



Australian Government
Australian Pesticides and
Veterinary Medicines Authority



Annual Report
2022-23

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Australian Government

**Australian Pesticides and
Veterinary Medicines Authority**

6 September 2023

Senator the Hon Murray Watt
Minister for Agriculture, Fisheries and Forestry
Parliament House
Canberra ACT 2600

Dear Minister

In accordance with subsection 46(1) of the *Public Governance, Performance and Accountability Act 2013* and section 61 of the *Agricultural and Veterinary Chemicals (Administration) Act 1992*, and on behalf of the APVMA Board, I am pleased to submit the Annual Report that details the activities of the Australian Pesticides and Veterinary Medicines Authority (APVMA) for the 2022–23 reporting year.

In accordance with the Public Governance, Performance and Accountability Rule 2014, the APVMA Board certifies that:

- (i) fraud risk assessments and fraud control plans have been prepared for the APVMA
- (i) appropriate mechanisms that meet the needs of the APVMA are in place for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud
- (i) all reasonable measures have been taken to deal appropriately with fraud relating to the APMVA.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Jefferies', with a long horizontal line extending to the right.

Dr Steve Jefferies AM
Acting Chair

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Purpose

We regulate agricultural and veterinary chemicals to manage the risks of pests and diseases for the Australian community and to protect Australia's trade and the health and safety of people, animals and the environment.



Our vision

To be a global leader in agricultural and veterinary chemicals regulation for the benefit of Australia.





Chapter 1

Summary and outlook

Summary and outlook

The 2022–23 reporting period will be recorded as an extraordinarily challenging time in the Australian Pesticides and Veterinary Medicines Authority's (APVMA) history. A series of reviews and investigations identified serious shortcomings in our regulatory priorities and posture, governance and culture. While accepting the findings, it is important it is clearly understood that these matters were of a historical nature, and significant changes to the agency have been made by the Board and interim Executive Leadership Team during the second half of 2022–23. The agency at the end of the reporting period is very much not the same agency it was at the start.

Despite the significant challenges faced by the agency in 2022–23, it has remained determined and focused on sustaining our reputation as a world-class regulator of agricultural and veterinary chemicals. We have striven to be effective at regulating agricultural and veterinary (agvet) chemicals to manage the risks of pests and diseases for the Australian community and to protect Australia's trade and the health and safety of people, animals and the environment.

The strength of the APVMA has remained to be our staff and our rigorous commitment to scientific evidence-supported regulatory decision-making. Our staff have demonstrated their commitment to Australia's agvet chemical regulation system daily and consistently, diligently and professionally, to deliver the APVMA's regulatory responsibilities.

Regulatory performance

In 2022–23, the APVMA has continued its outstanding performance in finalising 96.8% of applications for registration within legislative timeframes. During the reporting period however, it was recognised that there is an important need to broaden the basis on which the effectiveness of regulatory performance is assessed. Appropriate additional performance measures extending across the full range of the agency's regulatory responsibilities will be examined in the coming year.

The APVMA also continued to demonstrate clear and transparent engagement with stakeholders. A high proportion of stakeholders reported a high level of satisfaction in collaborations and in published guidance material. Our 2023 stakeholder survey revealed that the strong improvements made in 2022 have largely been maintained.

Organisational reform

The APVMA embarked on a program of reform to its governance, operations and culture from February 2023. These reforms include but are not limited to:

- Working towards creating a new and more appropriate regulatory posture across the agency's full range of regulatory responsibilities, including the prioritisation and actioning of regulatory enforcement when needed.

- Developing appropriate measures to strengthen the chemical review processes and addressing the number of substances listed for chemical reconsideration that have not yet been finalised or prioritised over a protracted period.
- Introducing an APVMA Values Statement and widespread promotion of the Australian Public Service (APS) Values and APS Code of Conduct within the agency.
- Revising the management structure, including a new position of Executive General Counsel and all Senior Executive Service (SES) officers reporting to the Chief Executive Officer (CEO) rather than some reporting to the Deputy CEO.
- Establishing comprehensive, formal reporting to government on agency performance and issues of significance.
- Reviewing and updating all existing human resources policies and procedures, to modernise and align them with the broader APS.
- Improving engagement with staff, and their representatives, to better hear their views and respond to concerns.
- Engaging regularly with the Department of Agriculture, Fisheries and Forestry, to discuss matters of joint interest and policy development, and encouragement within the APVMA to foster open dialogue with the department at operational levels.
- Reforming procurement and contract management governance and implementation of ICT tools to support compliance with the *Public Governance, Performance and Accountability Act 2013*, including the Commonwealth Procurement Rules.

Looking forward

During 2022–23, the Board initiated a process to develop the *APVMA Strategy 2030*. In the year ahead, our focus will be starting the process of implementing this strategy. The strategy sets out the themes and strategic outcomes to drive our direction and priorities. It lays out the key activities required to support the delivery of those outcomes and the realisation of the associated benefits, and enables the APVMA to continue to effectively play its role as the regulator of agvet chemicals within Australia’s regulatory system.

Delivering on this strategy will strengthen our capability to manage increasingly complex agvet regulatory risks, embrace opportunities that arise, and enable us to respond to ever-changing global events. It is supported by a high-level Implementation Plan that sets out the projects and activities required to deliver the outcomes and realise the benefits of the strategy.

We would like to thank APVMA staff, who have continued to work consistently, diligently and professionally as well as demonstrating their ongoing commitment to Australia’s agvet chemical regulation system. The Board and Acting Chief Executive Officer express our deep appreciation to the staff of the APVMA and commit to working with them to make the reforms needed to sustain our long-held reputation as a world-leading regulator.



Dr Steve Jefferies AM
Acting Chair



Dr Melissa McEwen
Acting Chief Executive Officer



Chapter 2

Organisation overview



Organisation overview

Corporate profile and purpose

The Australian Pesticides and Veterinary Medicines Authority (APVMA) is the independent statutory authority responsible for the assessment, registration and regulation of agricultural and veterinary (agvet) chemicals in Australia.

We regulate agvet chemicals to manage the risks of pests and diseases for the Australian community and to protect Australia's trade and the health and safety of people, animals and the environment.

Agvet chemical products must be evaluated and registered, or authorised under permit, by the APVMA before they can be legally sold, supplied or used in Australia.

Responsible minister

The APVMA is within the portfolio of Senator the Hon Murray Watt, who was appointed Minister for Agriculture, Fisheries and Forestry on 1 June 2022.

Enabling legislation

The APVMA is established under the *Agricultural and Veterinary Chemicals (Administration) Act 1992* (Administration Act). The Administration Act sets out our role as an independent statutory authority of the Commonwealth, to administer the National Registration Scheme for Agricultural and Veterinary Chemicals in partnership with state and territory governments, and the scheme's legislation.

Functions and powers are conferred on the APVMA by the Administration Act, the Agricultural and Veterinary Chemicals Code (Agvet Code) scheduled to the *Agricultural and Veterinary Chemicals Code Act 1994*, the Agricultural and Veterinary Chemicals Code Regulations 1995 (Agvet Code Regulations), and the Agvet Codes and Agvet Regulations of each state or participating territory.

We are a corporate Commonwealth entity under *the Public Governance, Performance and Accountability Act 2013*. A corporate Commonwealth entity is a corporate body that is legally separate from the Commonwealth.

Functions and powers

The APVMA operates under an intergovernmental agreement between the Australian Government and all states and territories. Under this agreement, we are responsible for regulating agvet chemicals up to and including the point of sale. The state and territory governments are responsible for regulating agvet chemicals after they are sold, a process that is known as 'control of use'.

Our functions, which are set out in section 7 of the Administration Act, are to:

- assess the suitability for supply in Australia of active constituents for proposed or existing chemical products, chemical products and labels for containers for chemical products
- provide information to the governments and authorities of the Commonwealth, the states and the participating territories about approved active constituents for proposed or existing chemical products, registered chemical products, reserved chemical products and approved labels for containers for chemical products and to co-operate with those governments and authorities on matters relating to the management and control of chemical products
- keep records and statistics of approvals and registrations granted, and permits and licences issued, by the APVMA under the Agvet Codes
- evaluate the effects of the use of chemical products in the states and participating territories
- co-operate with governments and authorities of the Commonwealth, the states and the participating territories for the purpose of facilitating a consistent approach to the assessment and control of chemicals
- develop codes of practice, standards and guidelines for, and to recommend precautions to be taken in connection with, the manufacture, export, import, sale, handling, possession, storage, disposal and use of chemical products in the states and participating territories, in co-operation with governments and authorities of the Commonwealth, the states and the participating territories
- collect, interpret, disseminate and publish information relating to chemical products and their use
- encourage and facilitate the application and use of results of evaluation and testing of chemical products
- exchange information relating to chemical products and their use with overseas and international bodies having functions similar to the APVMA's functions
- report to or advise the minister on any matter relating to chemical products or arising in the course of the performance of its functions when requested by the minister, or on its own initiative
- encourage and facilitate the introduction of uniform national procedures for control of the use of chemical products
- fund, and co-operate in, a program designed to ensure that active constituents for proposed or existing chemical products, chemical products, and labels for containers for chemical products, comply with the Agvet Codes and the Agvet Regulations.

Organisation structure

Our organisation structure (Table 1) supports effective operation, communication and strategic understanding at all levels of the APVMA.

Table 1: APVMA organisation structure as at 30 June 2023

Area	Responsibilities
APVMA Board	<ul style="list-style-type: none"> Governs the APVMA, determining its objectives, strategies and policies and ensuring the proper, efficient and effective performance of the APVMA's functions
Chief Executive Officer	<ul style="list-style-type: none"> Office of the Chief Executive Officer
Deputy Chief Executive Officer and Chief Operating Officer, Business Enabling Services	<ul style="list-style-type: none"> Assessment, Investigations and Monitoring Finance People and Culture ICT Learning and Development Parliamentary, Media and Communications Security (IT, Assets, Property and Personnel) Stakeholder Engagement and Reform Strategy and Performance
Executive Director, Risk Assessment Capability	<ul style="list-style-type: none"> Chemical Review Chemistry and Manufacturing Efficacy and Safety Environment Human Health Residues and Trade
Executive Director, Registration Management	<ul style="list-style-type: none"> Adverse Experience Reporting Program HGP Control and Monitoring Levy Audit and Voluntary Recall Program Manufacturing Quality and Licensing Permits and Minor Use Pesticides Pre-Evaluation and Quality Veterinary Medicines
Executive General Counsel	<ul style="list-style-type: none"> Board Secretary Legal services FOI and Complaints Privacy and Integrity Records and Knowledge Management Contracts and Probity



Dr Carmel Hillyard AM BSc (Joint Hons) PhD FTSE FAICD

Board Chair

Dr Carmel Hillyard AM was appointed Chair of the APVMA Board in March 2022. Dr Hillyard currently chairs Fitgenes Australia Ltd and the Research Advisory Board for Mater Research. Dr Hillyard has served on the Industry Research and Development Board and the Australian Nuclear Science and Technology Organisation board. She co-founded venture capital firm, CM Capital, and led its Life Sciences team, taking an active role on the boards of pharmaceutical, diagnostics and medical device investee companies. Dr Hillyard has also served on not-for-profit and university commercialisation company boards.



Dr Jeremy Burdon BSc(Hons) PhD FAA FTSE MAICD

Board member

Dr Jeremy Burdon was appointed to the APVMA Board in March 2022. Dr Burdon has extensive experience in research management and planning across Australian agriculture. Currently he is independent Chair of Sugar Research Australia's Research Funding Panel and a Special Advisor to the Australian Plant Phenomics Facility. Previously, Dr Burdon has been a non-executive Director of Sugar Research Australia, the Cotton Research and Development Corporation and the Grains Research and Development Corporation.



Mrs Maree Gooch EMBus FAIM FAICD

Board member

Mrs Maree Gooch was appointed to the APVMA Board in March 2022. Mrs Gooch is Principal of Value Creators, which provides specialised business coaching and capacity building courses in business transformation, strategy and finance for small and medium enterprises in the agribusiness and tourism sectors. She has also served as Executive Officer of SafeFarms WA since 2015. Mrs Gooch is a former farmer and is currently the Chair of CRISP Wireless and a board member of FarmSafe Australia. Mrs Gooch is a former Director of the Rural Business Development Corporation, AusChem Training and the WA Chamber of Commerce WA's SEN panel and former chair of the Rural Regional Remote Women's Network (WA).



Dr Steve Jefferies AM BAgSc, PhD, DSc, FTSE

Board member

Dr Steve Jefferies was appointed to the APVMA Board in March 2022. Dr Jefferies is Principal of Jefferies Ag Solutions Pty Ltd, which provides specialised consultancy services to agribusiness in strategy, risk management and business growth. Dr Jefferies was formerly the Managing Director of the Grains Research and Development Corporation and prior to that CEO of Australian Grain Technologies PTY Ltd. Dr Jefferies is currently Chairman of Rice Breeding Australia Ltd and non-executive Director of Grain Producers South Australia.



Ms Nicola Hinder PSM

Interim Chief Executive Officer and Board member

Ms Nicola Hinder PSM was appointed Interim Chief Executive Officer (CEO) and a member of the APVMA Board on 13 February 2023. Ms Hinder's responsibilities as Interim CEO include consulting with key stakeholders to set the APVMA's vision, objectives and strategies to meet its legislative responsibilities, and monitoring financial, operational and program performance.

Ms Hinder has undertaken a broad range of roles across government, most recently as the Acting Deputy Secretary for the Department of Agriculture, Fisheries and Forestry's Agriculture Trade Group. Ms Hinder has wide-ranging experience and a keen interest in agricultural trade, policy development, service delivery and biosecurity, and is the Australian Delegation Head for the CODEX Alimentarius Commission. In 2019, Ms Hinder received a Public Service Medal in recognition of services to Biosecurity and Trade.



Mr Wayne Terpstra

Chief Operating Officer and Interim DCEO

Mr Wayne Terpstra joined the APVMA permanently in May 2023 as the substantive Chief Operations Officer and Interim Deputy CEO. Mr Terpstra initially joined the APVMA in February 2023 on secondment from the Department of Agriculture, Fisheries and Forestry where he led the Animal and Biological Imports Branch for almost 5 years.

Mr Terpstra has led a broad range of aligned functions at Senior Executive level including, compliance and enforcement policy and operations, intelligence, licensing and registration, technical and scientific functions, client/staff verification, system vulnerability assessment and mitigation, stakeholder engagement and corporate business enabling services.



Dr Sheila Logan BVSc(Hons)

Executive Director, Risk Assessment Capability

Dr Sheila Logan is the Executive Director, Risk Assessment Capability. In this role she manages the expert assessment areas of the APVMA, including chemical review, chemistry and manufacture, efficacy and safety, environment, health, and residues and trade assessment.

Dr Logan has been working in chemical regulation, including both pesticides and industrial chemicals within Australia and overseas, for more than 25 years and has held the position of Executive Director, Risk Assessment Capability since January 2022.



Dr Maria Trainer BSc MSc PhD

Executive Director, Registration Management

Dr Maria Trainer is the Executive Director, Registration Management. In this role, Dr Trainer manages the assessment process for agricultural chemicals and veterinary medicines. Responsibilities include managing pre-application assistance; preliminary assessment and evaluation of product registrations; permits; export certificates and import consents; adverse experience reporting; and manufacturing quality and licensing.

Before joining the APVMA in April 2019 as Director, Pesticides, Dr Trainer held senior positions in both the private and public sectors in Canada and has over 15 years of experience in chemical regulation.



Mr Marco Spaccavento

Senior Executive, Legal Branch

Mr Marco Spaccavento joined the APVMA on secondment from the Department of Agriculture, Fisheries and Forestry in March 2023, initially as Executive, Corporate Support and later temporarily filling the role of Executive General Counsel, supporting the Interim CEO on a range of people and culture matters.

Mr Spaccavento is substantively the Assistant Secretary, People Strategy and Safety at the Department of Agriculture, Fisheries and Forestry, previously leading the Pay Related Entitlements Review Taskforce. Between 2010 and 2022, Mr Spaccavento worked at the Australian Public Service Commission (APSC), most recently as Assistant Commissioner Workplace Relations, where he was responsible for the Commonwealth's workplace relations frameworks for its own employees and led the APSC's COVID-19 response taskforce. Mr Spaccavento has also held roles in workplace relations policy, remuneration policy, workers' compensation, Australian Defence Force remuneration, and employee entitlements support schemes.



