



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



**Cost recovery performance report**  
2022–23 financial year

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## Preface

### 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.

The APVMA regulates 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.

### 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.

## Cost recovery performance reporting

### Purpose

This Cost Recovery Performance Report is submitted to report on the financial outcomes of the APVMA's cost recovery activities for 2022–23. It has been prepared in accordance with the requirements of the [Australian Government Cost Recovery Policy](#),<sup>1</sup> which were last updated on 21 June 2023.

The aggregate level of cost recovery activities' financial outcomes, non-financial outcomes and output measures are reported in the APVMA's 2022–23 Annual Report and financial statements.

The APVMA's current [Cost Recovery Implementation Statement](#) for the period 1 July 2022 to 30 June 2025 (CRIS 2025–27) is the agency's substantive document on cost recovery and should be referred to for more detailed information on the agency's cost activities and cost recovery model.

### Change in cost recovery methodology

In 2022–23 the agency's governance was identified as a separate cost recovery activity rather than being allocated to other cost activities. Governance costs include the costs associated with the APVMA's board, and executive, communication, engagement and parliamentary functions.

The rationale for the change was the recognition that governance is a distinct activity of the agency and should be separately identified from the agency's registration and approval activities.

Two prior year comparative amounts have been included in the cost performance reports: a restated amount for the change in methodology and the amount previously reported.

The change in methodology reduced the total costs of registration and approval with governance costs reported separately. It also changed the ratios of direct to indirect costs with governance costs not allocated as an indirect cost of other activities.

In addition, annual registration renewal fees were fully applied to cost activities in 2022–23 before levies. In 2021–22 renewal fees and levies were applied on a proportionate basis causing a balance of unapplied renewal fees being reported.

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<sup>1</sup> Information about the Australian Government Cost Recovery Policy is available at the Department of Finance's website at <https://www.finance.gov.au/government/managing-commonwealth-resources/implementing-charging-framework-rmg-302/australian-government-cost-recovery-policy>

## Cost recovery performance reports

### Cost recovery performance 2022–23

The cost recovery performance 2022–23 report in Table 1 shows the actual expenses and revenues of cost recovery activities for 2022–23 compared to the prior financial year.

Table 4 reports the cost recovery performance of the agency's three core activities: registration and approvals, regulatory activities and governance.

A further breakdown of registration and approval activities is shown in Table 5.

**Table 1: Cost recovery performance 2022–23 summary**

| Cost recovery activities  | 2022–23 FY<br>actual<br>\$'000 | 2021–22 FY<br>restated<br>\$'000 | 2021–22 FY<br>prior year<br>\$'000 |
|---|--------------------------------|----------------------------------|------------------------------------|
| <b>Cost of activities – recovered by industry contributions and other sources of income</b> |                                |                                  |                                    |
| Direct costs  | 23 029                         | 20 737                           | 17 687                             |
| Indirect costs  | 17 893                         | 14 856                           | 17 612                             |
| <b>Total cost of activities</b>   | <b>40 922</b>                  | <b>35 593</b>                    | <b>35 299</b>                      |
| <b>Cost recovered by:</b>   |                                |                                  |                                    |
| Registration and approval (R&A) fees  | 9 796                          | 11 362                           | 11 362                             |
| Levies  | 21 479                         | 14 615                           | 18 510                             |
| Annual registration renewal fees  | 7 984                          | 7 985                            | 4 038                              |
| <b>Industry contributions applied to cost of activities</b>                                 | <b>39 259</b>                  | <b>33 962</b>                    | <b>33 910</b>                      |
| Unapplied levies  | 5 856                          | 7 830                            | 3 935                              |
| Unapplied annual registration renewal fees  | –                              | –                                | 3 946                              |
| Penalties <sup>1</sup>  | 28                             | (222)                            | (222)                              |
| <b>Total industry contributions</b>   | <b>45 143</b>                  | <b>41 570</b>                    | <b>41 570</b>                      |
| Appropriations:   |                                |                                  |                                    |
| Ordinary appropriations   | 1 663                          | 1 631                            | 1 388                              |
| Own-source revenue  | 402                            | 194                              | 194                                |
| <b>Total income from ordinary activities</b>  | <b>47 208</b>                  | <b>43 395</b>                    | <b>43 152</b>                      |
| <b>Surplus (deficit) of costs recovered</b>   | <b>6 286</b>                   | <b>7 802</b>                     | <b>7 853</b>                       |

| Cost recovery activities | 2022–23 FY<br>actual<br>\$'000 | 2021–22 FY<br>restated<br>\$'000 | 2021–22 FY<br>prior year<br>\$'000 |
|--------------------------|--------------------------------|----------------------------------|------------------------------------|
|--------------------------|--------------------------------|----------------------------------|------------------------------------|

**Note**

1. Penalties are imposed for the late payment of levies and for the understatement of the leviable value of product sales. These penalties are included in industry contributions and a total of \$28,376 was collected in 2022–23.

