



Submission

Review of agvet chemicals regulatory system –
future reform opportunities

August 2020

Contents

Contents	2
Who we are?	2
Our policy position	3
Is the National registration scheme working as needed?	5
Who should ultimately be responsible for aspects of the system?	5
Are there gaps in agvet chemical regulation and management?	6
How can communication and engagement be improved?	6
How can we simplify the regulatory system?	7
How will a new regulatory system be suitably funded?	7
Contact	8

Who we are?

Australian Grape & Wine is Australia’s national association of winegrape and wine producers. Our activities focus on providing leadership, strategy, advocacy and support that serves Australian wine businesses now and into the future. We work in partnership with the Australian Government to develop and implement policy that is in the best interests of winemakers and winegrape growers across Australia. Australian Grape & Wine is recognised as the representative organisation for winegrape and wine producers under the *Wine Australia Act 2013* and is incorporated under the *SA Associations Incorporation Act 1985*.

Australian Grape & Wine’s voluntary membership represents over 75% of the national winegrape crush. We represent small, medium and large winemakers and winegrape growers from across the country. Policy decisions by the Australian Grape & Wine Board require 80% support, ensuring no single category can dominate the decision-making process and guaranteeing policy is only determined if it provides significant industry benefit.

Wine businesses across Australia make a significant contribution to growing regional economies by driving growth in jobs, regional exports and food and wine tourism. There are estimated to be 2468 wineries and 6251 grape growers across 65 winegrowing regions in Australia, contributing over \$45 billion gross output annually to the Australian economy. ¹ Wine regions are considered intensive in their use of labour in both vineyards and wineries – in almost all of these regions the industry’s share of regional employment is more than twice the national average, and for nearly half of them it is more than ten times. ² The sector directly employs 68,395 and indirectly supports a total of 172,736 full and part-time employees.

¹ <https://www.wineaustralia.com/report-downloads/e2ad0473-60d8-4486-a7e4-b07321231335>

² https://www.adelaide.edu.au/wine-econ/papers/0110_Aust_wine_regions_0210.pdf

Our policy position

Australian Grape & Wine advocates for industry best practice proactively by ensuring that the right supporting mechanisms are in place to enable winegrape producers to operate safely, efficiently and sustainably. For example, we proudly support our national sustainability program for grapegrowers and winemakers to demonstrate and continuously improve their sustainability credentials in the vineyard and winery through the environmental, social and economic aspects of their businesses. This includes careful planning, management and record keeping of both nutrition and agvet chemical applications.

While Australia is rightfully proud of the low level of chemical inputs in winegrape production, access to a wide range of pest and disease control technologies gives Australian winegrape producers a broader set of solutions to assist them to produce clean and healthy fruit sustainably. As new pests and diseases emerge, and as some pests and diseases develop resistance to existing control technologies, it becomes increasingly important that our industry ensures access to novel, safe and effective solutions. Moreover, it is critical that there are control measures readily available in case of an emergency plant pest incursion.

Changes to regulations by Government have the potential to be disruptive and costly for Australian grape and wine producers. Any major impact to the viability of winegrape growers will have widespread ramifications in regional economies. For example, the loss of glyphosate in the near future would severely impact Australian winegrape growers. It plays a critical role in the resistance loop and there are currently limited alternatives. The same situation applies to a many important fungicides and insecticides. Effective control of weeds and pests is not only important for the economic performance of the sector but for the environmental performance – herbicide, for example, reduces competition for soil moisture thereby enhancing our water use efficiency. The links between agvet chemical use and a number of environmental performance indicators such as this are often poorly understood by society at large. Furthermore, we hold concerns regarding the slow rate of development of novel chemistries and that the very high cost of bringing new chemistries to the Australian market means plant pest control options are at risk of diminishing.

Australian Grape & Wine provides input and oversight into the implementation of Maximum Residue Limits (MRLs) policy and access to agrichemicals both in Australia and in International trading economies. This provides an important safeguard for industry against a tightening regulatory environment. To support our right to maintain appropriate access, we believe that industry has a role in ensuring that they comply with best practice use and adhere to legal responsibilities regarding the label guidelines.