Mr Keith Lockyer

Chief Financial Officer

As the Chief Financial Officer, Mr Keith Lockyer has responsibility for overseeing financial operations, planning and reporting, including procurement contracts and assets of the APVMA. Mr Lockyer has been a Certified Practising Accountant since February 2001. Since joining the APVMA in 2019, Mr Lockyer has completed the property relocation of the agency, implementation of a new financial management system, and a new Cost Recovery Implementation Statement to improve the agency's long term financial sustainability.

Prior to joining the APVMA and APS, Mr Lockyer spent 25 years working in local government where he held a variety of roles with responsibility for finance, revenue, inventory, procurement, and contracts, completing a number of projects including implementing integrated planning reporting legislation, long-term financial planning, and a strategic regional partnership for corporate shared services.

Funding

The APVMA is a cost-recovered agency with funding received from levies, fees and charges. Fees and charges include, but are not limited to, registration renewal fees, application fees (product, active constituent, permits) and Good Manufacturing Practice licensing fees.

Levies, collected on the basis of wholesale value of chemical products sold, are imposed under the *Agricultural and Veterinary Chemical Products Levy Imposition (General) Act 1994*, the *Agricultural and Veterinary Chemical Products Levy Imposition (Excise) Act 1994* and the *Agricultural and Veterinary Chemical Products Levy Imposition (Customs) Act 1994*. Levies are collected under the *Agricultural and Veterinary Chemical Products (Collection of Levy) Act 1994*, and the levy rates are prescribed in the Regulations to the Act.

The APVMA also receives some additional funding through government appropriations.

Financial performance

The APVMA's total income for 2022–23 was \$47.208 million. This included:

- industry fees and charges of \$45.143 million
- government appropriation of \$1.663 million
- own source income of \$402,000 (including \$54,000 of resources received free of charge and a grant of \$138,000 for minor use from the Department of Agriculture, Fisheries and Forestry).

Multi-year contracts and commitments necessitated carry-overs of \$2.645 million for relocation and enabling technologies.

The net cost of APVMA services for 2022–23 was \$41.507 million. The cost of the APVMA's industry-related expenses for 2022–23 was \$40.437 million, excluding expenses related to information technology renewal and relocation, which were funded by the carry forward of funds from 2021–22.

The final comprehensive income position for the APVMA was \$5.086 million with an equity balance of \$35.368 million.

Compliance with finance law

Section 19 of the PGPA Act requires, among other things, that agencies notify their responsible minister and the Finance Minister, as soon as practicable, of any significant issue that has affected the entity.

Clayton Utz undertook a high-level review of the APVMA's annual reports from 2018–19 to 2021–22 with respect to provisions contained in the Finance Law. Each of these reports provided there were no significant instances of non-compliance with the Finance Law during the reporting period. Clayton Utz has questioned the veracity of those statements given there is a material risk the APVMA may have breached multiple requirements under the Finance Law including:

- CPR 4.4(a) – encourage competition and be non-discriminatory.
- CPR 4.4(b) – use public resources in an efficient, effective, economical and ethical manner.
- CPR 4.4(c) – facilitate accountable and transparent decision-making.
- CPR 4.5 – consider the quality of the goods and services, the supplier's relevant experience and performance history and whole of life costs.
- CPR 6.5 – ensure ethical procurements of honesty, integrity, probity, diligence, fairness and consistency.
- CPR 7.2 – maintain a level of documentation commensurate with the scale, scope and risk of the procurement.
- CPR 7.3 – maintain documentation on the process that was followed for the procurement, how value for money was considered and achieved and the relevant decisions and the basis of those decisions.
- PGPA Act s 19 – notifying the Minister of significant issues.
- PGPA Act s 46, s 42 PGPA Rule r 17BE – preparing audit reports.

In considering the information provided by Clayton Utz, the then Chair of the APVMA Board wrote to the Minister for Agriculture Fisheries and Forestry, the Minister for Finance and the Auditor General in early July 2023 advising the following events may be significant breaches requiring reporting under of s19 of the PGPA Act:

1. The APVMA did not follow Division 1 of the Commonwealth Procurement Rule (CPR) 4.1-4.6 achieving value for money when entering into the Deed of Realignment in January 2022 with a service provider regarding the myAPVMA project that was subsequently cancelled in December 2022. This breach was discovered by Clayton Utz as part of their review of the APVMA that was completed in July 2023. The APVMA is strengthening our controls and delegations for officers that enter into contracts, as well as improving guidance and training for officer to reduce the likelihood of the breach occurring again.
2. The APVMA is investigating a potential breach in relation to leasing arrangements for our Canberra office. Once the APVMA has determined the significance of the breach, appropriate action will be taken to comply with s19 of the PGPA Act and other relevant Finance Laws.

The APVMA Board has determined that issue number one (above) is a significant breach of Finance Law. The APVMA Board continues to review information provided in relation to other potential breaches.

Staff profile

The APVMA has offices at 2 locations within Australia: Armidale and Canberra. Details of our office locations are provided in Table 2.

Table 2: APVMA office locations

Office	Street address	Postal address
Armidale	102 Taylor Street Armidale NSW 2350	GPO Box 3262 Sydney NSW 2001
Canberra	Level 1, 11 Faulding Street Symonston ACT 2609	

Table 3 provides details of Australian Public Service (APS) employees employed at the APVMA under the *Public Service Act 1999* in 2022–23.

Table 3: Total number of APVMA employee substantive positions as at 30 June 2023

Classification	Full-time (ongoing)	Part-time (ongoing)	Non-ongoing and casual	Total
CEO	0	0	1	1
Senior Executive Officer	4	0	0	4
EL2	20	0	3	23
EL1	41	9	3	53
APS6	49	6	4	59
APS5	35	2	5	42
APS4	12	1	7	20
APS3	1	0	0	1
APS2	0	0	0	0
Trainee	0	0	0	0
Total	162	18	23	203*

* Total as at 30 June 2023.

EL = Executive Level.

Table 4 provides additional detail about all ongoing APS employees employed at the APVMA in 2022–23.

Table 4: Total number of ongoing APS employees employed by the APVMA during the current reporting period

	Man/male		Woman/female		Non-binary		Prefers not to answer		Uses a different term		
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
NSW	56	3	79	13	0	0	0	0	0	0	0
ACT	24	1	19	3	0	0	0	0	0	0	0
Total	80	4	98	16	0	0	0	0	0	0	0
Total											198

Table 5 provides additional detail about all ongoing APS employees employed at the APVMA during the previous reporting period.

Table 5: Total number of ongoing APS employees employed by the APVMA during the previous reporting period

	Man/male		Woman/female		Non-binary		Prefers not to answer		Uses a different term		
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
NSW	60	2	80	12	0	0	0	0	0	0	0
ACT	22	2	17	2	0	0	0	0	0	0	0
Total	82	4	97	14	0	0	0	0	0	0	0
Total											197

Table 6 provides additional detail about all non-ongoing APS employees employed at the APVMA in 2022–23.

Table 6: Total number of non-ongoing APS employees employed by the APVMA during the current reporting period

	Man/male		Woman/female		Non-binary		Prefers not to answer		Uses a different term		
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
NSW	7	0	13	1	0	0	0	0	0	0	21
ACT	4	1	2	0	0	0	0	0	0	0	7
Total	11	1	15	1	0	0	0	0	0	0	28

Table 7 provides additional detail about all non-ongoing APS employees employed at the APVMA during the previous reporting period.

Table 7: Total number of non-ongoing APS employees employed by the APVMA during the previous reporting period

	Man/male		Woman/female		Non-binary		Prefers not to answer		Uses a different term		
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
NSW	8	1	13	5	0	0	0	0	0	0	27
ACT	3	0	0	1	0	0	0	0	0	0	4
Total	11	1	13	6	0	0	0	0	0	0	31

Key management personnel

During the reporting period, the APVMA had the following executives who met the definition of key management personnel (KMP). Their names and length of term as KMP are summarised in Table 8. Their remuneration is shown in Tables 9 and 10.

Table 8: Key management personnel

Name	Position	Term as KMP
Dr C Hillyard AM	Board Chair	Full year
Dr J Burdon	Board member	Full year
Mrs M Gooch	Board member	Full year
Dr S Jefferies AM	Board member	Full year
Ms N Hinder PSM	Interim Chief Executive Officer (CEO)	13 February 2023 to 30 June 2023
Ms L Croft	CEO	Full year
Mr W Terpstra	Chief Operating Officer (COO)	22 May 2023 to 30 June 2023
	Interim Deputy CEO (DCEO)	3 April 2023 to 30 June 2023
	Interim COO	3 April 2023 to 21 May 2023
	Senior Executive Advisor	13 February 2023 to 2 April 2023
Dr J Lutze	DCEO	Full year
	Acting CEO	Short-term acting
Dr S Logan	Executive Director, Risk Assessment Capability (EDRAC)	Full year
	Acting Executive Director, Registration Management (EDRM)	Short-term acting
	Acting DCEO	Short-term acting
Dr M Trainer	EDRM	10 February 2023 to 30 June 2023
	EDRM	1 July 2022 to 9 February 2023
Mr M Spaccavento	Senior Executive, Legal Branch	3 April 2023 to 30 June 2023
	Senior Executive Advisor	6 March 2023 to 2 April 2023
Dr R Chay	COO	12 August 22 to 13 January 2023
	Acting COO	1 July 2022 to 11 August 2022
Mr A Nawaz	General Counsel (GC)	1 July 2022 to 18 April 2023
	Acting COO	Short-term acting

Name	Position	Term as KMP
Mr K Lockyer	Chief Financial Officer (CFO)	19 April 2023 to 30 June 2023
	Acting COO	Short-term acting
Mr A Heath	Board Secretary	19 April 2023 to 30 June 2023
Ms J Akerman	Acting CFO	Short-term acting
Ms B Battisson	Acting EDRM	Short-term acting
Mr H Dawick	Acting EDRM	Short-term acting
Mr J Deller	Acting EDRAC	Short-term acting
Ms K Higgins	Acting EDRM	Short-term acting
Mr S Margerison	Acting EDRAC	Short-term acting
Mr J Mooketsi	Acting COO	Short-term acting
Ms Z Nadimi	Acting GC	Short-term acting
Ms P Oxford	Acting COO	Short-term acting
Ms J Robinson	Acting COO	Short-term acting
Mr D Sibanda	Acting EDRM	Short-term acting
Mr R Wilson	Acting GC	Short-term acting

Table 9: Summary of key management personnel remuneration

Short-term employee benefits	2022-23 \$	2021-22 \$
Base salary	2 145 451	1 832 090
Bonuses	1 538	0
Other benefits and allowances	0	0
Total short-term employee benefits:	2 146 989	1 832 090
Superannuation	306 344	253 712
Total post-employment benefits:	306 344	253 712
Long-service leave accrued	42 768	40 542
Total other long-term employee benefits:	42 768	40 542
Terminations	0	5 521
Total key management personnel remuneration	2 496 100	2 131 865

Senior Executive personnel

The APVMA had no Senior Executive staff earning more than \$220,000 this financial year, not included above.

Other highly paid staff

The APVMA had no other highly paid staff earning more than \$240,000 this financial year.

Board member remuneration

As statutory officers, the non-executive members of the APVMA Board are remunerated in accordance with determinations made by the independent Remuneration Tribunal under the *Remuneration Tribunal Act 1973*.

Senior Executive Remuneration Policy

Chief Executive Officer

As a statutory officer, the APVMA CEO is remunerated in accordance with determinations made by the independent Remuneration Tribunal under the *Remuneration Tribunal Act 1973*.

Senior Executive Officers

The terms and conditions of employment for the APVMA's Senior Executives are established under subsection 24(1) of the *Public Service Act 1999* and outlined in the respective employee's determination. Factors used by the CEO to determine the relevant remuneration are experience and level of responsibility, taking comparable salaries for senior executives across the APS into consideration. The APVMA Enterprise Agreement is also considered.

Table 10: Key management personnel remuneration

Name	Position title	Base salary	Short-term benefits				Post-employment benefits			Other long-term benefits		Termination benefits	Total
			Annual leave accrual	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits					
Dr C Hillyard AM	Board Chair	94 993	0	0	0	14 916	0	0	0	0	0	109 909	
Dr J Burdon	Board member	47 154	0	0	0	4 971	0	0	0	0	0	52 125	
Mrs M Gooch	Board member	47 154	0	0	0	4 971	0	0	0	0	0	52 125	
Dr S Jefferies AM	Board member	47 154	0	0	0	4 971	0	0	0	0	0	52 125	
Ms N Hinder PSM	Interim Chief Executive Officer (CEO)	155 212	11 737	0	0	20 433	3 301	0	0	0	0	190 683	
Ms L Croft	CEO	345 654	26 487	0	0	52 010	8 523	0	0	0	0	432 674	
Mr W Terpstra	Chief Operating Officer (COO) / Interim Deputy CEO (DCEO) / Senior Executive Advisor	92 221	7 952	0	0	17 650	2 323	0	0	0	0	120 146	
Dr J Lutze	DCEO / Acting CEO	231 424	17 734	0	0	43 312	5 706	0	0	0	0	298 176	

Name	Position title	Base salary	Short-term benefits				Post-employment benefits			Other long-term benefits		Total
			Annual leave accrual	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits	Termination benefits			
Dr S Logan	ED – Risk Assessment Capability (EDRAC) / Acting DCEO	198 730	15 228	0	0	37 367	4 900	0	0	0	256 225	
Dr M Trainer	EDRM	202 773	15 538	1 538	0	26 859	5 000	0	0	0	251 708	
Mr M Spaccavento	Senior Executive, Legal Branch / Senior Executive Advisor	78 788	5 949	0	0	13 593	1 480	0	0	0	99 811	
Dr R Chay	COO	114 268	8 756	0	0	16 017	2 818	0	0	0	141 860	
Mr A Nawaz	General Counsel (GC) / Acting COO	126 212	9 671	0	0	19 630	3 112	0	0	0	158 626	
Mr K Lockyer	Chief Financial Officer (CFO) / Acting COO	32 945	2525	0	0	4 827	812	0	0	0	41 109	
Mr A Heath	Board Secretary	31 137	2 386	0	0	4 871	768	0	0	0	39 162	
Ms J Akerman	Acting CFO	16 894	1 295	0	0	1 990	417	0	0	0	20 595	

Name	Position title	Base salary	Post-employment benefits						Total	
			Short-term benefits			Other long-term benefits				
			Annual leave accrual	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits	Termination benefits	
Ms B Battisson	Acting EDRAC	2 232	171	0	0	246	55	0	0	2 704
Mr H Dawick	Acting RM	20 582	1 577	0	0	2 438	507	0	0	25 104
Mr J Deller	Acting EDRAC	25 293	1 938	0	0	3 148	624	0	0	31 003
Ms K Higgins	Acting EDRM	16 385	1 256	0	0	2 004	404	0	0	20 049
Mr S Margerison	Acting EDRAC	11 903	912	0	0	1 761	293	0	0	14 869
Mr J Mooketsi	Acting C00	27 525	2 109	0	0	3 304	679	0	0	33 617
Ms Z Nadimi	Acting GC	10 399	797	0	0	1 444	256	0	0	12 895
Ms P Oxford	Acting C00	3 231	248	0	0	357	80	0	0	3 916
Ms J Robinson	Acting C00	4 847	371	0	0	238	120	0	0	5 576
Mr D Sibanda	Acting EDRM	15 983	1 225	0	0	1 772	394	0	0	19 375
Mr R Wilson	Acting GC	7 890	605	0	0	1 244	195	0	0	9 934
Total		2 008 984	136 467	1 538	0	306 344	42 768	0	0	2 496 100

Ministerial directions and government policy orders

The following government policy orders made under section 22 of the PGPA Act applied to the APVMA during the reporting period:

- Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017
- Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016

Significant activities and changes

During 2022–23, the APVMA experienced a significant change in the Senior Executive structure of the organisation. Table 11 provides an overview of these changes.

