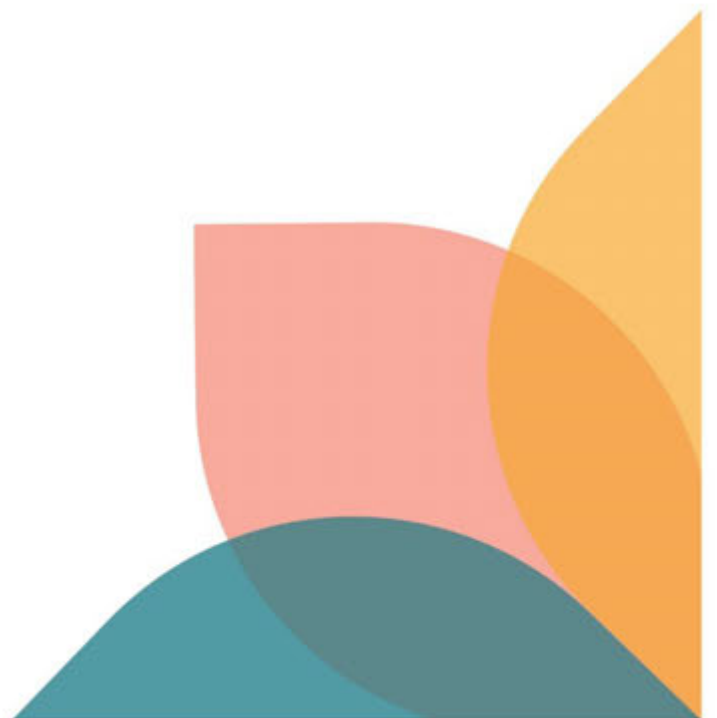




Australian Government
Department of Agriculture,
Fisheries and Forestry

Submission to the National Competition Policy analysis 2025



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Acknowledgement of Country

We acknowledge the continuous connection of First Nations Traditional Owners and Custodians to the lands, seas and waters of Australia. We recognise their care for and cultivation of Country. We pay respect to Elders past and present, and recognise their knowledge and contribution to the productivity, innovation and sustainability of Australia's agriculture, fisheries and forestry industries.

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Introduction

The agriculture sector is an important contributor to the Australian economy. The gross value of agricultural production is forecast to be \$97.5 billion in 2025–26, comprised of \$90.7 billion in farm and \$6.9 billion in fishery and forestry production (ABARES, 2025).

The sector provides significant employment opportunities across regional and rural Australia, both directly and indirectly, accounting for 5.9% of rural employment and 2.2% of national employment (315,600 people in 2023–24). Around 70% of Australia's agricultural produce is exported, providing a reliable source of food and fibre to our trading partners. Of the food consumed domestically, over 90% is produced in Australia.

The agriculture, fisheries and forestry sectors are incredibly diverse, spanning many commodities and ranging from small businesses to publicly listed and multi-national corporations operating across the whole of Australia. Noting this diversity, many businesses in these sectors are likely to be negatively impacted by lack of competition as a result of limited choices for purchasing essential inputs, services and machinery which, while not part of this analysis, would benefit from consideration as part of competition policy development and future analyses.

For example, the market for agriculture machinery (both supply and repairs) is concentrated, and some stakeholders have raised that in some locations, companies may have an effective monopoly (ACCC, 2021). Similarly, options for rural supplies, including fertiliser, seed, agvet chemicals, and agronomic advice, vary significantly by location, with some producers having minimal or no choice of supplier.

As highlighted in the recently completed review of the Food and Grocery Code of Conduct, many farm businesses also have limited options for selling their produce. Some commodities are highly perishable and must be sold within a short window, or cannot be transported vast distances. Others simply only have a few buyers within a feasible distance. For example, many horticulture products are highly perishable, impacting the time producers have to find a buyer and their ability to export. The large supermarkets are often the dominant buyers for many horticultural commodities. Similarly, finished meat chickens cannot be transported long distances for processing, and certain producers only have one buyer suitably located. This issue is also the case for some dairy producers, and for many remote beef producers. While these are not part of this analysis, it would benefit from consideration in other processes.

The department supports the work of the Productivity Commission (PC), the Australian Competition and Consumer Commission (ACCC), the Treasury and state and territory governments under the Intergovernmental Agreement on National Competition Policy.

Agvet chemicals

The Australian Government released the *Detailed response to the final report on future structure and governance arrangements for the Australian Pesticides and Veterinary Medicines Authority (APVMA)* (the detailed response) on 4 November 2024. This responded to various reviews of the APVMA and the agriculture and veterinary (Agvet) chemicals regulatory framework between 2021 and 2024. The detailed response outlines a future program of reforms to be undertaken by the department and the APVMA, across a range of operational and regulatory policy areas.

