



**Nursery & Garden Industry  
Australia**

**NGIA Preliminary Response to the PSIC  
National Framework of Regulation of Agvet  
Chemicals**

**July 2009**

## Industry Profile 2009

The Nursery & Garden Industry Australia (NGIA) is the national peak industry body representing producers, retailers and allied trades involved in the production of greenlife across Australia. NGIA works in close association with the state and territory peak industry bodies providing a nationally united position on issues of commonality and importance.

The combined 'supply chain' of the Australian nursery industry has an annual value exceeding \$5.5 billion, includes more than 20 000 small to medium sized businesses and employs approximately 45 000 FTE. The industry is located in every state and territory across Australia, and in most communities and environments, providing greenlife to a diverse customer range. The production sector is broad based producing in excess of 10 000 plant species with many and varying target markets that have an estimated annual value to the Australian economy exceeding \$14 billion including:

### National Value of Horticultural Sectors supplied by Production Nurseries

Production Nursery	Horticultural markets	Economic value
Container stock <sup>1</sup>	Ornamental/urban horticulture	\$2 billion retail value
Foliage plants <sup>1</sup>	Interior-scapes	\$87 million industry
Seedling stock <sup>2</sup>	Vegetable growers	\$3.3 billion industry
Forestry stock <sup>3</sup>	Plantation timber	\$1.7 billion industry
Fruit and nut tree stock <sup>2</sup>	Orchardists (citrus, mango, etc)	\$5.2 billion industry
Landscape stock <sup>1</sup>	Domestic & commercial projects	\$2 billion industry
Plug and tube stock <sup>4</sup>	Cut flower	\$319 million industry
Revegetation stock <sup>1</sup>	Farmers, government, landcare	\$109 million industry
Mine revegetation	Mine site rehabilitation	Value unknown
	<b>Total Horticultural Market Value</b>	<b>\$14.5 billion</b>

<sup>1</sup> Data sourced from Market Monitor, <sup>2</sup> Data sourced from Horticultural Handbook 2004, <sup>3</sup> Data sourced from ABARE 2008

<sup>4</sup> Data sourced from industry

The Australian nursery industry is a small user (by volume) of pesticides however due to the more than 10 000 crop lines produced the industry requires a large range of products to combat the various pests, diseases and weeds that threaten the many different production systems in operation across the country. Because of the low volume of pesticides utilised throughout nursery production the pesticide manufacturers see the industry as a minor player within the market and as such tend to focus on the broader horticultural and agricultural markets to maximise the returns on their investment. This has resulted, over recent years, in a low number of label registered pesticides being available to nursery production in most states and territories. As such the industry is reliant on the Minor Use provisions provided for by the APVMA to gain access to modern pesticides to efficiently combat the various pests, diseases and weeds impacting on their businesses.

In providing comment to the Product Safety and Integrity Committee (PSIC) on the Primary Industries Ministerial Council (PIMC) proposal for a single, national framework to improve the efficiency and effectiveness of the regulation of Agvet chemicals NGIA is focused on access and cost relevant to current and new products at farm level.

NGIA supports the application of nationally standardised regulations relevant to pesticides with the proviso that these regulations are inclusive and have the ability to adapt to specific needs of

industry as the situation may dictate (flexibility). These regulations must not overburden nor increase the costs that growers pay for the use of chemical products that are required to produce their crops and are essential in accessing relevant national and international markets.

