APVMA Consultation on proposed Cost Recovery Implementation Statement (CRIS) 2027-28

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Australian Pesticides and Veterinary Medicines Authority

Contents page

This submission is provided to:

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Our members

- Queensland Fruit & Vegetable Growers
- Cotton Australia
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- Queensland United Egg Producers
- Turf Queensland
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- Australian Chicken Meat Federation
- Bundaberg Regional Irrigators Group
- Burdekin River Irrigation Area
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- Mallawa Irrigation
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- Theodore Water Pty Ltd
- Eton Irrigation
- Lockyer Valley Water Users

About the Queensland Farmers' Federation

The Queensland Farmers' Federation (QFF) is the united voice of agriculture in Queensland.

Our members are agricultural peak bodies who collectively represent more than 13,000 farmers who produce food, fibre and foliage across the state.

QFF's peak body members come together to develop policy and lead projects on the key issues that are important to their farmer members and the Queensland agriculture sector.

Together, we form a strong, unified voice leveraging our effectiveness by working together to drive policy and initiatives that support a strong future for Queensland agriculture.

Submission introduction

The Queensland Farmers' Federation (QFF) welcomes opportunity to provide feedback on the Australian Pesticides and Veterinary Medicines Authority's (APVMA) draft 2027-28 Cost Recovery Implementation Statement (CRIS). While the CRIS is directed at the registrants who pay the APVMA's fees, its ultimate effect is felt at the farm gate. Agvet chemicals are essential tools for Queensland producers to manage pests, weeds, diseases and animal health, to protect yield and quality, and to meet the market access and biosecurity standards on which our export industries depend.

QFF supports an APVMA that is appropriately resourced, efficient and accountable, and able to deliver timely, science-based regulatory decisions. A well-functioning regulator is in the direct interest of farmers. However, our review of the CRIS and the revised cost recovery policy that underpins it identifies several elements that, if not addressed, may reduce Queensland producers' access to the crop protection and animal health products they rely on, and add cost at the farm gate. In particular, the move to full upfront cost recovery has produced increases of more than 200% in application fees, which risks making the business case to register new products, and to extend existing products to minor crops and minor uses, commercially unviable.

Comments on the draft CRIS

Full cost recovery and the impact on farmer access

QFF acknowledges the Australian Government's decision to move the APVMA to full cost recovery of fee-for-service regulatory activities from 2027-28, replacing the previous setting under which around 40% of these costs were recovered through fees. We also acknowledge that the change is accompanied by a reduction in levy rates to approximately 60% of their previous level. Our concern is not with the principle that beneficiaries should contribute to the cost of regulation, but with the practical effect of the resulting fee increases on the products Queensland farmers use.

The relatively small size of the Australian market means the commercial case to register the full range of use patterns on a product, or to extend a label into minor crops, is often marginal. This is most acute in horticulture and other specialty industries, and in uses that are important to integrated pest and resistance management but are applied in small volumes. Where upfront application fees rise by more than 200%, projects with an already marginal business case become unviable, and it is farmers who ultimately lose access to the technology or gain it later than growers in other countries.

QFF recommends a concessional fee structure for minor crops and minor uses so that the fee model does not, in effect, ration access to the tools our industries need.

QFF also notes the CRIS relies on independent economic analysis concluding that application fees do not materially influence decisions to bring products to market. This finding is difficult to reconcile with the direct experience of the agricultural supply chain and with the marginal economics of minor-use registration described above. We ask that the analysis and its assumptions be published in full so that stakeholders can assess whether it adequately captures impacts on minor crops and minor uses.

Phasing, instalments and a fair transition

A fee increase of this scale should not take effect in a single step. QFF supports phasing any increase in application fees over a minimum three-year period, and allowing payment by instalments so that the final payment is not due until the assessment is completed. This spreads the impact, better aligns payment with the delivery of the regulatory service, and reduces the risk that cost alone delays applications that would benefit Queensland producers.

Public-good activities and appropriation funding

QFF welcomes the continued exemption of emergency permits and minor use permits from full cost recovery, and the associated appropriation and levy support. These permits are of particular value to Queensland's horticultural and specialty industries, which frequently rely on minor use and emergency permits to access chemistry that would otherwise be commercially unavailable to them. Activities that deliver broad public benefit, including minor use and emergency permits, chemical review and compliance, should be funded through appropriation rather than recovered from individual applicants or cross-subsidised by other registrants. QFF recommends that this appropriation funding be maintained and, where the evidence supports it, expanded, so that the permit pathways farmers depend on remain accessible and well-serviced.

The value of these exemptions depends on the full pathway being protected, not only the final permit fee. Where pre-application assistance, technical assessment and data requirements attract substantial charges, particularly where an industry representative body must develop and coordinate an application on behalf of its members, those costs can negate the benefit of a nominal permit fee and render the pathway practically inaccessible. QFF recommends the public-good treatment extend across the complete minor-use and emergency pathway.

Resourcing must be matched by performance and accountability

Additional resourcing is only in farmers' interest if it delivers faster, more predictable regulatory decisions. QFF considers that higher fees should be directly linked to improved performance: reduced statutory assessment timeframes, transparent public reporting against those timeframes, and a fee remission scheme under which a portion of the fee is rebated when the

APVMA does not meet a published timeframe. Similar arrangements operate in comparable jurisdictions. This would give industry and farmers confidence that they are paying for a demonstrably more efficient regulator, not simply a more expensive one. Public reporting should also capture the time taken to access treatments required to respond to newly established pests and to sustain resistance-management programs, and the number of applications discontinued following pre-application or fee advice, so that access failures in small markets are visible.

Indexation and the cost-recovery cycle

QFF does not support the proposed shift to annual indexation and an annual CRIS review. The Australian Government Cost Recovery Policy expresses a preference for stable, predictable charges, and annual re-pricing imposes recurring transaction and consultation costs on industry without a commensurate benefit. QFF recommends retaining a three-yearly CRIS cycle, which provides greater certainty for the businesses that plan registration and product-development investment years in advance.

Consultation with the agricultural sector

QFF is concerned that a policy change of this significance was developed without direct consultation with the agricultural sector. The Australian Government Charging Framework anticipates thorough consultation for material changes to charging arrangements, and while chemical registrants have been engaged, the primary producers who ultimately bear the downstream cost of these arrangements have not.

Conclusion

QFF supports an APVMA that is well-resourced, efficient and accountable, because timely and science-based regulation is fundamental to the productivity and competitiveness of Queensland agriculture. For the 2027-28 cost recovery arrangements to support rather than hinder that goal, they should protect farmer access to minor crops and minor uses through a concessional fee structure, phase in fee increases fairly, fully fund public-good activities, tie increased resourcing to improved performance, address cross-subsidisation from non-levy products, retain a stable three-year cycle, and be settled through genuine consultation with the agricultural sector. The amendments outlined above would materially improve the workability of the arrangements for the Queensland farmers who ultimately depend on the products the APVMA regulates.

Yours sincerely

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