Table 11: Changes in Senior Executive structure

Name	Position	Date	Description
Ms Nicola Hinder PSM	Interim CEO	13 February 2023	Commenced as Interim CEO following appointment by the APVMA Board
Mr Wayne Terpstra	Chief Operating Officer	22 May 2023	Commenced as Chief Operating Officer following permanent transfer from the Department of Agriculture, Fisheries and Forestry (DAFF)
	Acting Chief Operating Officer	3 April 2023	Commenced as acting Chief Operating Officer to fill vacant position
	Interim Deputy Chief Executive Officer	3 April 2023	Commenced as Interim DCEO following extended leave by Dr Lutze
	Senior Executive Advisor	13 February 2023	Temporary secondment from DAFF to assist Interim CEO
Mr Marco Spaccavento	Senior Executive, Legal Branch	3 April 2023	Commenced as Senior Executive, Legal Branch to fill vacant position
	Senior Executive Advisor	6 March 2023	Temporary secondment from DAFF to assist Interim CEO
Ms Lisa Croft	Chief Executive Officer	13 February 2023	Commenced period of extended leave
Dr Jason Lutze	Deputy Chief Executive Officer		Commenced period of extended leave

On 27 March 2023, the APVMA announced structural changes in corporate areas and amendments to Senior Executive Staff (SES) reporting lines. Key changes included:

- merging the positions of Deputy Chief Executive Officer (DCEO) and Chief Operating Officer (COO)
- reclassifying the position of Chief Operating Officer to Executive General Counsel
- changing the reporting lines for the Executive Directors of Registration Management and Risk Assessment Capability to report directly to the CEO.

Following consultation with staff, these changes took effect from 3 April 2023.

On 27 April 2023 the APSC approved a temporary increase in the SES cap for the APVMA from 4 to 5.

On 9 August 2022, the Agricultural and Veterinary Chemicals Code (Allowable Variation in Concentrations of Constituents in Agricultural Chemical Products) Standard 2022 came into effect. This instrument establishes a standard under section 6E of the Agvet Code for agricultural chemical products and specifies the prescribed extent by which measured concentrations of constituents (both active and non-active) of registered agricultural chemical products may differ from the corresponding values on the Register for a particular product.





Chapter 3

Annual performance statement

Annual performance statement

The APVMA Corporate Plan 2022–23 established 4 strategic objectives to help the APVMA achieve our purpose and vision.

Figure 1: APVMA strategic priorities

Outcome 1			
Protection of the health and safety of people, animals, the environment, and agricultural and livestock industries through regulation of pesticides and veterinary medicines			
Portfolio Budget Statement			
Program 1.1 Australian Pesticides and Veterinary Medicines Authority			
Objective: The APVMA regulates agricultural and veterinary chemicals up to and including at the point of sale to protect the health and safety of people, animals and crops, the environment and trade and support Australian primary industries.			
Key performance indicator: Registered chemicals are available for product registrations, activities and permits.			
2022–23 target: 100% of applications were completed within timeframes.			
Corporate Plan strategic objectives			
Agricultural and veterinary chemicals are efficiently and effectively regulated	Through clear and transparent stakeholder engagement we support and encourage compliance with the regulatory framework	The APVMA is a trusted regulator and recognised globally for its leading practice	Our workforce is supported and developed to deliver an efficient and effective contemporary regulatory practice
Corporate Plan measures and targets			
Proportion of applications finalised within legislative timeframes (target: 100%)	Proportion of stakeholders that report a high level of satisfaction in regard to the quality of collaborative engagements with the APVMA (target: 65%)	The number of domestic and international stakeholder engagements APVMA staff participate in that work towards tangible outcomes (target: 30)	Proportion of APVMA staff that report a high level of engagement with the APVMA (target: 75%)

Outcome 1

Protection of the health and safety of people, animals, the environment, and agricultural and livestock industries through regulation of pesticides and veterinary medicines

Proportion of applications that pass quality audits under the Quality Management Framework (target: 100%)	Proportion of stakeholders that report a high level of satisfaction in regard to the clarity, transparency and consistency of the APVMA's guidance information (target: 70%)	Proportion of APVMA staff that participate in professional development training and/or other educational activities above and beyond core training requirements (target: 75%)	Proportion of APVMA staff that report a high level of satisfaction in regard to the APVMA's business processes (target: 80%)
		Proportion of committed reform projects implemented within the required timeframes (target: 80%)	
		Percentage of reconsiderations completed in accordance with Chemical Review Program Plan (target: 100%)	

Measuring our performance

Each of the objectives have associated activities and performance measures to ensure:




- our business continues to transform with industry, science and environmental factors, and make evidence-based regulatory decisions to protect the health and safety of people, animals and the environment
- we maintain the quality and timeliness of our decisions, while applying our scientific expertise to align the effort of regulatory intervention with the risks being managed
- we enable our operations to deliver effective regulatory evaluation and registration of agvet chemical products.

Results against performance criterion

This chapter provides the results of our performance against the APVMA Portfolio Budget Statement (PBS) and measures listed in the Corporate Plan 2022–23.

Results against these measures are presented in this report in tables. A summary and explanation of the performance is provided at the beginning of each section. Achievement of each performance measure is rated using the guide shown in Table 12.

Table 12: Performance rating guide

Rating	Guide
 Performance met target	The performance result achieved or exceeded the identified target
 Performance partially met target	The performance result achieved 80% or more of the identified target OR The performance result met some, but not all, of the identified targets
 Performance did not meet target	The performance results achieved less than 80% of the identified target

Variation from the APVMA Portfolio Budget Statement

There have been no variations from the APVMA Portfolio Budget Statement in 2022–23.

Statement of preparation by the APVMA Board Chair

I, as the Accountable Authority of the APVMA, present the 2022–23 annual performance statement of the APVMA, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity and comply with subsection 39(2) of the PGPA Act.





Dr Stephen Jefferies

Acting Chair


6 September 2023

Strategic objective 1: Agricultural and veterinary chemicals are efficiently and effectively regulated

Summary and explanation of performance

Performance measure	Target performance	Actual performance	Performance result
Proportion of applications finalised within legislative timeframes	100%	96.8%	 Partially met
Proportion of applications that pass quality audits under the Quality Management Framework	100%	99%	 Partially met

Results against corporate performance measures

Activity	The APVMA provides the agvet industry and end users with timely and predictable access to high-quality agvet chemicals
Measure	Proportion of applications finalised within legislative timeframes
Source	Corporate Plan 2022–23
Target	100%
Actual	96.8%
Result	 Performance partially met target

Based on data extracted from the internal portal database for the 2022–23 financial year, 96.8% of the 3,000 applications processed were completed within timeframe. Table 13 shows a breakdown of applications processed by area and timeframe performance.

Table 13: Breakdown of applications processed by area and timeframe performance

Area	Number of applications processed	Percentage of applications completed within timeframe
Pesticides	1 030	94.4%
Veterinary medicines	1 135	99.4%
Non-emergency use permits	505	95.8%
Actives	330	97.3%


The APVMA did not meet the timeframes specified in our legislation in line with our performance target. Factors that limited our ability to meet this target, included (but were not limited to):

- strategic reprioritisation of scientific resources in Risk Assessment Capability to accelerate the processing of chemical reviews
- uncertainty regarding the complexity of the applications submitted
- availability and/or response times of stakeholders and/or applicants
- uncertainty regarding the volume and complexity of incoming applications in a given period
- other factors largely out of our control.

Despite these concerns, we maintained a strong focus on building our capability, strengthening stakeholder engagement to manage potential delays, and delivering continuous process improvements through quality assessments and general process improvements. These efforts have contributed to our performance for the financial year 2022–23.

The APVMA focussed on the completion of quality evaluations, with a high level of attention placed on ensuring the statutory criteria was met. Where this delayed the finalisation of an application (either due to additional requirements for consultation, or through a highly complex evaluation), we provided regular updates to the applicant, including estimates of anticipated completion dates.

Ensuring the APVMA meets its legislated timeframe creates surety for applicants with regard to the regulatory process and facilitates the timely provision of agvet chemicals to the Australian community.

Activity	The APVMA assures registered agvet chemicals are, and remain safe and efficacious
Measure	Proportion of applications that pass quality audits under the Quality Management Framework
Source	Corporate Plan 2022–23
Target	100%
Actual	90%
Result	 Performance partially met target

The APVMA Quality Management Framework is a system of quality control and monitoring programs designed to provide reasonable assurance that we comply with our legal and regulatory responsibilities during the application assessment process.

The APVMA Quality Management Framework aligns with quality framework implementation and guidance information from the Australian National Audit Office (ANAO) Insights Report and the international standard that regulates Quality Management Systems (ISO 9001:2015 Quality Management Systems – Requirements).

Process audits check the sequence of processes required for the evaluation of an application for approval, variation of an active constituent or registration/variation of an active product in the Registration Management and Risk Assessment Capability programs. Conducting regular process audits in line with our internal audit plan assists the APVMA in ensuring we are consistently meeting a standard that is appropriate, fit-for-purpose, and meets our legal requirements and our stakeholders needs and expectations.

During the reporting period, a total of 217 process audits were conducted covering a wide range of applications finalised within the reporting period. Of this:

- 195 applications were audit compliant.
- 12 applications were identified as having minor non-compliance, with no material impact on regulatory decisions.
- 10 applications were identified as requiring further investigation to understand the cause of the near-misses.

Analysis of the results has identified the key causes of non-compliance or near misses, which were:

- Applications and/or supporting data were incorrectly filed in our document management system.
- Misalignment between milestone dates recorded across applications and/or tracking systems.
- Documentation for internal procedures did not reflect current practice.
- Human and/or system error during non-critical step.

Strategic objective 2: Through clear and transparent stakeholder engagement we support and encourage compliance with the regulatory framework

Summary and explanation of performance

Performance measure	Target performance	Actual performance	Performance result
Proportion of stakeholders that report a high level of satisfaction in regard to the quality of collaborative engagements with the APVMA	65%	64%	Partially met
Proportion of stakeholders that report a high level of satisfaction in regard to the clarity, transparency and consistency of the APVMA's guidance information	70%	Average of 64%	Partially met

Results against corporate performance measures

Activity	The APVMA delivers high quality stakeholder experiences
Measure	Proportion of stakeholders that report a high level of satisfaction in regard to the quality of collaborative engagements with the APVMA
Source	Corporate Plan 2022–23
Target	65%
Actual	64%
Result	 Performance partially met target

The APVMA conducts an annual survey of our clients and stakeholders to determine their level of satisfaction with our performance and services. The survey covers a wide range of factors, including staff support and engagement with stakeholders, access to reliable and current guidance information, the level and appropriateness of communication, and the APVMA's mechanisms for gathering feedback and information from stakeholders.

The survey contains a range of both qualitative and quantitative questions that assist with measuring our performance, provide insights into what is working well and identify opportunities for improvement. These results can also be used to help inform regulatory and operational improvement in addition to advising our ongoing conversations with state and federal regulatory bodies.


The survey was distributed to all subscribers of the APVMA news and updates mailing list, and was promoted through our website, social media, and staff email signatures. The

survey was open during April and May 2023. For the 2022–23 reporting period the APVMA conducted a shortened form of the survey that was more targeted and did not collect qualitative data for every response. An optional free-text field to provide general feedback was included at the end of the survey.

Three hundred and eleven stakeholders responded to the survey, with 75 stakeholders having participated in collaborative engagements with the APVMA within the last 12 months. Of these, 64% of respondents reported that they were satisfied with the quality of the engagement, 23% were neutral, 4% dissatisfied and 9% very dissatisfied.

Responses were on a zero to 10 scale, with scores of 7 and above being ranked as ‘satisfied’. If scores of 6 were included in ‘satisfied’ the result is 75% satisfied, suggesting that most stakeholders have at least a somewhat positive experience of stakeholder engagement.

The small number of respondents (75) make it difficult to know what is driving this result; however, comments highlighted both positive and negative stakeholder experiences, for example ‘ongoing consultation and liaison with industry is still lacking (e.g. conferences, working groups, opportunities for feedback)’ and ‘stakeholder engagement is really positive’.

Activity	The APVMA provides guidance and information that is up-to-date, clear and easily accessible
Measure	Proportion of stakeholders that report a high level of satisfaction in regard to the clarity, transparency and consistency of the APVMA's guidance information
Source	Corporate Plan 2022–23
Target	70%
Actual	Average – 64% <ul style="list-style-type: none"> ● Clarity – 61% ● Transparency – 70% ● Consistency – 61%
Result	 Performance partially met target

Providing clear, reliable and accessible guidance is a key responsibility of a regulatory agency and supports compliance with the regulatory system.

The APVMA provides a range of guidance material, including pre-application assistance and website information such as data provision guidelines. Stakeholders who have engaged with this material in the past 12 months were asked about the quality of this guidance material through the 2022–23 Stakeholder Survey.

The survey was distributed to all subscribers of the APVMA news and updates mailing list, and was promoted through our website, social media, and staff email signatures. The survey was open during April and May 2023. For the 2022–23 reporting period the APVMA conducted a shortened form of the survey that was more targeted and did not collect

qualitative data for every response. An optional free-text field to provide general feedback was included at the end of the survey.

Three hundred and eleven stakeholders responded to the survey, with 119 stakeholders having used APVMA guidance material within the previous 12 months. Of these, 61% were satisfied with the clarity, 70% with the transparency and 61% with the consistency of the guidance information.

Respondents were ranked as 'satisfied' if they responded with a score of 7 or above on a scale of zero to 10. When a score of 6 or above is classified as 'satisfied', the results for satisfaction increased to 71% for clarity, 76% for transparency, and 68% for consistency, indicating that most respondents had a somewhat positive response to our guidance material.

The reasons for these results are not clear from the survey and may vary between stakeholders. Comments from the survey suggest that some stakeholders find the website difficult to navigate, and others find the information too technical.



Case study: Revised Veterinary Labelling Code

This Veterinary Labelling Code (VLC) draws together the requirements of the Agricultural and Veterinary Chemicals Code (Agvet Code) and the Agricultural and Veterinary Chemicals Code Regulations 1995 (Agvet Code Regulations), including the relevant particulars of labels and label conditions. It also includes additional guidance developed by the APVMA to ensure that labels for containers for veterinary chemical products reflect current best practice. Specifically, the VLC is presented as a series of labelling requirements that cover the label content, presentation and layout of the approved and marketed labels. The VLC may be revised from time to time.

On 24 November 2022, the APVMA published the revised VLC, following a comprehensive review of the labelling requirements and guidance notes for veterinary chemical products. The VLC was last reviewed in 2015.

This followed feedback received from industry in 2019, when industry stakeholders – mainly applicants – expressed the need for more clarity around several general and specific labelling requirements and/or guidance, to support e-label submissions and presentation of marketed labels. No legislative changes were made during the review.

The review project included:

- A review of a total of 47 (18 specific) labelling requirements that were developed section by section (with industry comments obtained along the way).
- Addition of 3 new specific labelling requirements and one new guidance webpage.
- A redesign and restructuring of the VLC presentation on our website to improve overall user experience.
- 28-day public consultation of the revised VLC in the new website presentation.
- Publication of a Document Change Record on the APVMA website that provides information about the changes that have been implemented to each section of the VLC.

On completion of the review and public consultation, the content was prepared for Executive approval and official publication on the APVMA website. The updates to the VLC have been beneficial for both the Australian veterinary medicines sector and the APVMA, and have resulted in:


- delivery of a VLC fit-for-purpose, providing clear and unambiguous guidance to industry and regulators
- a VLC that enshrines the current legislative requirements and best practice to ensure veterinary chemical labels provide appropriate advice to ensure safe and effective use of all veterinary medicines
- enhanced online presentation of the Veterinary Labelling Code, with improved web readability and usability.

Strategic objective 3: The APVMA is a trusted regulator and recognised globally for its leading practice

Summary and explanation of performance

Performance measure	Target performance	Actual performance	Performance result
The number of domestic and international stakeholder engagements APVMA staff participate in that work towards tangible outcomes	30	49	Met
Proportion of APVMA staff that participate in professional development training and/or other educational activities above and beyond core training requirements	75%	93%	Met
Proportion of committed reform projects implemented within the required timeframes	80%	100%	Met
Percentage of reconsiderations completed in accordance with Chemical Review Program Plan	100%	33%	Did not meet

Performance against corporate performance measures

Activity	The APVMA participates in opportunities to embrace new ways of working, which ensures the regulatory framework continues to be recognised as a global leader in agvet chemical regulation
Measure	The number of domestic and international stakeholder engagements APVMA staff participate in that work towards tangible outcomes
Source	Corporate Plan 2022–23
Target	30
Actual	49
Result	 Performance met target

The APVMA participated in 49 domestic and international stakeholder engagements during the reporting period. These engagements are presented in Tables 18 to 20 in *Consultation and collaboration*.

Effective consultation with our stakeholders is an essential component in supporting us to achieve our purpose and corporate objectives. Stakeholder consultation is also a requirement for cost recovered agencies and guides our work to support Australia's National Registration Scheme and ensure the safety of people, animals and the environment.

