the cost benefit analysis process.”*

*“Small economic benefits to the Minister's electorate from the relocation of the APVMA to Armidale pales in significance to the net loss to Australia's agricultural productivity that this relocation will cause. There's no point trying to dress this up as having any real benefit to the APVMA's operations.”*

Former Animal Medicines CEO Duncan Bremner said that:

*“In light of the Federal Agriculture Minister's announcement that a returned Coalition Government would relocate the Australian Pesticide and Veterinary Medicines Authority (APVMA), Animal Medicines Australia (AMA) reiterated its concerns that the proposed relocation risks significant disruptions to industry. The availability of current and future innovative animal health products is paramount to a productive Australian agriculture sector.”*

The Australian Veterinary Association (AVA) has strongly opposed the move and has said in its submission to the Productivity Commission on regulation of agriculture.

*“Moving the APVMA to regional centres risks loss of specialised scientists who will be very difficult to replace. Training new scientists in this specialised regulatory space may result in significant delays to the release of important new agricultural and veterinary treatments.*

*This is likely to impact directly on animal health and welfare and thus farm gate profitability,”*

Members of the National Farmers’ Federation have voted against the relocation of the (APVMA) and have said that:

*“The farm sector has a lot to lose if new chemical technologies are stuck in the approval process and can’t get to market. The approval pathway is already a disincentive to registrants and Australian farms need equal access to technologies used overseas to compete.*

Due to the information provided by those who will be directly affected by the relocation of the APVMA, I strongly urge that the impact of proposal should form part of the ANAO’s assessment to obtain a true assessment.

If you require further information regarding this request please don’t hesitate to contact me via my Canberra Office 6277 4550.

Yours sincerely,

A handwritten signature in blue ink, consisting of several large, overlapping loops and a central horizontal stroke, positioned below the text "Yours sincerely,".