The latest information about agrochemicals is published annually by the AWRI in a booklet titled [*Agrochemicals registered for use in Australian viticulture*](#), commonly known as the 'Dog book'. It lists preferred agrochemicals for use in the production of grapes for export wine, and recommendations for restrictions on their use which have been developed to satisfy the lowest MRL for any of Australia's major wine markets after considering available data on the persistence of the chemical, both on grapes and through winemaking. Data is gathered as a result of a large, multi-agency research effort, funded by Wine Australia and the Dried Fruits Research and Development Council. The booklet is distributed free to all wineries that pay the wine research levy. While industry has a strong commitment to residue testing, our strength lies in the support of those companies involved.

Australian Grape & Wine commits to providing leadership to industry with regards to driving comprehensive protocols and practices that ensure safe use and avoidance of spray drift (chemical trespass) supporting the following principles with regards to Agrichemical use, policy and regulation:

- a transparent and scientific evidence-based approach to risk assessments to inform regulatory decisions;
- flexibility to adapt relatively quickly to changes in the environment that may require chemical intervention such as biosecurity issues;

- that the Australian Government sets MRLs at levels deemed safe to public health;
- that the Australian Government sets MRLs that minimise pesticide risk to the environment;
- harmonisation of MRLs according to a standard internationally accepted level of pesticide control for each commodity;
- harmonisation of MRLs across commodity groups where possible;
- minimisation of technical barriers to trade relating to agrichemicals and MRLs;
- rapid identification and response to potential trade barriers before they provide problems; and
- that grape and wine industry (including vineyard owners, viticulturists and contractors) commit to:
 - a sustainable approach to pest, disease and weed management that considers biodiversity preservation, non-chemical alternatives and avoidance of environmental harm;
 - a careful and safe approach to agrichemical use in accordance with approved label instructions;
 - adoption of best practice in terms of dose rate, avoidance of over-use and timing of applications to avoid spray drift; and
 - adherence to APVMA operating principles in relation to spray drift risk management.

Australian Grape and Wine Incorporated (Australian Grape & Wine) welcomes the opportunity to submit feedback to the Review of agvet chemicals regulatory system – future reform opportunities.

We participated in a stakeholder consultation on 10 June 2020 and would like to reiterate the following issues raised at that meeting:

- Australian Grape & Wine support a consistent approach to control of use across jurisdictions.
- Constantly changing MRLs overseas are significant for the wine industry in terms of our compliance with export market requirements. The aging process and long shelf life of wine can mean that the chemical application often occurs long before changes to MRLs. In many of these instances, there is no good reason that wines that were produced before the change should not be grandfathered from changes. While import tolerances provide some relief, the process for obtaining these is neither straightforward nor guaranteed to be successful.
- Furthermore, monitoring MRL changes is difficult and time consuming for industry sectors and there seems to be an untapped opportunity for greater cross-sectoral collaboration. It would be beneficial if a government body acted as the single point of truth on changing MRLs.
- There was a discussion raised as to whether industry QA schemes could be built into the regulatory system. The scheme used in the wine industry is focused on assisting producer meet export MRLs requirements and therefore must remain voluntary as not all winegrape producers' produce is destined for export wine. Industry should maintain ownership of the data provided as privacy issues must be respected.
- The risk of any changes that would lead to a loss of critical agvet chemicals such as glyphosate would severely impact Australian winegrape growers, especially where these products are still available for use in competitor markets, which would give them an unfair competitive advantage.
- Minor use permits are a valuable tool for industry and the costs and burdens of obtaining these permits should be kept low.

The remainder of the submission will address a number of the questions raised in the discussion paper deemed most significant to the wine and winegrape sector.

Is the National registration scheme working as needed?