## **NGIA Preliminary Response**

### **1. Governance/Policy Development**

- a) NGIA supports an inclusive and transparent system that advances the development of sound policy covering Agvet chemicals. Dialogue with industry, as a partner, in the developmental stage of relevant policy will ensure workable solutions are produced to satisfy all stakeholders and minimise the burden and cost to industry.
- b) NGIA, as identified above, understands the reality of the market place and the likelihood that the status quo will remain and limited products will be label registered for nursery production. Therefore the Minor Use Program (MUP) is of significant value and must be provided with the flexibility in regulations to adapt to the needs of industry within the acceptable parameters of chemical access and use.
- c) NGIA has been critical of the speed at which the APVMA produces outcomes. As fee paying stakeholders the industry expects greater service from the APVMA and policy supporting this must be a priority. Currently the APVMA requires a minimum of 6 months to process a Minor Use Permit for a non-editable crop, this is excessive.
- d) The APVMA needs to engage with industry more often and at farm level to gain a greater appreciation of the issues confronting growers such as pest pressures, application techniques, training and skill levels and the complexity surrounding Agvet chemical usage.

### **2. Regulation Up To The Point of Retail Sale**

- a) A common complaint of industry is the lack of consistency between labels on pesticides and the difficulty in finding and accessing the relevant data needed to use the product effectively and safely. NGIA wants to see standard label configurations across insecticides, fungicides, herbicides, etc that are readable and offer a common terminology and are diagrammatically consistent (tables, symbols, etc). Tables must have consistent headings, graduations and information locations on all products irrespective of the manufacturers and chemical groups (insecticides, herbicides, etc).
- b) Material Safety Data Sheets (MSDS) – as above comment on label design consistency.
- c) The registration of pesticides is costly and complex to undertake by the manufacturer/importer/distributor and has hidden costs to growers associated with the delay of registration. This hidden cost is related to pest pressures on the crop causing extensive damage, environmental impacts of old chemistry and worker exposure issues, etc. The registration process in developed countries (USA, UK, etc) is similar to that of Australia and with greater populations these countries are often first to register new pesticides. It is imperative that the data used in these countries for registration is accepted and applied in the Australian registration process.

- d) NGIA considers the risk based approach to pesticide registration a key outcome of any regulation review and upgrade undertaken by the Commonwealth Government. Combining internationally accepted data and a risk assessment based methodology to the process is likely to reduce registration timelines and cost(s).
- e) Future regulations must be flexible enough to accommodate the differences between agricultural sectors including the assessment process, data required and industry definitions relevant to pesticide use. A 'one size fits all' approach is not practical nor does it foster a lower cost process. As an example the nursery industry grows more than 10 000 plants species across Australia therefore it is impossible for a manufacturer to assess phytotoxicity for all species covered on a label. A mechanism that gives industry, manufacturers and the APVMA the opportunity for a negotiated outcome, that meets all stakeholder needs, must be incorporated into future regulations.

### **3. Regulation After Sale**

- a) NGIA recommends that uniform, consistent, practical and achievable requirements are applied to the use of pesticides across Australia. These need to be outcomes based relevant to the risk associated with the product/application technique/crop/environment. Engagement by the APVMA with industry at all stages of the development of regulations is critical in designing a system that will be applicable to the agricultural industries across Australia. This will also ensure that the outcomes being sought by all stakeholders are met (e.g. environment, OH&S, etc).
- b) The agricultural industries across Australia have invested significantly over the past 10 years in on-farm programs and training relevant to chemical transportation, storage, application and use on-farm. With future access to restricted chemical products likely NGIA would like to see this progress made by industry recognised in future regulation(s) governing this access (e.g. Industry BMP, Farm Management Systems, etc).
- c) Over recent years the industry has noted the declining skills and abilities of many chemical resellers in understanding how pesticides work, crop growth, application technology and legislation. This poor knowledge has resulted in marginal advice being provided to growers that has cost industry in a number of ways including poor efficacy outcomes, purchasing the same/similar actives under different trade names and the usage of non-registered products. NGIA would like to see a requirement that chemical resellers have a minimum knowledge standard (e.g. ChemCert Certificate) before advising industry.

### **4. Performance Monitoring/Measurement**

- a) NGIA would recommend that the APVMA have an internal monitoring and measurement program that assesses the performance of service delivery by the APVMA. This will require documented service provisions for set activities e.g. issuing a Minor Use Permit (crop specific) and a refund strategy if/when these service provisions are not met.
- b) The APVMA should implement a complaints process that has teeth to allow customers to get action on outstanding issues.