In September 2022, the APVMA implemented a formal process for recording the outcomes of international meetings where appropriate. The implementation of the international meeting report process supports information sharing and continual learning for all staff. It also ensures relevant tangible outcomes from these meetings are captured and made available for consideration by the APVMA, supporting our continued efforts to embrace new and innovative ways of working.



Case study: Joint Meeting on Pesticides Residues

The APVMA engages in international activities relating to the establishment of Health Based Guidance Values and Maximum Residue Limits (MRLs) at the international level through a number of Codex Committees and their subsidiary technical bodies. In partnership with the Department of Agricultural, Fisheries and Forestry, the APVMA attended a meeting of the Codex Committee on the Residues of Veterinary Drugs in Food in February, and of the Codex Committee on Pesticides Residues (CCPR) in June 2023.


In support of the work of the CCPR, APVMA staff actively participated in the Joint Meeting on Pesticides Residues (JMPR), with one residues evaluator and 2 toxicology evaluators preparing monographs and attending the meeting. The staff attended based on individual expertise and were supported by the APVMA to prepare monographs and attend the meetings.

There are benefits for staff and the APVMA in providing input into such high-level scientific technical meetings, including international recognition of their expertise and work, interaction with scientists of the highest calibre from around the world, and the opportunity to foster collaborative relationships with other comparable regulators.

The establishment of MRLs through Codex Committees provides international standards, to some extent, which has potential to assist in international trade, particularly as some markets may use Codex MRLs as a default value for permissible levels of pesticides in foods. The CCPR meeting in 2022 established 318 MRLs, while in 2021, the Committee established 401 MRLs. As the CCPR meeting for 2023 occurred at the end of June, we do not have information on the number of MRLs established at that meeting.

Under the APVMA International Assessment Policy, assessments prepared by the JMPR can be utilised in the assessment process for new actives, new products and for extension of the use of products into new crops. For these applications, the APVMA requires the submission of all data underpinning the evaluation; however, is able to rely on the international assessment, without re-evaluating the individual studies. The confidence to accept such reports in this manner is facilitated by the participation of APVMA staff in the work of the JMPR – we are confident that the assessment methodologies are rigorous, and the conclusions are sound.

The number of applications assessed in this way is relatively limited – primarily because applications are frequently received and assessed by the APVMA prior to being considered by JMPR – however, when available, significant time savings are reached by the use of the international reports.

Activity	The APVMA participates in opportunities to embrace new ways of working, which ensures the regulatory framework continues to be recognised as a global leader in agvet chemical regulation
Measure	Proportion of APVMA staff that participate in professional development training and/or other educational activities above and beyond core training requirements
Source	Operational Plan 2022–23
Target	75%
Actual	93%
Result	 Performance met target

The APVMA utilises several pathways to support the ongoing professional development of our staff, including:

- LearnHub – The APVMA’s internal learning and development system.
- APSLearn – An APS wide training and development system.
- Study leave for staff to further their education.


During the reporting period, 184 staff participated in professional development or other educational activity above and beyond their core training requirements. This equates to 93% of the workforce.¹

To enable this, the Workforce Capability Team focused on delivering a wide variety of learning opportunities to cater for agency priorities whilst meeting the needs of individuals. This included:

- Facilitating the delivery of 26 training courses on LearnHub.
- Establishment of monthly Legal Insights topics to improve understanding of our regulatory framework.
- Facilitating the Australia and New Zealand School of Government’s Executive Masters scholarships for high performing leaders.
- Development and delivery of eLearning packages on:
 - respectful workplaces to reflect the findings of our culture audit
 - procurement to address some of the findings outlined in the internal audit on Procurement and Contract
 - emergency evacuations to address safety obligations for our staff.
- Engagement with a variety of Community of Practice organisations relevant to the APVMA, promoting events and learning opportunities for APVMA staff.

In total, APVMA staff participated in 40 unique professional development or other educational courses during the reporting period.

¹ This is based on an average headcount of 196 staff employed by the APVMA over the reporting period.

Activity	The APVMA ensures efficient and effective delivery of the regulatory framework
Measure	Proportion of committed reform projects implemented within the required timeframes
Source	Operational Plan 2022–23
Target	80%
Actual	100% (5/5)
Result	 Performance met target

The APVMA has completed implementation of the reforms arising from the *Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Act 2021* (Improvements Act), as passed by the Parliament on 1 December 2021. A project plan was established to support the effective implementation of these reforms. In line with this plan, the following reform activities were completed during 2022–23:

- Improvements Act Part 4 – Annual returns and record-keeping (implemented for returns in 2021–22)
- Improvements Act Part 3b – Extension periods for protected data arising from chemical reconsiderations
- Improvements Act Part 6 – Defects at preliminary assessment
- Regulation 41 Amendment, including publication of the Agricultural and Veterinary Chemicals Code (allowable Variation in Concentrations of Constituents in Agricultural Chemical Products) Standard 2022
- Development of a standardised reform process

The implementation of these reforms improves the effectiveness and efficiency of the national system for regulating agricultural and veterinary chemical products. Reform of Part 4 has harmonised the annual return and levy processes for those liable to pay a levy on a chemical product. Part 6 reform allows the APVMA and applicants to rectify minor defects in applications at preliminary assessment, instead of being required to refuse applications.

The development of the standardised reform process has also allowed for better forward planning of reform projects throughout the year by ensuring an effective balance of work across the agency.



Case study: Implementation of the *Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Act 2021*

The *Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Act 2021* (the APVMA Board and Other Improvements Act) came into force on 7 December 2021.

This Act amended the *Agricultural and Veterinary Chemicals Code Act 1994*, the *Agricultural and Veterinary Chemicals (Administration) Act 1992*, and the *Agricultural and Veterinary Chemical Products (Collection of Levy) Act 1994* and contained over 20 measures of varying significance requiring changes to the way the APVMA operated under the legislation. The changes came into effect in tranches from 7 December 2021 to 7 December 2022.


To ensure timely and full implementation of these varied measures while continuing to deliver business as usual work, we established a Project Governance Board to oversee and monitor implementation. This board consisted of all Senior Executives and a number of directors with direct responsibility for the work areas affected by the measures.

The Project Governance Board was supported by a Project Team, which identified an owner at the EL2 level to take responsibility for implementation of each measure, and implementation plans were developed. Implementation included work such as amendments to IT systems and online forms, changes to work processes and practises, staff training, web information updates, and education of affected stakeholders.

The Project Governance Board met with responsible directors, initially weekly, then later in the project, monthly or as required to ensure the work towards implementation of each measure was being progressed according to the implementation plan.

As each measure came into effect, the Project Governance Board considered the work toward implementation and signed off on a closure report when the measure had been fully implemented. By March 2023, all measures had been fully implemented according to their implementation plans.

Further details of the measure can be found on our website at apvma.gov.au/node/94871.

Activity	The APVMA ensures efficient and effective delivery of the regulatory framework
Measure	Percentage of reconsiderations completed in accordance with Chemical Review Program Plan
Source	Operational Plan 2022–23
Target	100%
Actual	33%
Result	 Performance did not meet target

Ensuring the continued safety and efficacy of agvet chemicals registered for use in Australia is a key part of the APVMA's regulatory role and is a central to the vision and purpose of the APVMA.

A formal reconsideration process is initiated by the APVMA when credible, new scientific information is generated after a product has been registered that suggests the existence of previously unknown risks to human health, animal or crop safety, the environment or trade, or that suggests product ineffectiveness. More information about the reconsideration process is available on our website at apvma.gov.au/node/10966.

Reconsiderations are complex, involve a large number of products and labels and take extended periods for the assessment and consultations. The reconsiderations involve a wide range of stakeholders including industry experts, state, federal and international counterparts, and the Australian public through our public consultation process.

The work plans for current chemical reviews proposed the publication of the final decisions of the following reconsiderations in the 2022–23 financial year:

- Procymidone
- Malathion
- Neomycin

The reconsideration of procymidone was completed in October 2022. The proposed regulatory decision of malathion was published in November 2022 and the final decision has been delayed as access to protected information by secondary holders needs to be resolved. The reconsideration of malathion is currently expected to be finalised in late 2023.

During the latter half of the 2023–23 reporting period, the APVMA received new information regarding dimethoate. Key resources assigned to the assessment of neomycin were reallocated to assess the information, which resulted in the APVMA identifying the need to take appropriate regulatory action to address the identified concerns with dimethoate. This action is expected to be published in the first quarter of the 2023–24 financial year. Consequently, the work plan for the neomycin reconsideration will be reviewed and amended in July 2023.

The Chemical Review Team has taken steps to mitigate identified risks with registered products using other regulatory mechanisms, i.e. label amendments. This action ensures that the APVMA remains satisfied that products available on the market remain safe, efficacious, and in line with statutory requirements.


The 2021 Joint Meeting on Pesticides Residues (JMPR) recommended changes to the residue definition and Codex Maximum Residue Limits for fipronil. The APVMA considered the potential impact of this decision and in October 2022 announced the extension of the reconsideration of fipronil on the basis of residues and trade concerns (see [apvma.gov.au/node/105586](https://www.apvma.gov.au/node/105586) for more information). As a result of extension, additional data was received which has been incorporated into the reconsideration. This has better positioned the APVMA to assess the implications of this international decision in the Australian context and protect the health and safety of Australians.

Strategic objective 4: Our workforce is supported and developed to deliver an efficient and effective contemporary regulatory practice

Summary and explanation of performance

Performance measure	Target performance	Actual performance	Performance result
Proportion of APVMA staff that report a high level of engagement with the APVMA	75%	70%	Partially met
Proportion of APVMA staff that report a high level of satisfaction in regard to the APVMA's business processes	80%	Not conducted	Did not meet

Performance against corporate performance measures

Activity	The APVMA's workforce is connected with, and committed to, working for the APVMA
Measure	Proportion of APVMA staff that report a high level of engagement with the APVMA
Source	Operational Plan 2022–23
Target	75%
Actual	70%
Result	 Performance partially met target

The Australian Public Service (APS) Employee Census Survey (survey) is conducted each year by the Australian Public Service Commission (APSC) to collect confidential attitude and opinion information from APS employees on issues in the workplace. It is an opportunity for APS employees to share their experiences of working in the APS, and provides insight into employees' views about the APS, their agency and their workplace.

The employee engagement score is established by the APSC as part of the survey, and incorporates the extent to which employees are motivated, inspired, and enabled to improve an organisation's outcomes. We use this metric to understand how our workforce is connected with, and committed to, working for the authority.

The survey was open for all APS employees between 8 May and 9 June 2023.

The APVMA achieved an employee engagement score of 70% in the 2023 survey, a decrease on our 2022 result of 71%. This is, however, a positive result given the challenging events during 2022–23, for example the changes in senior leadership, the series of external reviews, and the accompanying media interest. A range of initiatives have been implemented and embedded throughout the year that have influenced our performance against this measure.

The APVMA developed and commenced implementing the APVMA People Strategy 2022–23 that:

- identifies the steps we will take to ensure our workforce has the skills and capabilities to effectively deliver upon the agency’s mission, in a supportive and accountability-focused workplace culture
- details the initiatives we will undertake to improve staff experience and performance at work
- outlines the different areas of focus that are needed at each stage of the employee lifecycle.

Additionally, the APVMA partnered with Organisational Dynamics to conduct a culture pulse check and develop a roadmap to guide our culture improvement activities. There was a high level of engagement with the pulse check across all levels of the agency with an overall 83% participation rate. The roadmap was approved by the APVMA Executive Committee in December 2022.

The following key activities identified in the roadmap were completed during 2022–23:

- Development of behavioural standards that are aligned to the APS Values
- Delivery of *Constructive Conversations* workshops to develop practical skills to deliver and receive effective and genuine feedback
- Implementation of a workforce planning process in consultation with managers and Executive Directors

Additional factors that have impacted our performance towards this measure include the:

- appointment of an Interim Chief Executive Officer, from the Department of Agriculture, Fisheries and Forestry
- secondment of 2 Senior Executive Advisors to assist the Interim CEO
- review and realignment of some of the key function areas and reporting responsibilities
- review and update of a range of key HR policies, including:
 - Flexible Working Policy
 - Family and Domestic Violence Policy
 - Conflict of Interest
 - HR Delegations
 - Flextime and TOIL Policy
 - Core Training Policy
 - Secondary Employment and Voluntary Work Policy

- implementation of fortnightly all staff meetings to keep staff across relevant updates and changes
- open door policy of both the Interim CEO and Interim DCEO for staff to raise any concerns or questions as needed.

Activity	The APVMA provides its staff with cohesive and integrated business processes and systems to support service delivery
Measure	Proportion of APVMA staff that report a high level of satisfaction in regard to the APVMA's business processes
Source	Operational Plan 2022–23
Target	80%
Actual	No result recorded
Result	No result recorded

This measure was developed to assist the APVMA with understanding if our business processes were fit-for-purpose and enabled staff to perform their duties in an effective and efficient manner while providing high-quality regulatory services.

This measure was largely dependent on the successful implementation of the APVMA ICT reform project, known as myAPVMA, which was due in December 2022. The data to support this measure was to be gathered from the APS Employee Census based on customised questions about staff experiences with the myAPVMA system following implementation.

In late 2022 the APVMA cancelled the myAPVMA project. As a result, the APVMA did not continue with this performance measure for the reporting period. The APVMA is currently considering options to complete this project.





Chapter 4

Corporate governance
and management

Corporate governance and management

Corporate Plan

The APVMA's planning and reporting requirements are set out in the *Public Governance, Performance and Accountability Act 2013* and the *Agricultural and Veterinary Chemicals (Administration) Act 1992*.

Our primary planning document is the APVMA Corporate Plan, which defines the principal objectives of the APVMA and outlines the strategies to achieve these objectives.

Governance

As a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*, the APVMA is a body corporate with a separate legal personality from the Commonwealth and can act in its own right exercising certain legal rights, such as entering into contracts and owning property.

Board

The Board is established by the *Agricultural and Veterinary Chemicals (Administration) Act 1992* and is responsible for determining the objectives, strategies and policies to be followed by the APVMA and ensuring the proper, efficient and effective performance of its functions. The Act also sets out the functions of the Board. The Board is excluded from making decisions concerning specific regulatory matters, as detailed in section 16 of the Act. The Board is the 'Accountable Authority' of the APVMA for the purposes of the *Public Governance, Performance and Accountability Act 2013* and has duties as described in Part 2-2 of that Act.

The Board is composed of a Chair (non-executive), 3 non-executive members and the Chief Executive Officer as an executive member. The Chief Executive Officer is appointed under Part 4 of the Act. After consulting the Minister, the Board appoints the Chief Executive Officer on a full-time basis for a term of up to 5 years and subsequent re-appointments may be made.

All other Board members are appointed on a part-time basis by the Minister for terms of up to 4 years and a single subsequent re-appointment may be made. In appointing Board members, the Minister must ensure the Board comprises an appropriate mix of persons with the qualifications, skills or experience in the fields of financial management, law, risk management, public sector governance, science (including agricultural science and veterinary science) and public health or occupational health and safety.

The Chief Executive Officer is responsible for the day-to-day management and decision-making of the APVMA, with the support of the Executive Leadership Team. They are empowered to exercise any of the powers, and perform any of the functions, of the APVMA and are the Agency Head for the purposes of the *Public Service Act 1999*. The Chief Executive Officer is also responsible for delivering against the performance measures listed in the APVMA Corporate Plan.

Details of the members of the Board during the reporting period are outlined in Table 14.

Table 14: Board members

Name	Position held	Executive status	Period a member of the Board		Number of Board meetings attended
			Commencement date	Cessation date	
Dr C Hillyard AM	Board Chair	Non-Executive member	29 March 2022	28 March 2026	11 of 11
Dr J Burdon	Board member	Non-Executive member	29 March 2022	28 March 2025	11 of 11
Mrs M Gooch	Board member	Non-Executive member	29 March 2022	28 March 2025	11 of 11
Dr S Jefferies AM	Board member	Non-Executive member	29 March 2022	28 March 2025	11 of 11
Ms L Croft *	Chief Executive Officer	Executive member	8 October 2020	18 July 2023	5 of 5
Ms N Hinder PSM	Interim Chief Executive Officer	Executive member	13 February 2023	21 July 2023	5 of 5

* Ms Croft was on leave from her role as Chief Executive Officer from 13 February 2023 until 18 July 2023.

Further information about the Board is available on our website at apvma.gov.au/node/107211.