Australian Grape & Wine agrees with the future trends and developments outlined in the Issues Paper. The core objectives 'to protect the health and safety of people, animals, plants and the environment' and 'to provide users with access to safe chemicals' are supported as overarching principles however protecting the 'health and safety of people' should stand alone. This principle requires considerations that are quite distinct from those aimed at protecting the environment, animals and plants. The issue of people's health and safety extends beyond the need for well-researched and executed regulation and compliance to the critical need to gain and maintain public trust.

The importance of maintaining the viability and competitiveness of agricultural production and of protecting trade are of particular importance to winegrape growers and this principle should not be underplayed as a secondary objective.

Australian Grape & Wine strongly supports a risk-based approach to the regulatory system over a hazards-based approach for the reasons outlined in the Issues Paper. A risk-based system supported by well-prioritised and up to date scientific evidence on safe use is critical to maintaining access to a broad range of plant pest protection options and our ability to continue to produce clean and healthy crops sustainably.

Who should ultimately be responsible for aspects of the system?

Australian Grape & Wine supports any move that would reduce complexity and generate efficiency gains without loss of confidence that the system is suitably robust. We agree with the panel that there is little justification for any change to the current approach of a single national regulator. There is no apparent reason to make any alterations to the structure of how the APVMA operate, particularly if these changes have potential to build in unnecessary costs to industry, reduce responsiveness or lead to inefficiencies.

Australian Grape & Wine accept that industry (including both chemical industries and users) have a shared responsibility in the management of agvet chemical use and as such we will continue to promote the importance of compliance as well as uptake of any quality assurance schemes for good agricultural practice such as our Sustainable Winegrowing Australia program. This program provides for opportunities to guide industry toward best practice and has the potential to be strengthened over time so as to promote improved compliance in agvet chemical use. The sector is also fortunate to be able to make use of waste disposal and recycling initiatives such as drumMUSTER and ChemClear and certification with our sustainability program requires that chemicals and their containers are disposed of through such systems.

The wine sector is committed to the concept of striving for a more 'circular economy' that favours more effective use of previously discarded parts of agricultural production. Many businesses already take a lifecycle approach to measuring their waste and emissions and we are beginning to see businesses seek innovative opportunities to value-add parts of the waste stream such as through converting grape waste products for use in cosmetics, oils and other food products.

Industry led schemes are not free and any voluntary contribution from the agriculture sector to supporting compliance should always be recognised and rewarded. Australian Grape & Wine would not support any measures that adds to the sector's costs of regulatory compliance through unnecessary bureaucracy or reporting requirements in situations where industry can demonstrate that it is managing this risk effectively through its own means.

The Issues Paper references the existing ChemCert scheme and the opportunity for additional training and licensing requirements. Australian Grape & Wine holds concerns that these types of requirement impose unnecessary red tape to businesses. Therefore any additional training requirements required by those purchasing or applying chemicals should be incorporated into this existing program. This could serve the purposes outlined in the issues paper of supporting residue management, environmental outcomes and community confidence.

Australian Grape & Wine supports the concept of 'duty of care' particularly if this duty can be guaranteed to be beneficial overall and facilitate decreased time frames for new products to get to market. We would also welcome the opportunity to explore how this concept could be extended beyond the chemical industry to *users* of agvet chemicals but would strongly urge the panel to involve stakeholders in consultations before implementing such a requirement.

Are there gaps in agvet chemical regulation and management?

Australian Grape & Wine strongly supports the harmonisation of control of use laws so that they are nationally consistent. We similarly support the concept that assessing crop protection products by region rather than state borders is worthy of investigation providing this does not add an administrative burden.

Australian Grape & Wine supports the concept that where the overall benefits of a product being registered outweigh the risks, that their use should be approved on the proviso that any risks to non-target species are manageable. Achieving an objective of delivering more chemical uses at the same time as improving safety outcomes would be extremely valuable to the winegrape sector. We pride ourselves on taking a long-term sustainability driven view so the importance of having a suite of chemicals that allow us to manage resistance is critical. Although the proposed approach to assessment has the potential to deliver benefits, we hold concerns if it were to impact registration efficiency, especially in the case of minor products and those targeted to smaller commodity groups. We would therefore welcome the opportunity to be involved in consultations prior to any proposed changes to assessment and registration so that we can ensure there would be no unexpected negative consequences regarding access to new agvet chemicals for the winegrape sector.