## 5. Funding and Cost Recovery

- a) NGIA provided a response to the APVMA Minor Use Cost Recovery Impact Statement (CRIS) in February 2009. The fundamental principles of that response apply to the overall issue of funding and cost recovery of pesticide registration for label based products and Minor Use. NGIA does not accept that the industry has to pay all of the costs of the registration (through passed on costs of the product) and that there needs to be recognition of the “public good” component in having safe, effective and access too appropriate pesticides. This public good is relevant to the access to healthy Australian grown produce and in the maintenance of our environment and healthy and safe workplaces.

The following items have been adjusted from the Minor Use CRIS response to accommodate a more holistic industry position.

1. APVMA as a fee charging service provider must deliver a service that justifies the cost to manufacturers and industry. It is no longer appropriate to charge first class fee's and deliver steerage service. It is the belief of industry that the APVMA is operating well below expected levels of service and any increase of fee's and charges would be inappropriate. NGIA believes that the APVMA should be refunding fee's and charges to its customers for poor service delivery and failure to meet realistic timelines in delivering outcomes.
2. The industry will find it difficult to cover increased costs of pesticides as they are struggling with the current costs imposed by the APVMA over recent years in the registration process. With community and government pressures on growers increasing (product & environmental safety) access to quality pesticides is essential. The industry considers increased fee's a barrier to improving pest management on-farm due to the potentially reduced access to new or effective chemistry(s).
3. The cost of MUP's has gone from an approximate \$60 to more than \$2500 for industry over the past 4 - 5 years, higher for food based industries, putting enormous pressure on already stretched R&D budgets. This higher cost is due to the APVMA initially increasing the cost of a MUP (\$320) and the increased documentation (application) costs due to the specialist input required plus efficacy, worker exposure and food safety data. NGIA believes that industry is adequately contributing its share under the current APVMA cost recovery system through:
  - a) Grower application fees
  - b) Data generation costs
  - c) APVMA product sales levy.
4. The nursery industry anticipates manufacturers will continue to ignore industry needs and therefore MUP's will be considered the norm as opposed to the exception. Manufacturers have cited low revenue returns as a reason for not progressing label registrations for low volume users. Increasing MUP costs will place an added financial burden on industry which is facing various pressures through drought, water restrictions, the slowing economy and climate change (increased pest pressures).
5. Higher Label/MUP registration costs will limit the ability of industry to access new chemistry that may have greater efficacy against the target pest(s), a reduced

environmental impact, lower toxicity to humans or minimal off-target impacts (fish, etc). Currently the industry has a reliance on older chemistries including organophosphates, many of which are under review, that are considered to have a broad spectrum of activity, are environmentally persistent and toxic to humans. The fee increases will not improve access to better pesticides for industry instead it will potentially limit their timely introduction into many cropping systems.

## **Conclusion**

NGIA supports a national regulatory framework and understands that there are costs associated with the registration of pesticides. NGIA believes that both the regulations implemented and associated regulatory costs must be fair and equitable and do not unjustly burden industry. A risk based approach to all aspects of pesticide regulation(s) is the preferred direction of NGIA.

The APVMA must also assess efficiency gains that can be incorporated into the system such as recognising international data sets, where applicable, and refrain from professional protectionism through the use of vague differences in Australia requiring new data generation. The APVMA must find ways to utilise this international data as opposed to establishing methods to block its relevancy.

Costs associated with the regulation and registration of pesticides must be constantly challenged and efficiencies applied wherever practical. There must be recognition that the APVMA provides a public good service, along with its industry based responsibilities, and that this has a cost that must be met by the representative of the public (government).

NGIA appreciates the opportunity to provide input to the PIMC National Chemical Regulatory Framework Review and looks forward to commenting on the two Discussion Papers currently being prepared by the relevant consultants.

## **Further Information:**

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