The detailed response highlights that the regulatory approach, and the extent of resources and activities deployed to control-of-use of Agvet chemicals, differs, sometimes markedly, between each state and territory. This increases complexity and compliance costs for business – particularly those that operate across jurisdictions (including, for example, primary producers, professional ground and aerial spray applicators, agronomists and other advisors, veterinarians, chemical companies, and those that export produce). One problem with the inconsistent national approach is that it results in the same products being allowed to be used in different ways and at different rates of application, depending upon the state or territory of application. This distorts domestic competition, as well as driving confusion of consumers, the Australian community and our trading partners - leading to reduced confidence in the regulatory system as a whole. Effective national consistency remains a key goal for the majority of stakeholders of Australia's Agvet chemicals regulatory system.

As recommended by the detailed response, the government has established the Agvet Chemicals Subcommittee under the Agricultural Senior Officials Committee. This subcommittee has been established as the key senior executive forum between Commonwealth, state and territory governments to explore options to achieve a nationally consistent legislation framework for control-of-use functions for Agvet chemicals in Australia. The subcommittee will consider a single national applied law or model law scheme for achieving this, and if a consistent legislative framework is not feasible, other options for improving consistency will be explored. National consistent control-of-use legislation would aim to support improved access to, and the safe use of Agvet chemicals and offer a range of benefits for business, users and governments. There is the potential for significant productivity gains through this work.

A number of other reform areas underway could be relevant to the National Competition Policy reform agenda, and specific elements are addressed in relevant areas of this submission.

Occupational licensing

Licensing and training of pest controllers has long been identified as requiring consistency across jurisdictions. This is a high priority area for consideration by the Agvet Chemicals Subcommittee, to be achieved either through the potential single national law or other consistency measures. A common licensing framework will improve understanding of the system and reduce costs to industry. A seamless national licensing scheme would facilitate increased mobility of the professional workforce by allowing them to more easily conduct activities across state and territory borders. Common licensing arrangements that rely on consistent, up-to-date training and competency standards would facilitate improvements in the safe and effective handling and use of pesticides. The department can provide the PC with further updates on this work as required.

More broadly, the department notes that certain occupations critical to the agriculture sector, such as veterinarians, have a state and territory-based licensing system with industry-led provisions for recognition across borders. We have drawn the National Competition Policy analysis to the attention of relevant stakeholders who may wish to make a submission as part of this inquiry.

Adoption of international standards

Many agriculture, fisheries and forestry supply chains rely to some extent on imported inputs and equipment. Similarly, many products of these industries must compete in global markets, with exports forecast to reach \$76.7 billion in 2023-24 (ABARES, 2025). Adopting international standards for both intrastate and international trade, where relevant and applicable to Australian production systems and environment, is likely to result in decreased compliance costs and increase the competitiveness of Australian products both domestically and internationally.

For Agvet chemicals specifically, the detailed response identified opportunities for the APVMA to better leverage trusted international regulatory evidence to remove potential assessment duplication, improve assessment timeframes and allow the APVMA to focus on the uniqueness of the Australia-specific components. In response, the APVMA has been working on opportunities to adopt international standards and improve its consideration of international evidence. It is believed this will reduce commercial barriers and encourage the registration of new products in the Australian market, providing earlier access to high-quality and safe internationally registered products and improving resilience in supply chains. This will improve end-users' choice of state-of-the-art treatments or alternatives to existing products, and allow Australian primary producers to better compete with their international counterparts.

In terms of agricultural exports, efficient regulation is the cornerstone of Australia's reputation as an excellent trading partner. The department controls agricultural exports under the Export Control Act 2020, Export Control Rules and associated legislation, to assure our trading partners that our products meet import requirements. This includes engaging with the Codex Alimentarius Commission (Codex) and associated committees to:

- ensure international standards are based on sound scientific principles
- contribute to consumer food safety
- contribute to the success of Australian food manufacturing and exports
- create a level playing field for our exporters.

Australia hosts and chairs the Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS), which develops principles and guidelines for food inspection and certification systems. CCFICS is currently focusing on:

- food systems equivalence
- food fraud
- assessment and use of voluntary third-party assurance programs
- paperless trading.

The World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures encourages member countries to base their national measures on Codex standards, guidelines and recommendations. Codex develops international standards relating to the maximum levels of certain substances in foods such as food additives, contaminants and other substances.

However, these limits can still differ from country to country, due to different dietary patterns, environmental conditions and national practices.

The department has not made any recommendations in relation to directly adopting international standards related to the operation of the portfolio. We do however welcome the opportunity for our stakeholders to provide their perspectives for this analysis, and can provide the PC with further information if required.

References

ABARES 2025, [Snapshot of Australian Agriculture 2025](#), Volume 15, Issue 2, Australian Bureau of Agricultural and Resources Economics and Sciences, Canberra, accessed 30 May 2025.

ACCC 2021, [Agricultural machinery market study 2021](#), Australian Competition and Consumer Commission, Canberra, accessed 30 May 2025.