

Submissions
Food Standards Australia New Zealand
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17 February 2017

Dear Food Standards Australia New Zealand

Submission: Draft Cost Recovery Implementation Statement

Thank you for the opportunity to make a submission to Food Standards Australia New Zealand (FSANZ) in relation to the draft Cost Recovery Implementation Statement (dCRIS), released for public consultation by FSANZ on 13 December 2016.

AusBiotech is a well-connected network of over 3,000 members in the life sciences industry, which includes the agricultural, food and industrial biotechnology sectors. Within AusBiotech the agriculture, food and industrial biotechnology sectors are represented by the AusAg & Foodtech Committee, a special interest industry group dedicated to support AusBiotech with its mission to:

"...foster a growing, strong and profitable biotechnology and life science industry in Australia through representation, advocacy and the provision of services and benefits to its members to help the industry realise its nationally important economic potential."

Maintaining Australia's capacity to support innovation and deliver outcomes to the agricultural sector, via commercialisation of technology, is critical to the nation's competitiveness. Genetic modification techniques and innovative new technologies being adopted by plant and animal breeders have the potential to facilitate greater efficiency, effectiveness and economies of scale associated with producing high performance plant varieties and animals. Innovation in agriculture will be required to address the increasing demand to feed the world, environmental sustainability and animal welfare.

AusBiotech acknowledges the critical role played by FSANZ in maintaining the integrity of Australia's high level of food safety. One of FSANZ's key functions is developing and varying food standards in the Australia New Zealand Food Standards Code, including evaluation of food standards applications. The cost, transparency and predictability of regulation are important considerations in the commercialisation of innovations in the agricultural sector. Therefore, any proposed increase to the cost of regulation has the potential to restrict or inhibit investment in agricultural innovations and/or reduce the commercial viability of technologies that could deliver benefits to the Australian farming sector. In addition, the relative cost of regulation in Australia compared to other jurisdictions is an important determinant for investment in and development of innovation in the Australian agricultural sector.

AusBiotech supports the thorough economic analyses provided by CropLife Australia (CropLife) in their submission and we draw attention to and support the following recommendations:

Overall position:

- AusBiotech supports cost recovery where it is justifiable, appropriate and proportionate to recovering the efficient costs of a specific government activity.
- AusBiotech does not support the draft Cost Recovery Implementation Statement (dCRIS) as released for public consultation by FSANZ on 13 December 2016 because FSANZ has significantly erred in including the direct and indirect costs of all FSANZ staff, and the total cost of the FSANZ Board, not directly involved in the specific activity in the Activity-Based Costing (ABC) model used in the dCRIS.
- AusBiotech submits that FSANZ do not have the legislative or policy authority to recover the full costs associated with all FSANZ staff.
- AusBiotech could support a revised dCRIS in which overheads were correctly allocated in accordance with the Australian Government's Cost Recovery Guidelines and only relating to the efficient costs of the specific activity undertaken, and not the overhead costs of the whole organisation.

In addition, AusBiotech submits that the increase in FSANZ's fees for a food approval application, as described in the dCRIS, would elevate Australia to the top tier of fee-charging countries internationally. The cost of a FSANZ food approval application would be in-line with Russia (~\$90,000), above China (~\$60,000) and Argentina (~\$20,000), and significantly more than regulatory agencies in jurisdictions charging no fee at all including the US Food and Drug Administration (FDA) and countries such as Japan, Canada, EU, Switzerland, Singapore Brazil, Chile and Costa Rica. AusBiotech recommends benchmarking FSANZ's fees against other international regulatory agencies or regulatory frameworks to ensure that FSANZ's fees are not adversely affecting Australia's international competitiveness and access to innovative agricultural technology.

In conclusion, AusBiotech supports a revision of the dCRIS in line with the recommendations outlined in CropLife's submission including the generation of an Activity-Based Costing (ABC) model. We also support international benchmarking of fees for food approvals against international regulatory agencies to ensure that FSANZ's fees do not disadvantage innovation in Australia's agricultural sector.

Yours sincerely



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