



15 September 2017

Regional Development and Decentralisation Committee
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Parliament House
Canberra ACT 2600

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Dear Committee Members,

Regarding the Inquiry into Regional Development and Decentralisation

Lodged online: www.aph.gov.au/MakeSubmission

Animal Medicines Australia (AMA) is the peak body representing the leading animal health companies in Australia. AMA member companies include local and global innovators, manufacturers, formulators, and registrants of a broad range of veterinary medicine products that prevent, control and cure disease across the companion animal, livestock and equine sectors.

Generally, AMA is supportive of relocating government agencies to regional and rural locations in circumstances where moving results in benefits to rural and regional communities and does not diminish agency performance or result in additional costs to industry stakeholders. AMA is a strong supporter of our agricultural and rural communities, and we wish to ensure that Australia's rural and regional communities grow and flourish. Our member's products promote agricultural productivity and help farmers to maintain healthy animals and use high animal welfare standards to produce premium quality products for Australia's key export and trade markets.

AMA believes that Commonwealth entities should be located where they may be most effective and efficient. In considering where an agency may best be located, key considerations should include:

- Its human resources, financial and infrastructure requirements;
- Its accountability responsibilities and governance structures; and
- Its need to engage with key stakeholder groups.

Any decision to relocate an agency must be informed by a sober assessment of an agency's requirements and functions. This must include a comprehensive and independent assessment of how those functions could be most efficiently and effectively delivered. Critically, any agency subject to relocation must be able to maintain and perform its functions *before, during and after* a relocation. It should also offer improvements (in either efficiency or performance) to key stakeholders that will be most impacted by the relocation.

Any relocation or decentralisation process presents risks to stakeholders of serious and significant declines in agency performance. This includes risks that an agency will not be able to meet its legislated responsibilities to meet application timeframes or provide essential services to stakeholders. Should these risks eventuate, stakeholder industries are likely to incur costs from non-performance (or delayed performance) of regulatory functions and services. Governments should ensure that decentralisation plans are supported by sufficient resources to ensure that stakeholder industries do not incur unacceptable costs from declines in regulatory performance from the relocation of an agency.

AMA encourages Government to complete and publish an independent cost/benefit analysis prior to any decision to relocate an agency. Such an analysis should include consideration of any costs or benefits likely to be incurred by industry stakeholders – especially where an agency is funded by cost recovery from industry.

In summary, AMA does not oppose the decentralisation of government agencies, *provided that* any relocation is:

1. Based on a clear understanding of the purpose and functions of the agency, and its key stakeholders. This must include early engagement with stakeholders to identify issues that may not be apparent from the Government perspective; and
2. Supported by a comprehensive and transparent cost-benefit analysis that demonstrates clear benefits from relocation for all stakeholders, including industry stakeholders.

Decentralisation may offer benefits by broadening the experience of agencies away from large capital cities and Canberra. AMA looks forward to working with governments to ensure that decentralisation fully considers all risks, costs and benefits and results in superior services to all stakeholders including governments, industries and the broader Australian society.

Yours sincerely,

Ben Stapley

Executive Director