Audit and Risk Committee

The Audit and Risk Committee has been established in accordance with section 45 of the *Public Governance, Performance and Accountability Act 2013* and is a committee of the Board. It oversees and provides advice to the Board on the appropriateness of the APVMA's financial reporting, performance reporting, system of risk oversight and management and system of internal control. Its responsibilities include oversight of the APVMA's internal audit program and assists the Board to ensure that the APVMA complies with all relevant legislative and other regulatory obligations. The Audit and Risk Committee Charter is available on the APVMA website at apvma.gov.au/node/9526.

During most of the 2022–23 reporting period, the Audit and Risk Committee had 3 external members (including the Chair). On 31 May 2023, the Board extended the membership of the Audit and Risk Committee to also include at least one Board member (other than the Board Chair and Chief Executive Officer). Committee observers and advisers include Board members, representatives from the Australian National Audit Office (ANAO), the internal auditor, and APVMA management representatives.

Table 15 provides detail about Audit and Risk Committee members during the 2022–23 reporting period.

Table 15: 2022–23 Audit and Risk Committee membership and attendance

Name	Qualifications, knowledge, skills or experience	Number of Committee meetings attended	Total annual remuneration (\$)
<p>Mr Don Cross (Chair, external member)</p>	<p>Mr Cross is currently a Chair and member of several federal government audit and risk committees and subcommittees and was a senior partner at KPMG and a lead partner for KPMG’s key strategic government accounts.</p> <p>He has experience in government program delivery and reform, financial statement audit and internal audit for policy, regulatory and service delivery agencies.</p> <p>His professional qualifications are in accounting, fraud control, business and auditing and he is a Fellow of the Institute of Chartered Accountants and a Certified Practising Accountant.</p>	<p>4 of 4</p>	<p>22 687.50</p>
<p>Mr Darren Schaeffer (external member)</p>	<p>Mr Schaeffer has more than 12 years’ experience working in the private sector for large commercial companies – particularly in the services and manufacturing sectors – 14 years in the public-sector, including 8 as Chief Financial Officer of 2 material federal government departments, and 9 years in professional services, including currently serving as Chair of the TSRA Audit Committee.</p> <p>He is a Fellow Certified Practising Accountant, Graduate of Australian Institute of Company Directors, Professional Member Institute of Internal Auditors and Member of the Australian Evaluation Society.</p> <p>He is currently studying a Professional Doctorate of Business Administration (Research), and holds a Masters of Business Administration (Public Sector), Bachelor of Business (Accounting) and is a Certified Government Auditing Professional.</p>	<p>4 of 4</p>	<p>7 425.00</p>

Name	Qualifications, knowledge, skills or experience	Number of Committee meetings attended	Total annual remuneration (\$)
Ms Diana Hamono (external member)	<p>Ms Hamono has more than 36 years' internal auditing and IT auditing experience in federal and local government organisations, spanning regulatory, policy and service delivery organisations. Her audit consulting experience covers all aspects of risk, governance, ICT, program and project management and corporate and operational business systems. Diana is an independent audit and risk committee member at several local and federal government agencies.</p> <p>She holds a Masters degree in Information Studies (Knowledge Management), a Diploma of Security (Risk Management), an OGC Gateway Reviewer Team Member accreditation, a certificate of COBIT 5 Foundations and a foundation Certificate in IT Service Management (ITIL v3).</p> <p>She is a certified Information Systems Auditor, is certified in the Governance of Enterprise IT, is a Professional Member of IIA-Australia and a Member of ISACA.</p>	4 of 4	15 715.16
Mrs Maree Gooch (Board member) *	Please see Mrs Gooch's Board member profile on page 11.	0 of 0	See Board member remuneration on page 21.

* Mrs Gooch was appointed to the Audit and Risk Committee after the last meeting for the 2022–23 reporting period. She was remunerated as a Board member in accordance with the *Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2022*. She did not receive additional remuneration for membership of the Audit and Risk Committee.

Governance committees

Our governance committees adhere to the principles of public sector governance to provide accountability, transparency, integrity, stewardship, efficiency and leadership and are listed in Table 16.

Table 16: APVMA governance committees

Committee	Description
Executive Committee	The Executive Committee (EC) supports the APVMA CEO to lead, govern and set the strategic direction for the APVMA. The EC provides advice to the CEO on the appropriateness of the APVMA's decision-making processes and oversight and reporting arrangements and helps to ensure the agency delivers efficient and effective regulation while complying with the law, regulations, published standards and community expectations of probity, accountability and openness.
Enforcement Advisory Group	The Enforcement Advisory Group reports to the EC. It oversees the potential and actual use of coercive powers but does not make decisions in relation to the exercise of those powers.
Case Assessment Group	The Case Assessment Group categorises and prioritises each referral and allegation against the Case Categorisation and Prioritisation Model, in accordance with APVMA Policy and the Australian Government Investigation Standards (AGIS).
Staff Consultative Committee	The Staff Consultative Committee provides a framework to allow employees to be consulted on significant decisions that affect their working lives and thereby contribute to a more efficient and productive organisation whilst enhancing the quality of the working life of individual employees.
Health and Safety Committee	The Health and Safety Committee provides a framework to allow workers to be consulted on significant work, health and safety decisions that affect their working lives. Consultation contributes to a safe and healthy workplace whilst enhancing the quality of the working life of individual workers.
Security Advisory Committee	The APVMA Security Advisory Committee provides whole-of-agency oversight and input into achieving best-practice, security governance. It serves as a central point for leadership and review of the APVMA's security frameworks, strategies and policies as they are developed and updated.
Information Governance Committee	The APVMA Information Governance Committee provides oversight and input into achieving best-practice, enterprise-wide information governance. It serves as a central point for review and coordination of the APVMA's information and data management frameworks, strategies and policies as they are developed and updated.
Executive Review Committee	The Executive Review Committee provides governance and oversight of APVMA staff performance bonuses.

Related entity transactions

The APVMA procured goods and services from the related entities listed in Table 17 during 2022–23.

Table 17: Related entity transactions

Related entity	No. of transactions	Total amount (\$)
Department of Agriculture, Fisheries and Forestry	5	429 050.29
Comcare	2	156 461.35
Digital Transformation Agency	3	150 974.52
Australian Government Solicitor	16	101 240.31
Comcover	1	91 601.20
Department of Industry, Science and Resources National Measurement Institute	3	57 640.00
Department of Defence	15	47 352.00
Australian Public Service Commission	6	23 046.00
Comsuper	1	17 784.00
Department of Finance	3	16 916.00
Department of Foreign Affairs and Trade	24	14 831.00
Attorney-General's Department	2	5 869.83
Australia Post	7	3 778.80
Australian Federal Police	11	1 428.00

Consultation and collaboration

Effective consultation with our stakeholders is an essential component in supporting us to achieve our purpose and corporate objectives.

Stakeholder consultation is also a mandatory requirement for cost recovered agencies and guides our work to support Australia's National Registration Scheme and ensure the safety of people, animals and the environment. We collaborate with stakeholders from the agvet industry, agvet user groups and governments, and encourage transparent and timely consultation to facilitate their feedback in our decision-making processes.

We continued to implement the activities of our Stakeholder Engagement Framework, which sets out our strategic approach to stakeholder consultation and collaboration for the 2020–23 period.

In April to May 2023 we conducted our Client and Stakeholder Survey to seek feedback from stakeholders about their level of satisfaction with our performance and service delivery. The results of the survey provide us with an updated benchmark to assist with measuring performance, provide insights into what is working well and identify opportunities for improvement.

At the conclusion of the 2022–23 reporting period we had conducted 30 public consultations on a range of topics, including Trade Advice Notices and Public Release Summaries.

In addition to ongoing informal engagements, the APVMA continued to engage with stakeholders in key forums throughout the reporting period (see Table 18).

Table 18: APVMA stakeholder engagement forums

Meeting	Purpose	Date	Participants
APVMA Agvet Users Forum	To enable liaison and high-level discussion with agvet product user groups.	14 July 2022 11 October 2022 4 May 2023	Representatives from user groups
APVMA Consultative Forum	To consult with and involve stakeholders to ensure their issues and concerns are understood and considered, and to educate stakeholders on our regulatory activities.	3 August 2022 16 March 2023	Representatives from peak industry bodies

Meeting	Purpose	Date	Participants
Australian Grain Storage and Protection Conference	To review and discuss the latest market requirements relating to chemical regulations and developments in grain storage and protection	7 to 8 June 2023	Representatives from APMVA Representatives from grains industry
Cost Recovery Working Group	To seek feedback and input from industry stakeholders on our cost recovery framework	25 October 2022	Representatives from peak industry groups
Joint Interagency Compliance Forum	To facilitate cooperative relationships between participants in the NRS on information sharing, intelligence, investigations and regulatory compliance.	6 September 2022 6 December 2022 7 March 2023 6 June 2023	Representatives from state and territory regulatory agencies
Jurisdictional Spray Drift Working Group	To develop and implement spray drift policies.	3 November 2022	Representatives from state and territory regulators
Industry roundtables	Engagement with industry groups to discuss specific matters of interest to that industry.	20 July 2022 26 July 2022 27 October 2022 24 November 2022	Representatives from APVMA Representatives from industry groups
Manufacturers' Licencing Scheme – Industry Liaison Forum	To seek feedback and input from veterinary chemical product manufacturers.	19 September 2022 30 January 2023 5 April 2023	Representatives from veterinary chemical product manufacturers
Manufacturing Quality and Licencing Forum Updates	To improve audit process, outcomes and opportunities for remote and hybrid audits.	8 August 2022 29 September 2022 14 to 15 November 2022 (workshop) 25 January 2023 27 April 2023	APVMA Auditors

Meeting	Purpose	Date	Participants
Registration Liaison Forum	To discuss common issues across the Commonwealth and the jurisdictions.	7 July 2022 3 November 2022 2 March 2023	Representatives from the Commonwealth Department of Agriculture, Fisheries and Forestry and state and territory agriculture and environment departments
Regulation of Agvet Chemicals and Technology	To broaden the understanding of regulatory science, policy and practice issues	6 to 9 February 2023	Representatives from APVMA Representatives from chemical industry groups Representatives from grower groups, including agronomists
Regulatory Science Network	To discuss regulatory science issues and improve interagency cooperation.	25 October 2022 10 November 2022 7 December 2022 20 April 2023	Representatives from Commonwealth chemical regulators

International engagement

In July 2022 we published our International engagement strategy (see apvma.gov.au/node/102176 for more information), and have been working towards the 3 priority areas:

- Collaboration with international regulators, including to share information, identify trends and solve regulatory issues in both pre and post market settings.
- Ability to influence international risk-based approaches and best practice, and contribute to the development of relevant international standards and guidelines.
- Efficient assessment processes and reduced regulatory burden, by using international or overseas assessments and participating in global work sharing arrangements.

We continued our program of international engagement in 2022–23, participating in key international scientific and regulatory forums (see Table 19 and Table 20).

Table 19: APVMA participation in international forums

APVMA participation in international forums	Contribution	Start Date
Codex Committee on Pesticide Residues	Participant	4 to 13 July 2022 26 to 1 July 2023
Codex Committee on Residues of Veterinary Drugs in Foods (CCRVDF) 26th meeting	Participant	12 to 17 February 2023
Conferences of the Parties of the Basel, Rotterdam, and Stockholm Conventions – Triple COP	Participant	1 to 12 May 2023
Expert Group on Using Adverse Outcome Pathways (AOP) 2nd meeting	Participant	19 to 20 June 2023
FAO/WHO Joint Meeting on Pesticide Specifications	Participant	10 to 25 October 2022
Global Forum on Environment	Participant	7 to 8 November 2022
International Uniform Chemical Information Database User Group Expert Panel	Participant	5 to 6 October 2022
Joint Meeting on Pesticide Residues (JMPR): Toxicology training	Participant	22 to 26 May 2023
Joint Meeting on Pesticide Residues: Residues (FAO panel)	Participant	8 to 22 September 2022
Joint Meeting on Pesticide Residues: Toxicology (WHO panel)	Participant	12 to 22 September 2022
OECD Conference on Innovating Microbial Pesticide Testing	Participant, speaker	13 to 16 September 2022
OECD Expert Group (EG) on developmental neurotoxicity in-vitro battery (DNT-IVB)	Participant	19 May 2023
OECD Residues Chemistry Expert Group: Storage Stability test guideline working group	Co-chair	9 February 2023
OECD Working Party on Biocides Best Practices Working Group	Participant	7 July 2022
OECD: Ad Hoc Group on updates to the OECD Council Acts on Risk Assessment	Participant	12 September 2022
OECD: Chemicals and Biotechnology Committee	Participant	9 to 10 November 2022
OECD: Expert group on Biopesticides	Head of Delegation	28 to 1 March 2023

APVMA participation in international forums	Contribution	Start Date
OECD: Network on Illegal Trade of Pesticides (ONIP)	Observer	27 February 2023
OECD: Working Party on Biocides	Participant	28 to 29 September 2022
OECD: Working Party of National Coordinators of the Test Guidelines Programme (WNT)	Participant	18 to 21 April 2023
OECD: Working Party on Pesticides	Head of Delegation	1 to 3 March 2023
OECD: Working Party on Pesticides Drone Sub-group workshop on Drone Spraying of Pesticides	Participant	22 to 28 May 2023
Vet Health Global	Presenter	26 to 28 June 2023
Veterinary Vaccines 3Rs Asia Webinar	Presenter	20 October 2022
VICH 41st Steering Committee meeting	Participant	14 to 17 November 2022
VICH Outreach Forum 15th meeting	Participant	14 to 17 November 2022
Webinar Ecotoxicology: new methods and approaches for cross species extrapolation tools	Observer	6 July 2022

FAO = Food and Agriculture Organization of the United Nations; OECD = Organisation for Economic Co-operation and Development; VICH = International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; WHO = World Health Organization

Table 20: APVMA engagement with international regulators

Meeting	Date
APVMA – Saudi Food and Drug Bilateral Meeting	31 August 2022
APVMA meeting with Canadian Pest Management Regulatory Agency	23 June 2023
APVMA meeting with Health Canada Veterinary Drugs Directorate	22 June 2023
APVMA/Canadian Pest Management Regulatory Agency Senior Management Teleconference	Ongoing engagement
APVMA – UK Health and Safety Executive Bilateral Meeting	20 September 2022
Bilateral meeting between APVMA and UK Veterinary Medicines Directorate	24 to 25 February 2023
Biosecurity training for emergency animal disease preparedness and response	6 June 2023
Biosecurity training, Timor-Leste Indonesia – Foot and mouth disease	20 April 2023
Indian trade delegation visit to Australia	1 November 2022
Network Transformation meeting – UK Health and Safety Executive, US Environmental Protection Agency, Canadian Pest Management Regulatory Agency and NZ Ministry for Primary Industries	29 November 2022
Quins Pesticide Regulator meeting – APVMA, NZ Ministry for Primary Industries, Veterinary Medicines Directorate – UK, Veterinary Drugs Directorate – Canada, Center for Veterinary Medicine – USA	Ongoing, monthly, commencing in May 2023
Quins Veterinary Medicines Regulator meeting – APVMA, NZ Ministry for Primary Industries, Veterinary Medicines Directorate – UK, Veterinary Drugs Directorate – Canada, Center for Veterinary Medicine – USA	Ongoing, monthly

Advertising and market research

Recruitment advertising

The providers listed in Table 21 assisted the APVMA with external recruitment support for the 2022–23 reporting period.

Table 21: External recruitment providers

Provider	Costs (\$)
Chandler MacLeod Group Ltd	1 145
CS Executive Group	211 963
On Q Recruitment Pty Ltd	8 333
Total	221 441

Obtaining information from subsidiaries

The APVMA has no subsidiaries.

Accountability

Corporate risk management

The APVMA Risk Management Framework details how we engage with and manage risk to support our role as the regulator of agvet chemicals in Australia.

The Risk Management Framework has been developed to meet the requirements of section 16(a) of the *Public Governance, Performance and Accountability Act 2013* and the Commonwealth Risk Management Policy issued by the Department of Finance. It follows the international standard on Risk Management—ISO 31000:2018 and articulates our:

- policy for the management of risk
- methodology used in the assessment of risk across the APVMA
- operation of risk registers and the integration of risk management through the APVMA
- strategies to develop a risk-aware organisational culture where proactive risk management is at the forefront of the decision-making process.

The APVMA Risk Appetite and Tolerance Statement describes our attitude towards risk taking and details the level of risk we are willing to accept per individual risk. In conjunction with the Risk Management Framework, this statement supports the effective engagement with risk and ensures all staff understand what constitutes acceptable risk taking in both our day-to-day work and in achieving our strategic priorities.