Infringement notice penalty amounts collected do not form part of industry contributions and are returned to the Consolidated Revenue Fund (CRF). Infringement payments collected prior to the 2021–22 totalling \$270,200 were recorded as industry contributions. The total amount from previous years was returned to the CRF in the 2021–22 and debited to the penalties account resulting in the negative \$222,315 balance.

Surplus funds from cost recovery are accumulated in the APVMA's equity balance to fund operations and potential cost recovery deficits in future years. Tables 6 and 7 show financial estimates of funds from cost recovery activities for future financial years.

**Table 2: Reconciliation to comprehensive income in 2022–23 financial statements**

| Reconciling items  | 2022–23 FY<br>actual<br>\$'000 | 2021–22 FY<br>restated<br>\$'000 | 2021–22 FY<br>prior year<br>\$'000 |
|--|--------------------------------|----------------------------------|------------------------------------|
| <b>Surplus (deficit) of costs recovered</b>                                    | <b>6 286</b>                   | <b>7 802</b>                     | <b>7 853</b>                       |
| <b>New Policy Proposal (NPP) appropriations</b>                                |                                |                                  |                                    |
| Direct costs   | 1 070                          | 370                              | 370                                |
| Indirect costs   | 130                            | 53                               | 104                                |
| <b>Total cost of NPP activities</b>  | <b>1 200</b>                   | <b>423</b>                       | <b>474</b>                         |
| <b>NPP appropriations:</b>   |                                |                                  |                                    |
| Relocation   | –                              | 292                              | 292                                |
| <b>APVMA Board (2022–23 and restated amounts included in governance costs)</b> |                                |                                  |                                    |
| Direct costs   | –                              | –                                | 189                                |
| Indirect costs   | –                              | –                                | 54                                 |
| <b>Total cost of APVMA Board activities</b>                                    | <b>–</b>                       | <b>–</b>                         | <b>243</b>                         |
| <b>Appropriations:</b>   |                                |                                  |                                    |
| Ordinary appropriations  | –                              | –                                | 243                                |
| <b>Comprehensive income surplus (deficit)</b>                                  | <b>5 086</b>                   | <b>7 671</b>                     | <b>7 671</b>                       |

### 3 Cost recovery performance report

Table 3: Revenue

| Sources of revenue                             | 2022-23 FY<br>actual<br>\$'000 | 2021-22 FY<br>restated<br>\$'000 | 2021-22 FY<br>prior year<br>\$'000 |
|--|--------------------------------|----------------------------------|------------------------------------|
| <b>Industry contributions</b>                  |                                |                                  |                                    |
| Levies   | 27 335                         | 22 445                           | 22 445                             |
| Annual registration renewal fees               | 7 984                          | 7 985                            | 7 985                              |
| Product application fees                       | 6 950                          | 8 276                            | 8 276                              |
| Good manufacturing practice (GMP) licence fees | 1 029                          | 1 034                            | 1 034                              |
| Permits, actives and other fees                | 1 817                          | 2 052                            | 2 052                              |
| Penalties                                      | 28                             | (222)                            | (222)                              |
| <b>Total industry contributions</b>            | <b>45 143</b>                  | <b>41 570</b>                    | <b>41 570</b>                      |
| Appropriations:                                |                                |                                  |                                    |
| Ordinary appropriations                        | 1 663                          | 1 631                            | 1 388                              |
| Own-source revenue                             | 402                            | 194                              | 194                                |
| <b>Total income from ordinary activities</b>   | <b>47 208</b>                  | <b>43 395</b>                    | <b>43 152</b>                      |