Australian Grape & Wine supports data mining to improve efficiencies throughout the regulatory system, however it is essential that intellectual property, confidentiality and privacy are protected and maintained. It is a key concern that interpretation and use of data must cause undue damage to the reputation of the agriculture sector. The wine industry supports voluntary industry specific recording of data and as a sector we are well-informed regarding agvet chemical use by the sector. Australian Grape & Wine would hold those same concerns around privacy and potential misinterpretation as well as the additional cost burden on industry should this reporting become a mandatory requirement imposed on industry by Government. Thus, we do not support this.

How can communication and engagement be improved?

The impact of growing community concerns regarding agrochemical health impacts, increased scrutiny from the media, and the growing trend for major retailers to impose their own standards are a high concern particularly where public interest minority groups are armed with misinformation. Opportunities to raise the profile of Australia's approach to managing public risk, to build consumer trust in the way agrichemicals are regulated and APVMA's role should be sought.

Australian Grape & Wine is supportive of the introduction of a formal mechanism for consultation between governments and industry stakeholders to ensure regulatory systems are accessible and responsive to the needs of users and to assist in informing policy. We would be happy to facilitate representation from the wine and winegrape sector via the proposed consultative committee or an industry forum.

How can we simplify the regulatory system?

Australian Grape & Wine has an interest in both the concept of assessing permits and the use of smart labelling. We believe that smart labels would provide for an effective means to ensure the latest information in use and application technology is available to users. Ability of growers to access this information may warrant a phased in approach.

An efficient approach for assessing permits (minor use and emergency use) is essential and has to date proved valuable to winegrape growers in managing climate change, new pests, seasonal weather events, and a reduced pool of broad spectrum agvet chemical control options. Minor use permits and emergency permits are vital, in the context of the transition to alternatives as certain chemical groups are no longer available, as registration is not renewed, and to act as a buffer when there is a sudden spike in demand. This has happened in the past, where widespread wet conditions in summer led to an increased demand for many active chemicals across multiple crops. As Australia is a relatively small market for many fungicide products, it is often the case that fungicide shortages occur.

Australian Grape & Wine supports the panels views that the ability to access emergency permits in shortened time frames remain in place. It is important that the costs and burdens of obtaining these permits be kept low. Emergency permits would allow for permissible alternative products to be used in case of emergency, and possibly prevent widespread crop loss. Biosecurity is critically important to the sustainability of the winegrape sector and ensuring that we have the agvet chemicals readily available for use in an emergency is a potential preparedness gap where we plan to increase our focus in future.

It would also be a welcome development if the cost and time to register soft chemistry, or active controls that are inert, harmless and do not require an MRL, was reduced. There are many such products that have been used by organic and biodynamic growers for some time. Soft chemicals typically have lower profit margins than conventional products, and so the up-front costs involved in registering such products can be prohibitive. As registration of older agvet chemicals is often not renewed, it is vital that where alternatives are known to be safe, that administrative costs are not a disincentive to their adoption.

How will a new regulatory system be suitably funded?

Managing agvet chemical risk protects the reputation of industries such as chemical manufacturers and farmers, but most important it is vital for health and safety of people, animals, plants and the environment. The fact that regulation of agvet chemicals provides significant public benefit indicates that this cost must not fall entirely on the risk creators but instead be funded with appropriate contribution from general revenue.

Contact

For further information, please contact:

Tony Battaglene

Chief Executive

14-16 Brisbane Avenue
Barton, ACT 2600

Tel +61 2 6239 8304

Email tony@agw.org.au

Anna Hooper

Manager, Industry Policy

National Wine Centre, Botanic Road,
Adelaide SA 5000 |

Tel +61 8 8133 430

Mobile: +61 427 685 077

Email anna@agw.org.au