Fraud control

In accordance with section 16 of the PGPA Act the APVMA maintains appropriate risk oversight and has established an appropriate system of internal control for the APVMA. These systems include a fraud risk assessment and fraud control plan that complies with the Commonwealth Fraud Control Guidelines. The plan includes fraud prevention, detection, investigation, reporting and data collection procedures. The appropriateness of the fraud control plan and risk register are monitored and assessed by our Audit and Risk Committee.

Reporting

The APVMA Gazette lists all notices and decisions required under the Agvet Code, including registrations, reviews and changes to registration status. The Gazette is published fortnightly and is available on our website at apvma.gov.au/news-and-publications/publications/gazette.

We publish regular reports that assess our performance in meeting regulatory timeframes and present a range of statistics, including:

- registration of agricultural chemical and veterinary medicine products
- approval of active ingredients
- issuance of permits
- pre-application assistance.

The reports include:

- the number of applications started and finalised
- the proportion of applications finalised within legislative timeframes
- work in progress at the end of the period.

Our performance reports can be accessed on our website at apvma.gov.au/node/26876.

Table 22 provides an overview of activities related to our regulatory decisions within the reporting period.

Table 22: Activities related to APVMA regulatory decisions

Type of regulatory decision	Commenced	Finalised/ issued	In progress
Pre-application assistance	240	236	44
Product registration – pesticides	931	1 030	367
Product registration – veterinary medicines	1 110	1 135	272
Actives	302	330	221
Permits (excludes emergency permits)	520	505	210
Items 8L, 8M, 8P	396	393	3
Item 25	12	15	11
Notifiable variations	916	893	23
Import consents	738	750	21
Certificates of export	363	400	32
Total	5 600	5 750	1 214

A description of these regulatory decisions (application types) is available on our website at apvma.gov.au/node/96716.

Chemical review

The APVMA has powers under Part 2, Division 4 of the *Agricultural and Veterinary Chemicals Code Act 1994* (the Agvet Code) to reconsider approval of an active or product, registration of a product or confirm or vary labels for a chemical product.

The reconsideration of procymidone active constituents, products and labels was finalised on 11 October 2022. Registrations and labels for procymidone products have been varied as a result of the decision.

The proposed regulatory decision for the reconsideration of malathion was published on 22 November 2022 and public consultation on the proposed decision closed 23 February 2023.

The scope of the reconsideration of fipronil was extended to include the consideration of residues and trade on 4 October 2022. No actions were taken under section 99 of the Schedule to the Agvet Code Act during the reporting period.

Adverse Experience Reporting Program

The Adverse Experience Reporting Program (AERP) is a post-registration program that assesses reports of adverse experiences associated with the use of a registered veterinary medicine or agricultural chemical.

We record, assess and classify adverse experiences to detect uncommon events not evident during the initial registration process of a product. The program provides a means of facilitating regulatory action that may be necessary to ensure the continued safety, quality and effectiveness of registered products.

Anyone can report an adverse experience to the AERP – for example, farmers, pet owners, gardeners, veterinarians or the general public. One adverse incident may be reported multiple times (for example, the vet, pet owner and registrant may all report the same incident).

In 2022–23 we received a total of 5,679 adverse experience reports. This total includes duplicate reports, reports classified as unrelated to the registered product and non-serious reports.

Table 23 and Table 24 provide more information about adverse experience reports received during the reporting period.

Table 23: Summary of adverse experience reports received by the APVMA in 2022–23

Type of reports	Number of reports received	Percentage of total reports
Duplicate, unrelated and non-serious reports	4 754	83.71%
Serious incidences related to registered products	925	16.29%
Total reports	5 679	100.00%

Table 24: Classification of adverse experience reports received by the APVMA in 2022–23

Classification	Number of reports	Percentage of total
Animal health	531	57.41%
Crop health	2	0.22%
Efficacy	304	32.86%
Environment	39	4.22%
Human	49	5.30%
Total serious reports	925	100.00%

AERP data were used to inform registration and permit applications, compliance matters and chemical review processes.

Standards

During the 2022–23 reporting period, the APVMA created the Agricultural and Veterinary Chemicals Code (Allowable Variation in Concentrations of Constituents in Agricultural Chemical Products) Standard 2022. This standard allows for variation in the measured concentration of constituents for agricultural chemical products from the corresponding values on the Register for a particular product.

Ecologically sustainable development and environmental performance

We have maintained a number of key measures to encourage environmental sustainability within our offices. In 2022–23, the APVMA’s ECONet group – a voluntary network of staff who encourage and promote environmentally friendly office practices – has continued to support a range of programs, including a 10 cent ‘return and earn’ recycling program for cans and bottles, and composting through the Armidale Regional Council’s City to Soil program.

We strive to be a ‘paperless office’ and use an electronic document and records management system to reduce the amount of paper and printer consumables used within our offices. Our office buildings are also installed with low-power LED motion-activated lighting to improve energy efficiency and meeting rooms are equipped with videoconferencing capabilities to minimise travel.

Greenhouse gas emissions reporting has been developed with methodology that is consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy, and is shown in Table 25.

Table 25: APVMA emissions – location based approach

Emission source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity	N/A	123 865	10 181	134 045
Natural gas	3 201	N/A	870	4 071
Fleet vehicles	–	N/A	–	–
Domestic flights	N/A	N/A	85 534	–
Other energy	–	N/A	–	–
Total kg CO₂-e	3 201	123 865	96 585	138 116

Table 26: APVMA emissions – Market based approach

Emission source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (market based approach)	N/A	88 445	11 706	100 151
Natural gas	3 201	N/A	870	4 071
Fleet vehicles	–	N/A	–	–
Domestic flights	N/A	N/A	85 534	–
Other energy	–	N/A	–	–
Total kg CO₂-e	3 201	88 445	98 110	104 221

Work health and safety

We are committed to the ongoing focus and maintenance of a structured approach to health, safety and wellbeing to ensure that the mental and physical wellbeing of our people are supported. The APVMA is committed to ensuring continuous improvement in health and safety performance through maintaining a culture where health, wellbeing and safety are paramount; integrating health and safety into all aspects of the agency; establishing clear leadership accountabilities and by measuring and evaluating objectives and targets.

The last 12 months have seen progress on the following initiatives:

- The implementation of a Health and Safety Management System Framework as part of the APVMA Integrated Management System, this framework further supports both the Health and Safety Policy Statement and Health and Safety Management Plan that was put into place in 2021.
- Quarterly WH&S Committee meetings.
- Flu vaccination rates, with 91 staff vaccinated against the flu based at either the Canberra and Armidale offices.
- Continued promotion of the benefits and facilities available to staff through our Employee Assistance Program (EAP).
- Preparation for the WH&S legislative changes on psychosocial safety including sourcing relevant training and updating induction content.

In addition to the above initiatives, training programs have been offered on a number of topics relevant to building WH&S skills and knowledge, these are listed below:

- 143 staff in the Respectful Workplace Program
- 24 staff in Workplace Sexual Harassment: Leaders influencing positive change
- 19 staff attended the Employee Assistance Program Staff Information Session
- 13 staff attended the Contact Officer Training
- 10 staff in the Mental Health First Aid Program

Table 27: Work Health and Safety incidents that occurred in 2022–23

Incident type	Number
Slips, trips and falls	1
Environmental – lighting, internal climate, pests and broken toilet lock	10

Indemnities and insurance premiums

The APVMA's insurance with Comcover included liability cover up to \$150 million for general liability, professional liability, professional indemnity and directors' and officers' liability. The insurance premium paid to cover the 2022–23 financial year was \$91 601.20 (including GST).

Judicial decisions and reviews by outside bodies

Parliamentary committees and other reviews

The APVMA appeared before the Rural and Regional Affairs and Transport Legislation Committee for Senate and Budget Estimates in November 2022, February 2023 and May 2023. We did not attend any other parliamentary committees or inquiries during the reporting period.

On 25 November 2022, the Minister for Agriculture, Fisheries and Forestry announced an independent investigation into the APVMA. This investigation was undertaken by Ms Mary Brennan between December 2022 and February 2023.

Following the submission of the interim report by Ms Brennan, the Minister discontinued the review, with the work triggering a new review with wider scope and purpose conducted by Clayton Utz. This report was released by the Minister on 14 July 2023. Referrals were also made to NSW Police and the APSC.

Auditor General's reports

The Australian National Audit Office did not publish any Auditor General's reports on our operations in 2022–23.

Judicial decisions

During the 2022–23 reporting period, the APVMA was not the subject of any judicial decision or decision of administrative tribunals that have had, or may have, a significant effect on the operations of the entity.

The Federal Court made one decision in relation to the APVMA during the reporting period:

- On 13 July 2022, the Federal Court made a decision granting an injunction against the respondents. The injunction prohibited the respondents from supplying unregistered veterinary chemical products.







Chapter 5

Financial performance

Financial performance

Summary of financial performance

Tables 28 to 31 provide an overview of our financial performance for 2022–23. Full details are in the audited financial statements available on the following pages.

Income

The APVMA's total income for 2022–23 was \$47.208 million (shown in Table 28).

Table 28: APVMA income, 2022–23

Income source	Income (\$'000)	%
Receipts from industry		
Levies	27 335	57.90
Application fees	6 949	14.72
Annual fees (renewal fees)	7 984	16.91
Other receipts from industry	2 875	6.09
Parliamentary appropriation	1 663	3.52
Other revenue	402	0.86
Total income	47 208	100.00

Table 29: Agency Resourcing Statement, 2022–23

Resourcing description	Actual available appropriation for 2022–23 (\$'000)	Payments made in 2022–23 (\$'000)	Balance remaining in 2022–23 (\$'000)
Ordinary annual service			
Previous year unspent ordinary appropriations	148	148	0
Departmental appropriations	1 663	750	913
Revenue from independent sources	402	402	0
Total Departmental appropriations	2 213	1 300	913
Special appropriations			
Unspent special appropriations from previous years	32 255	32 255	0
Special appropriations collected	45 143	8 429	36 714
Ordinary annual service			
Total special appropriations	77 398	40 684	36 714
Total resourcing and payments	79 611	41 984	37 627

Expenditure

Total operating expenses for 2022–23 were \$41.909 million (Tables 30 and 31).

Table 30: APVMA expenditure, 2022–23 (including comparison with PBS)

Individual lines of expenditure	2022–23 actual expenditure (\$'000)	% of expenditure	2022–23 budget (per PBS) (\$'000)
Employee benefits	26 703	63.72	26 186
Supplier expenses	12 466	29.24	11 257
Depreciation, amortisation & impairment of assets	2 784	6.64	2 827
Other	169	0.40	175
Total expenditure	42 122	100.00	40 445

Table 31: Expenses for Outcome 1

Outcome 1: Protection of the health and safety of people, animals, the environment, and agricultural and livestock industries through regulation of pesticides and veterinary medicines	2022–23			2021–22
	budget (\$'000)	actual (\$'000)	variance (\$'000)	actual (\$'000)
Program 1.1 (APVMA)				
Department expenses				
Ordinary annual service (Appropriation Bill 1)	1 663	1 663	0	1 923
Revenue from independent sources	196	402	(206)	194
Special appropriation	38 586	40 057	(1 471)	33 899
Total expenses for outcome 1	40 445	42 122	(1 464)	36 016

Equity

The APVMA recorded a net operating confirmed surplus of \$5.086 million for 2022–23, resulting in an equity balance at 30 June 2023 of \$35.368 million.

Audit results

The APVMA achieved an unqualified audit result and there were no adverse findings.

Financial reserve

The APVMA's revenue is primarily received as levy payments in January and June and registration renewal payments in May. Subsequently, the APVMA receives the majority of revenue three times during the year. Unrestricted cash holdings can exceed \$10 million at various stages throughout the financial year.

To manage this, we monitor daily cash balances to ensure cash is available to pay creditor expenses, particularly during times when the cash balances are reducing in the months when income is not anticipated.

We operated to keep the unrestricted cash level above \$10 million as an operating reserve (an equity position of \$10 million is equivalent to 3 months' operating expenses).

Consultancies

In 2022–23, we entered into 16 new consultancy contracts totalling \$1.870 million (including GST), of which \$1.374 million was expended. The consultancies related to strategy development, information services and operational reviews.

In addition, one ongoing consultancy contract from the previous year was active, involving expenditure of \$0.030 million (including GST).

As a corporate Commonwealth entity, the APVMA is required to follow the Commonwealth Procurement Rules (CPRs).

The Accountable Authority Instructions (AAIs) outline the steps the APVMA follows to procure goods and services and ensure compliance with the CPRs.

The APVMA considers the best approach for each procurement based on complexity, risk and value for money.

Information on the value of contracts and consultancies over the \$0.400 million threshold is available on the AusTender website.



INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture, Fisheries and Forestry

Opinion

In my opinion, the financial statements of the Australian Pesticides and Veterinary Medicines Authority (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Accountable Authority, Chief Executive Officer and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority.
- Conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Bradley Medina
Executive Director
Delegate of the Auditor-General

Canberra
6 September 2023

Statement by Accountable Authority and Chief Financial Officer



Australian Government
**Australian Pesticides and
Veterinary Medicines Authority**

STATEMENT BY THE ACCOUNTABLE AUTHORITY, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.


In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Pesticides and Veterinary Medicines Authority (APVMA) will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the directors.

Signed



Dr Steve Jefferies
Acting Chair
Accountable Authority
6 September 2023

Signed


Dr Melissa McEwen
Acting Chief Executive Officer

6 September 2023

Signed


Mr Keith Lockyer
Chief Finance Officer

6 September 2023

Financial statements

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2023

		2023	2022	Original Budget 2023
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	26 703	23 656	26 186
Suppliers	1.1B	12 466	9 479	11 257
Depreciation and amortisation	2.2A	2 522	2 701	2 827
Write-down and impairment of other assets	2.2A	262	-	-
Finance costs	1.1C	169	180	175
Total expenses		42 122	36 016	40 445
Own-Source Income				
Own-source revenue				
Interest	1.2A	75	1	-
Other revenue	1.2B	320	193	196
Total own-source revenue		395	194	196
Gains				
Gains from sale of assets		7	-	-
Total gains		7	-	-
Total own-source income		402	194	196
Net cost of services		41 720	35 822	40 249
Revenue from government	1.2C	46 806	43 493	40 056
Surplus/(Deficit)		5 086	7 671	(193)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to profit and loss				
Change in asset revaluation surplus		-	-	-
Total other comprehensive income		-	-	-
Total Comprehensive income/(loss)		5 086	7 671	(193)

The above statement is to be read in conjunction with the accompanying notes.

Budget Variance Commentary

Statement of Comprehensive Income

Employee benefits are \$0.517 million (1.97%) higher than reported in the Portfolio Budget Statements (PBS). The difference has resulted from additional ASL that were not included in the PBS. Supplier expenses are \$1.209 million (10.74%) higher than reported in the PBS. There were consultant and legal costs during the year that were not planned for at the time the PBS was reported.

Depreciation and amortisation reflects the change in accounting estimate, resulting in the decelerated amortisation of the software assets that will be replaced by the outcomes of the Enabling Technologies funded project due to a later delivery than expected.

Revenue from government (industry income) was \$6.750 million (16.85%) over budget, due to levies being higher than historical averages which formed the basis for the PBS estimates.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF FINANCIAL POSITION as at 30 June 2023

	Notes	2023 \$'000	2022 \$'000	Original Budget 2023 \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	913	148	55
Trade and other receivables	2.1B	37 446	32 469	32 174
Total financial assets		38 359	32 617	32 229
Non-financial assets				
Leasehold improvements ¹	2.2A	13 395	15 228	13 618
Property, plant and equipment	2.2A	532	867	630
Intangibles	2.2A	1 084	1 443	2 522
Other non-financial assets	2.2B	2 954	825	825
Total non-financial assets		17 965	18 363	17 595
Total assets		56 324	50 980	49 824
LIABILITIES				
Payables				
Suppliers	2.3A	1 897	1 582	1 104
Other payables	2.3B	860	546	1 151
Total payables		2 757	2 128	2 255
Interest bearing liabilities				
Leases	2.4A	12 201	13 176	12 068
Total interest bearing liabilities		12 201	13 176	12 068
Provisions				
Employee provisions	4.1A	5 998	5 394	5 412
Total provisions		5 998	5 394	5 412
Total liabilities		20 956	20 698	19 735
Net assets		35 368	30 282	30 089
EQUITY				
Retained surplus		35 089	30 003	29 810
Reserves		279	279	279
Total equity		35 368	30 282	30 089

The above statement is to be read in conjunction with the accompanying notes.

1. Right-of-use assets are included in Leasehold Improvements.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

Budget Variance Commentary

Statement of Financial Position

Cash and cash equivalents are above budget by \$0.858 million due to the timing of payments to creditors and drawdown of special appropriation.

Trade and other receivables are above budget by \$5.272 million due to the unanticipated surplus. There was higher than anticipated industry income which lead to a larger balance in the special appropriation receivable than in the budget.

Intangibles are less than budget by \$1.438 million due to a management decision which changed the mix between internally generated software and the cloud computing arrangement which was offset somewhat by the decelerated amortisation of the software assets that will be replaced by the cloud computing arrangements.

Other non-financial assets were above budget by \$2.129 million due to the change in direction between internally generated software and the cloud computing arrangement.

Suppliers and other payables are over budget by \$0.502 million due to the timing of a larger than expected number of invoices at the end of the financial year.

Employee provisions are above budget due to the number of staff transferring in to the Agency from other APS agencies and a change in organisational structure.

The retained surplus is \$5.279 million above budget due to the operating surplus resulting from higher than anticipated levy income.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000	Original Budget 2023 \$'000
CONTRIBUTED EQUITY				
Opening balance				
Balance brought forward from previous period		-	6 675	-
Adjusted opening balance		-	6 675	-
Transactions with owners				
Distributions to owners				
Returns of capital		-	-	-
Adjustment for appropriation returned	1.2B	-	(6 675)	-
Total transactions with owners		-	(6 675)	-
Closing balance as at 30 June		-	-	-
RETAINED SURPLUS				
Opening balance				
Balance brought forward from previous period		30 003	33 390	30 003
Adjusted opening balance		30 003	33 390	30 003
Comprehensive income				
Surplus/(Deficit) for the period		5 086	7 671	(193)
Asset revaluation reserve - no longer required		-	2	-
Total comprehensive income		5 086	7 673	(193)
Adjustment for appropriation returned	1.2B	-	(11,060)	-
Closing balance as at 30 June		35 089	30 003	29 810
ASSET REVALUATION RESERVE				
Opening balance				
Balance brought forward from previous period		279	281	279
Opening balance		279	281	279
Comprehensive income				
Asset revaluation reserve - no longer required		-	(2)	-
Total comprehensive income		-	(2)	-
Closing balance as at 30 June	2.2A	279	279	279
TOTAL EQUITY				
Opening balance				
Balance brought forward from previous period		30 282	40 346	30 282
Adjustment for appropriation returned	1.2B	-	(17 735)	-
Adjusted opening balance		30 282	22 611	30 282
Comprehensive income				
Surplus/(Deficit) for the period		5 086	7 671	(193)
Total comprehensive income		5 086	7 671	(193)
Closing balance as at 30 June		35 368	30 282	30 089

The above statement is to be read in conjunction with the accompanying notes.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a particular year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Other Distributions to Owners

The Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) requires that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

Budget Variance Commentary

Statement of Change in Equity

The retained surplus is \$5.279 million above budget due to the operating surplus resulting from higher than anticipated levy income.

Australian Pesticides and Veterinary Medicines Authority

CASH FLOW STATEMENT

for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000	Original Budget 2023 \$'000
OPERATING ACTIVITIES				
Cash received				
<i>Agricultural and Veterinary Chemicals (Administration)</i>				
Act 1992 contribution		40 688	31 661	38 851
Corporate Commonwealth entity payment item		1 663	1 923	1 638
Net GST received		803	890	1 414
Interest received		65	-	3
Other cash received		295	199	-
Total cash received		<u>43 514</u>	<u>34 673</u>	<u>41 906</u>
Cash used				
Employees		26 143	23 560	26 158
Suppliers		15 204	10 295	12 498
Interest on lease liabilities		169	180	175
Total cash used		<u>41 516</u>	<u>34 035</u>	<u>38 831</u>
Net cash flows from operating activities		<u>1 998</u>	<u>638</u>	<u>3 075</u>
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		273	494	2 060
Total cash used		<u>273</u>	<u>494</u>	<u>2 060</u>
Net cash flows from or (used by) investing activities		<u>(273)</u>	<u>(494)</u>	<u>(2 060)</u>
FINANCING ACTIVITIES				
Cash used				
Principal payments of lease liabilities		960	1 113	1 108
Total cash used		<u>960</u>	<u>1 113</u>	<u>1 108</u>
Net cash flows from or (used by) financing activities		<u>(960)</u>	<u>(1 113)</u>	<u>(1 108)</u>
Net increase or (decrease) in cash held		<u>765</u>	<u>(969)</u>	<u>(93)</u>
Cash and cash equivalents at the beginning of the reporting period		148	1 117	148
Cash and cash equivalents at the end of the reporting period	2.1A	<u>913</u>	<u>148</u>	<u>55</u>

The above statement is to be read in conjunction with the accompanying notes.

Australian Pesticides and Veterinary Medicines Authority

CASH FLOW STATEMENT

for the year ended 30 June 2023

Budget Variance Commentary

Cash Flow Statement

There was more cash received as there was more drawn down from the special appropriation as a result of an increase in expenses compared with budget.

The variance in cash used of \$2.685 million in operating activities related to an increase in supplier costs which is partly due to the accounting treatment of software development costs and the increase in consultant and legal costs.

The variance in cash used of \$1.787 million in investing activities related to a change in accounting treatment of software development costs.

Australian Pesticides and Veterinary Medicines Authority

OVERVIEW

Objectives of the Australian Pesticides and Veterinary Medicines Authority

The Australian Pesticides and Veterinary Medicines Authority (APVMA) is an Australian Government controlled not-for-profit corporate entity. The APVMA is responsible for the assessment and registration of pesticides and veterinary medicines and for their regulation up to the point of retail sale. The APVMA administers the National Registration Scheme for Agricultural and Veterinary Chemicals (NRS) in partnership with the states and territories along with the active involvement of other Australian Government agencies. Its role is to independently evaluate the safety and performance of chemical products intended for sale, ensuring that the health and safety of people, animals, the environment and trade are protected.

The APVMA was established under the *Agricultural and Veterinary Chemicals (Administration) Act 1992* (Admin Act). Following the introduction of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) on 1 July 2014, the APVMA was reclassified as a corporate Commonwealth entity.

Basis of Preparation of the Financial Report

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements and notes have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)* ; and
- b) Australian Accounting Standards and Interpretations - including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The APVMA financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New Australian Accounting Standards

Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022-23 reporting period.

The following amending standards were issued prior to the sign-off date and were applicable to the current reporting period and did not have a material effect on the APVMA's financial statements.

Standard/Interpretation	Nature of impending changes in accounting policy and likely impact on initial application
AASB 2021-2 <i>Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and definition of Accounting Estimates</i>	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.
AASB 2021-6 <i>Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i>	AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2. This amending standard is not expected to have a material impact on the entity's financial statements for the current reporting period or future reporting periods.

Taxation

The APVMA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events After the Reporting Period

There were no subsequent events between balance date and signing of the financial statements that had the potential to significantly affect the ongoing structure and financial activities of the APVMA.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2023

1.1: Expenses

	2023 \$'000	2022 \$'000
1.1A: Employee benefits		
Wages and salaries	20 359	18 685
Superannuation:		
Defined contribution plans	2 843	2 652
Defined benefit plans	567	437
Leave and other entitlements	2 368	1 517
Separation and redundancies	25	-
Other employee benefits	541	365
Total employee benefits	26 703	23 656

Accounting Policy

Accounting policies for employee related expenses is contained in the people and relationships section.

Note

Major expenses comprising "Other employee benefits" included costs associated with staff relocation and learning and development costs.

1.1B: Suppliers

Goods and services supplied or rendered

Audit fees	54	54
Consultants	3 139	1 205
Contractors	1 854	2 568
Travel	541	66
IT services	6 012	4 731
Other	725	718
Total goods and services supplied or rendered	12 325	9 342

Note

"Other" supplier expenses included costs associated with recruitment expenses and general office running expenses.

Goods supplied	91	46
Services rendered	12 234	9 296
Total goods and services supplied or rendered	12 325	9 342

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2023

1.1: Expenses

	2023	2022
	\$'000	\$'000
Other supplier expenses		
Operating lease rentals	8	52
Workers compensation premiums	133	85
Total other supplier expenses	<u>141</u>	<u>137</u>
Total supplier expenses	<u>12 466</u>	<u>9 479</u>

Accounting Policy

Short-term leases and leases of low-value assets

The APVMA has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000 per asset). The APVMA recognises the lease payments associated with these leases as an expense on a straight-line bases over the lease term.

1.1C: Finance Costs

Interest on lease liabilities	169	180
Total finance costs	<u>169</u>	<u>180</u>

Accounting Policy

All borrowing costs are expensed as incurred.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2023

1.2: Own-Source Revenue and Revenue from Government

	2023 \$'000	2022 \$'000
OWN-SOURCE REVENUE		
<u>1.2A: Interest</u>		
Deposits	75	1
	<u>75</u>	<u>1</u>
<u>1.2B: Other revenue</u>		
Resources received free of charge		
Remuneration of auditors	54	54
Other revenue	266	139
Total other revenue	<u>320</u>	<u>193</u>

Accounting Policy

Interest

Interest revenue is recognised using the effective interest method.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when fair value can be reliably determined and the donated services would have been purchased. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Other Revenue

Revenue relating to services to the portfolio department is recognised as income under AASB 1058 when APVMA obtains controls of the cash.

Note

Other revenue is predominantly made up of specific services to the portfolio department throughout 2022-23 and a contribution from Department of Finance towards a joint project with the APVMA.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2023

1.2: Own-Source Revenue and Revenue from Government

	2023 \$'000	2022 \$'000
1.2C: Revenue from government		
Corporate Commonwealth entity payment item	1 663	1 923
Department of Agriculture contribution		
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i>	45 143	41 570
Total revenue from government	46 806	43 493

Department of Agriculture, Fisheries and Forestry contribution is equal to the following fees and charges paid by industry:

Levies	27 335	22 445
Annual renewal fee	7 984	7 985
Product application fees	6 949	8 276
Good manufacturing practice (GMP) licence fees	1 029	1 034
Permits, actives and other fees	1 818	2 052
Penalties ¹	28	(222)
Total industry contributions	45 143	41 570

Note

1. Infringement income does not form part of the Department of Agriculture, Fisheries and Forestry (DAFF) contribution, but is returned to the Consolidated Revenue Fund (CRF). Infringement income of \$7,750 was not included above for the 2022-23 financial year (2022: \$75,500) and was returned through DAFF to the CRF.

Infringement revenue from prior years totalling \$270,200 was recorded previously as Department of Agriculture, Fisheries and Forestry (DAFF) contributions. The Special Appropriation account was reduced in the 2021-22 financial year by \$270,200 to return the infringements to the CRF.

Accounting Policy

Revenue from government

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment) is recognised as revenue from government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

Fees and Levies

Fees and levies are recognised as income when they are received.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result.
Employee related information is disclosed in the People and Relationships section.

2.1: Financial Assets

	2023	2022
	\$'000	\$'000
2.1A: Cash and cash equivalents		
Cash at bank	913	148
Total cash and cash equivalents	913	148

Accounting Policy

Cash is recognised at its nominal amount.

2.1B: Trade and other receivables

Contribution receivable		
Department of Agriculture, Fisheries and Forestry	36 714	32 255
Total contribution receivable	36 714	32 255
Other receivable		
Receivable from the Australian Taxation Office	589	205
Other	143	9
Total other receivables	732	214
Total trade and other receivables	37 446	32 469

Credit terms for goods and services were within 30 days.

Accounting Policy

Trade and Other Receivables

Trade and other receivables that have fixed or determinable payments, and are not quoted in an active market, are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method less impairment.

Impairment

Trade and Other Receivables are assessed for impairment at the end of each reporting period.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (P P & E) and Intangibles

Reconciliation of the opening and closing balances for 2022

	Leasehold Improvements ¹ \$'000	Other P P & E \$'000	Computer Software ² \$'000	Total \$'000
As at 1 July 2022				
Gross book value	19 389	1 555	9 441	30 385
Accumulated depreciation and impairment	(4 161)	(688)	(7 998)	(12 847)
Total as at 1 July 2022	15 228	867	1 443	17 538
Additions:				
Purchase	-	23	250	273
Impairments on right-of-use assets recognised in net cost of services	(262)	-	-	(262)
Depreciation and amortisation expense	(1 556)	(357)	(609)	(2 522)
Other movements	(15)	-	-	(15)
Disposals:				
Disposal	-	(67)	-	(67)
Accumulated depreciation of disposed assets	-	66	-	66
Total as at 30 June 2023	13 395	532	1 084	15 011
Total as of 30 June 2023 represented by:				
Gross book value	19 112	1 511	9 691	30 314
Accumulated depreciation and impairment	(5 717)	(979)	(8 607)	(15 303)
Total as of 30 June 2023 represented by:	13 395	532	1 084	15 011
Carrying amount of right-of-use assets	10 953	-	-	10 953

Notes

1. The depreciation expense on right-of-use assets during the 2022-23 year was \$1.255 million.
2. The carrying amount of computer software of \$1.084 million relates to internally generated software.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in an exchange and any liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of a restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the APVMA where there exists an obligation to restore the property to its original condition. These costs are included in the value of the APVMA's leasehold improvements with a corresponding provision for 'make good'.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the APVMA adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition.

The APVMA intend to vacate the Canberra lease early. This decision to relocate is a trigger to reassess the lease term. The term has been shortened by 12 months and the ROU asset has been impaired accordingly. The carrying amount of the ROU asset has decreased by \$0.262 million. The APVMA were required to recognise the effect of the remeasurement of the remaining lease liability reflecting the revised discount rate as an adjustment to the ROU asset. The ROU asset was further reduced by \$0.016 million.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

Non-Financial Asset Revaluations

All non-financial assets are initially recognised at cost. Property, plant and equipment are then carried at fair value once they have been revalued in accordance with policy. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

All assets (except for intangibles) were revalued as at 30 June 2020 by an independent valuer.

An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the operating result. Revaluation decrements for a class of assets are recognised directly through the operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the APVMA using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
Leasehold improvements	Shorter of lease term or useful life	Shorter of lease term or useful life
Property, plant and equipment	3 to 15 years	3 to 15 years

Impairment

Where indications for impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the APVMA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

All assets were assessed for impairment at 30 June 2023.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The APVMA's intangibles comprise internally developed and externally acquired software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the APVMA's software are 3 to 10 years (2021-22: 3 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2023.

The APVMA currently has a project underway to replace its internally developed software with a cloud-based Software as a Service (SaaS) solution. The existing internally developed software is expected to be in use until 31 December 2024.

Software as a Service

SaaS arrangements are service contracts providing the Agency with the right to access the cloud provider's application software over the contract period. As such the Agency does not receive a software intangible asset at the contract commencement date.

Distinct costs relating to cloud computing arrangements are expensed in the period they are incurred. Costs that are considered not distinct, relating to cloud computing arrangements are capitalised as a prepayment and will be recognised as an expense over the SaaS contract term.

Distinct costs relating to cloud computing arrangements are expensed in the period they are incurred.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

	2023	2022
	\$'000	\$'000
2.2B: Other non-financial assets		
Prepayments	654	688
Customisation of cloud computing configuration costs	2 300	137
Total other non-financial assets	2 954	825

Accounting Policy

Cloud Computing

Costs that are considered not distinct, relating to cloud computing arrangements are capitalised as other assets and will be recognised as an expense over the 'software as a service' contract term.

Distinct costs relating to cloud computing arrangements are expensed in the period they are incurred.

No indicators of impairment were found for other non-financial assets.

2.3: Payables

	2023	2022
	\$'000	\$'000
2.3A: Suppliers		
Trade creditors and accruals	1 897	1 582
Total supplier payables	1 897	1 582

Settlement is usually made within 30 days.

Accounting Policy

Suppliers

Supplier payables are measured at their nominal amounts.

2.3B: Other payables

Salaries, wages and superannuation	860	546
Total other payables	860	546

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.4: Interest Bearing Liabilities

	2023 \$'000	2022 \$'000
2.4A: Leases		
Lease liabilities	12 201	13 176
Total leases	12 201	13 176

Maturity analysis - contractual undiscounted cash flows

Within 1 year	1 271	1 230
Between 1 to 5 years	4 485	4 634
Over 5 years	7 423	8 545
Total operating lease commitments	13 179	14 409

Total cash outflow for leases for the year ended 30 June 2023 was \$1.230 million (2022: \$1.203 million)

The APVMA in its capacity as lessee income has two leases for office accommodation. Each office accommodation lease has annual fixed percentage increases in the lease payments. For both accommodation leases, the initial period of office accommodation is still current and these leases do not have purchase options. The lease for the Armidale NSW office has the option to renew for two five year periods.

The lease for Armidale NSW commenced in June 2019 and the commitment is approximately \$16.4 million (excluding GST) over a lease term of 15 years. Renewal options have not been taken into account in calculating the lease liability as the APVMA is not reasonably certain of exercising the options.

The lease for Canberra commenced in July 2020 and the commitment was approximately \$1.3 million (excluding GST) over a lease term of 4 years and 8 ½ months. The APVMA have taken a decision to vacate the leased premises 12 months early and has recognised the effect of the remeasurement of the remaining lease liability reflecting the revised discount rate as an adjustment to the right-of-use asset. This has resulted in a reduction to the lease liability of \$0.016 million.

Accounting Policy

For all new contracts entered into, the APVMA considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Australian Pesticides and Veterinary Medicines Authority

FUNDING - This section identifies the Australian Pesticides and Veterinary Medicine's funding structure

3.1: Regulatory Charging Summary

3.1A: Regulatory Charging Summary

The APVMA does not generally receive material funding from the government, but is funded through fees, levies and other charges imposed under various sections of legislation.

The only change to this is when the government funds specific projects to improve and/or enhance the APVMA's ability to perform its legislated functions such as the relocation to Armidale, NSW and the information technology environment refresh.

These fees, levies and charges are credited to a special appropriation created under s 58 (6) of the *Agricultural and Veterinary Chemicals (Administration) Act 1992*, (Agvet Admin Act), which is held and managed by the Department of Agriculture, Fisheries and Forestry (DAFF) for and on behalf of the APVMA.

The purpose of this special appropriation is:

- (a) to pay or discharge the costs, expenses or other obligations incurred by the APVMA in the performance of its functions
- (b) to make payment of any remuneration and allowances payable to any person under this Act
- (c) to make any other payments that the APVMA is authorised or required to make by or under this Act or any other law of the Commonwealth or any law of a state or territory that is expressed to confer functions or powers on the APVMA.

The balance on this account is recorded as a receivable from the Department at Note 2.1B: Trade and other receivables - Contributions receivable.

	2023	2022
	\$'000	\$'000
Balance carried from previous period	32 255	22 362
External revenue:		
Levies, fees and charges	45 859	42 163
Available for payments:	78 114	64 525
Amounts applied (Drawn down)	(41 400)	(32 270)
Balance carried to next period and represented by:	36 714	32 255

Documentation (Cost Recovery Implementation Statement) for the above activities is available at: apvma.gov.au/node/107646

Australian Pesticides and Veterinary Medicines Authority

PEOPLE AND RELATIONSHIPS - This section describes a range of employment and post employment benefits provided to our people and our relationship with key people.

4.1: Employee Provisions

	2023	2022
	\$'000	\$'000
4.1A: Employee provisions		
Annual leave	2 362	2 332
Long service leave	3 636	3 062
Total employee provisions	5 998	5 394

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of the reporting period are measured at their nominal amounts, and reported in Note 2.3B Other payables.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the 'short-hand method' as outlined in the Resource Management Guide No. 125 - Commonwealth Entities Financial Statements Guide as at 30 June 2023. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation and is discounted using the 10 year Government bond rate at 30 June 2023.

Superannuation

The APVMA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The entity makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the government. The entity accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2023 represents outstanding contributions.

Australian Pesticides and Veterinary Medicines Authority

PEOPLE AND RELATIONSHIPS - This section describes a range of employment and post employment benefits provided to our people and our relationship with key people.

4.2: Key Management Personnel Remuneration

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the APVMA, recognising that ultimate responsibility resides with the Board who are in turn responsible for the APVMA's performance to the relevant Portfolio Minister. KMP have been taken to comprise the Board members and the members of the Executive Committee at anytime throughout the year in either a permanent or acting capacity.

Key management personnel remuneration for the reporting period	2023	2022
	\$	\$
Short-term employee benefits	2 146 989	1 832 090
Post-employment benefits	306 344	253 712
Other long-term employee benefits:	42 768	40 542
Terminations	-	5 521
Total key management personnel remuneration expenses¹	2 496 101	2 131 865

The total number of KMP included in the above table is 27, being four members of the Board and 23 staff (2021-22: 15 staff members). Of these 23 staff, 12 individuals were in short term acting arrangements throughout the year (2021-22: seven individuals).

From February 2023 there was an overlap of executive resulting in an increase in KMP costs. The interim CEO was paid in accordance with a Memorandum of Understanding between the Department of Agriculture, Fisheries and Forestry (DAFF) to the APVMA.

The Chair of the Board, Board Members and the Chief Executive Officer's remuneration and other benefits are determined by the Remuneration Tribunal, and paid by the APVMA.

The balance of the other KMP remuneration and other benefits are determined by the CEO, under s24 of the *Public Service Act 1999*.

Note

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

Australian Pesticides and Veterinary Medicines Authority

PEOPLE AND RELATIONSHIPS - This section describes a range of employment and post employment benefits provided to our people and our relationship with key people.

4.3: Related Party Disclosures

The APVMA is an Australian Government controlled entity, and is part of the Department of Agriculture, Fisheries and Forestry portfolio. Related parties to this entity are relevant Australian Government Ministers including the Portfolio Minister, the Board, the Executive Committee, comprising the Chief Executive Officer, the Deputy Chief Executive Officer, three Executive Directors and General Counsel until April 2023, and other Commonwealth Government entities.

There was a change to the composition of the Executive Committee in April 2023 from which point onwards it comprised the Chief Executive Officer, the Deputy Chief Executive Officer, four Executive Directors, Chief Financial Officer and Board Secretary.

Transactions with related parties:

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

All transactions with other Commonwealth Government entities have been made under normal terms and conditions and, therefore have not been disclosed separately.

There have been no other transactions with related parties this year. All APVMA staff, including the Executive Committee, are required to sign an annual conflict of interest declaration.

Australian Pesticides and Veterinary Medicines Authority

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.1: Contingent Assets and Liabilities

Quantifiable contingencies

The APVMA has no quantifiable contingent liabilities at 30 June 2023. (2021-22: nil)

Unquantifiable contingencies

The APVMA had no unquantifiable contingencies at 30 June 2023. (2021-22: nil)

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Australian Pesticides and Veterinary Medicines Authority

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.2: Financial Instruments

	2023	2022
	\$'000	\$'000
5.2A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	913	148
Total Financial assets at amortised cost	913	148
Total Financial assets	913	148
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	1 897	1 582
Other payables	860	546
Total financial liabilities measured at amortised cost	2 757	2 128
Total financial liabilities	2 757	2 128
5.2B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Interest revenue	75	1
Net gain/(loss) from financial assets	75	1

Australian Pesticides and Veterinary Medicines Authority

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.2: Financial Instruments

Accounting Policy

Financial Assets

In accordance with AASB 9 Financial Instruments, the entity classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Australian Pesticides and Veterinary Medicines Authority

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.3: Fair Value Measurements

Accounting Policy

Non-financial assets

Initial recognition

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in an exchange and any liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of a restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Revaluations

Property, plant and equipment are then carried at fair value once they have been revalued in accordance with policy. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. If there are any major impacts on any asset group, the effect is assessed and the asset's valuation will be adjusted. As the asset groups are quite stable, any impacts are minimal.

All assets (except for intangibles) were revalued as at 30 June 2020 by an independent valuer.

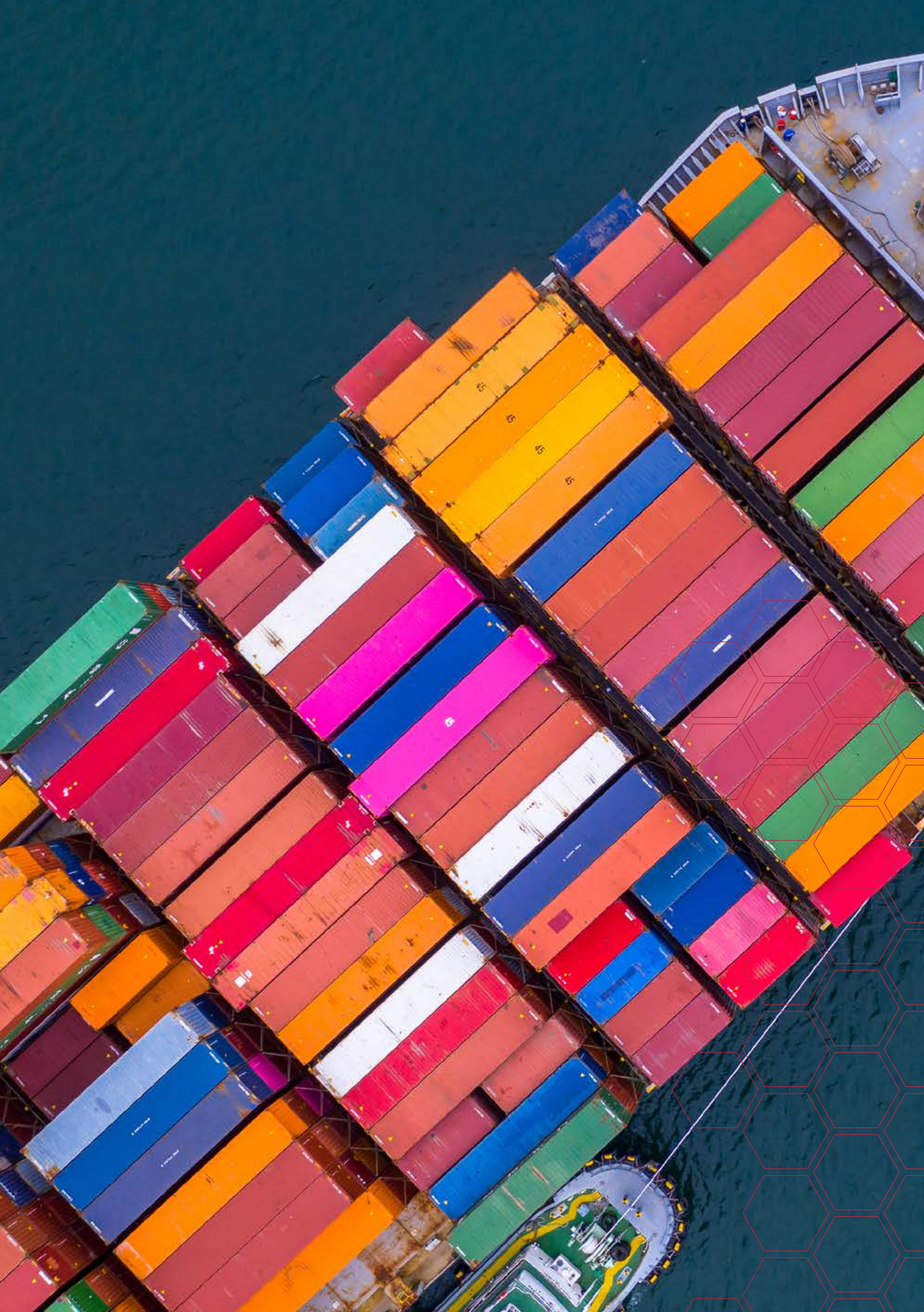
		2023	2022
	Valuation method	\$'000	\$'000
Non-financial assets			
Leasehold improvements	Depreciated replacement cost adjusted for impairment	2 442	2 741
Property, plant and equipment	Depreciated replacement cost adjusted for impairment	532	867
		<u>2 974</u>	<u>3 608</u>

Australian Pesticides and Veterinary Medicines Authority

OTHER INFORMATION

6.1 Current/non-current distinction for assets and liabilities

	2023 \$'000	2022 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	913	148
Trade and other receivables	37 446	32 469
Other non-financial assets	654	756
Total no more than 12 months	39 013	33 373
More than 12 months		
Leasehold Improvements	13 395	15 228
Property, plant and equipment	532	867
Intangibles	1 084	1 443
Other non-financial assets	2 300	69
Total more than 12 months	17 311	17 607
Total assets	56 324	50 980
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	1 897	1 582
Other payables	860	546
Leases	1 101	959
Employee provisions	1 970	1 841
Total no more than 12 months	5 828	4 928
More than 12 months		
Leases	11 100	12 217
Employee provisions	4 028	3 553
Total more than 12 months	15 128	15 770
Total liabilities	20 956	20 698





**Acronyms and
abbreviations**

Glossary

Compliance index

Index

Acronyms and abbreviations

Term	Description
Agvet	Agricultural and veterinary chemicals
AAIs	Accountable Authority Instructions
Administration Act	<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i>
AERP	Adverse Experience Reporting Program
AGIS	Australian Government Investigation Standards
Agvet Code	Agricultural and Veterinary Chemicals Code
Agvet Code Act	<i>Agricultural and Veterinary Chemicals Code Act 1994</i>
Agvet Code Regulations	Agricultural and Veterinary Chemicals Code Regulations 1995
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPR	Commonwealth Procurement Rule
COO	Chief Operating Officer
DAFF	Department of Agriculture, Fisheries and Forestry
EC	Executive Committee
FAO	Food and Agriculture Organization of the United Nations
GC	General Counsel
GMP	Good Manufacturing Practice
Improvements Act	<i>Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Act 2021</i>
JMPR	Joint Meeting on Pesticides Residues
KMP	Key management personnel

Term	Description
MRLs	Maximum Residue Limits
OECD	Organisation for Economic Co-operation and Development
PBS	Portfolio Budget Statement
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
SES	Senior Executive Service
VLC	Veterinary Labelling Code
VICH	International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products
WHO	World Health Organization

Glossary

Term	Description
active constituent	The component of a pesticide or veterinary medicine product that is responsible for its physiological or pharmacological action.
adverse experience	Any undesirable experience arising from the use of a chemical; adverse experiences may affect human or animal health, the environment or other factors.
applicant	A person or company who applies to the APVMA to register a pesticide or veterinary chemical for use in Australia.
approved label	The market product label that carries text approved and published by the APVMA.
compliance	Compliance with any applicable agvet law. See also non-compliance.
cost recovery	Fees and charges relating to the provision of government goods and services (including regulation) to the private and other nongovernment sectors of the economy
Good Manufacturing Practice	Standards that ensure products are consistently manufactured to the quality standards appropriate for their intended use and in accord with their registration specifications.
licence	Authority to manufacture pesticides or veterinary medicines according to s 123 of the Agvet Code.
minor use	A use that would not produce sufficient economic return to an applicant to meet the cost of registering the product for that use.
non-compliance	Non-compliance with any applicable agvet law. Non-compliance may include the sale and use of unregistered products, supply of restricted products to unauthorised users, unapproved labels, unfounded
pesticides	Substances or mixtures of substances intended for preventing, destroying, repelling or mitigating any pest; also known as agricultural chemical products.
registrant	A person or company who registers a pesticide or veterinary medicine product for use in Australia.

Term	Description
registration	Official recognition that a pesticide or veterinary medicine is safe and will work when used according to the label. Before an agricultural or veterinary chemical product
this year; 2022–23	1 July 2022 to 30 June 2023
veterinary medicines	Substances or mixtures of substances intended for treating diseases or conditions in animals.

Compliance index

PGPA Rule Reference	Description	Page
17BE(a)	Details of the legislation establishing the body	8
17BE(b)(i)	A summary of the objects and functions of the entity as set out in legislation	9
17BE(b)(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period	1, 8
17BE(c)	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	8
17BE(d)	Directions given to the entity by the Minister under an Act or instrument during the reporting period	26
17BE(e)	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	26
17BE(f)	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	None identified
17BE(g)	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	30–49
17BE(h), 17BE(i)	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to (a) non-compliance with finance law and action taken to (b) remedy non-compliance	16
17BE(j)	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	52–53
17BE(k)	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	10–14

PGPA Rule Reference	Description	Page
17BE(ka)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location 	17–19
17BE(l)	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	17
17BE(m)	Information relating to the main corporate governance practices used by the entity during the reporting period	52–56
17BE(n), 17BE(o)	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): <ul style="list-style-type: none"> (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions 	57, 77
17BE(p)	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	26–27
17BE(q)	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	70
17BE(r)	Particulars of any reports on the entity given by: <ul style="list-style-type: none"> (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner 	70
17BE(s)	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	n/a

PGPA Rule Reference	Description	Page
17BE(t)	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	n/a
17BE(taa)	<p>The following information about the audit committee for the entity:</p> <ul style="list-style-type: none"> (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee 	53–55
17BE(ta)	Information about executive remuneration	21–25

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