Table 4: Cost recovery performance by activity

| Cost activities  | 2022-23 FY<br>actual<br>\$'000 | 2021-22 FY<br>restated<br>\$'000 | 2021-22 FY<br>prior year<br>\$'000 |
|--|--------------------------------|----------------------------------|------------------------------------|
| <b>Total registrations and approvals (R&amp;A)</b>   |                                |                                  |                                    |
| Direct costs   | 16 796                         | 15 557                           | 15 580                             |
| Indirect costs   | 13 801                         | 11 615                           | 15 037                             |
| <b>Total R&amp;A costs</b>   | <b>30 597</b>                  | <b>27 172</b>                    | <b>30 617</b>                      |
| <b>R&amp;A costs recovered by:</b>   |                                |                                  |                                    |
| R&A fees   | 9 796                          | 11 362                           | 11 362                             |
| Levies, annual registration renewal fees and other revenue                                     | 20 801                         | 15 810                           | 19 255                             |
| <b>Total R&amp;A costs recovered</b>   | <b>30 597</b>                  | <b>27 172</b>                    | <b>30 617</b>                      |
| <b>Total regulatory activities (chemical review, post-market monitoring and investigation)</b> |                                |                                  |                                    |
| Direct costs   | 2 514                          | 2 445                            | 2 107                              |



| Cost activities   | 2022-23 FY<br>actual<br>\$'000 | 2021-22 FY<br>restated<br>\$'000 | 2021-22 FY<br>prior year<br>\$'000 |
|---|--------------------------------|----------------------------------|------------------------------------|
| Indirect costs  | 2 022                          | 1 697                            | 2 575                              |
| <b>Total regulatory activities costs</b>                                      | <b>4 536</b>                   | <b>4 142</b>                     | <b>4 682</b>                       |
| <b>Regulatory costs recovered by:</b>   |                                |                                  |                                    |
| Levies, annual registration renewal fees and other revenue                    | 3 732                          | 2 741                            | 3 294                              |
| Appropriations:   |                                |                                  |                                    |
| Ordinary appropriations   | 804                            | 1 401                            | 1 388                              |
| <b>Total regulatory costs recovered</b>                                       | <b>4 536</b>                   | <b>4 142</b>                     | <b>4 682</b>                       |
| <b>Governance activities (includes APVMA Board and other executive costs)</b> |                                |                                  |                                    |
| Direct costs  | 3 719                          | 2 735                            | –                                  |
| Indirect costs  | 2 070                          | 1 544                            | –                                  |
| <b>Total governance costs</b>   | <b>5 789</b>                   | <b>4 279</b>                     | <b>–</b>                           |
| <b>Governance costs recovered by:</b>   |                                |                                  |                                    |
| Levies, annual registration renewal fees and other revenue                    | 4 930                          | 4 049                            | –                                  |
| Appropriations:   |                                |                                  |                                    |
| Ordinary appropriations   | 859                            | 230                              | –                                  |
| <b>Total governance costs recovered</b>                                       | <b>5 789</b>                   | <b>4 279</b>                     | <b>–</b>                           |

Table 5: Cost recovery performance of registration and approval (R&amp;A) activities

| R&A activities   | 2022-23 FY<br>actual<br>\$'000 | 2021-22 FY<br>restated<br>\$'000 | 2021-22 FY<br>prior year<br>\$'000 |
|--|--------------------------------|----------------------------------|------------------------------------|
| <b>Agvet chemicals – active constituents</b>               |                                |                                  |                                    |
| Direct costs   | 688                            | 846                              | 983                                |
| Indirect costs   | 559                            | 625                              | 953                                |
| <b>Total costs</b>   | <b>1 247</b>                   | <b>1 471</b>                     | <b>1 936</b>                       |
| <b>Costs recovered by:</b>                                 |                                |                                  |                                    |
| R&A fees   | 1 129                          | 1 340                            | 1 340                              |
| Levies, annual registration renewal fees and other revenue | 118                            | 131                              | 596                                |
| <b>Total costs recovered</b>                               | <b>1 247</b>                   | <b>1 471</b>                     | <b>1 936</b>                       |
| <b>Agvet chemicals – products</b>                          |                                |                                  |                                    |
| Direct costs   | 11 820                         | 10 528                           | 10 129                             |
| Indirect costs   | 9 603                          | 7 785                            | 9 814                              |
| <b>Total cost</b>  | <b>21 423</b>                  | <b>18 313</b>                    | <b>19 943</b>                      |
| <b>Costs recovered by:</b>                                 |                                |                                  |                                    |
| R&A fees   | 6 949                          | 8 276                            | 8 276                              |
| Levies, annual registration renewal fees and other revenue | 14 474                         | 10 037                           | 11 667                             |
| <b>Total costs recovered</b>                               | <b>21 423</b>                  | <b>18 313</b>                    | <b>19 943</b>                      |
| <b>Good Manufacturing Practice (GMP) licence fees</b>      |                                |                                  |                                    |
| Direct costs   | 916                            | 918                              | 917                                |
| Indirect costs   | 894                            | 792                              | 896                                |
| <b>Total costs</b>   | <b>1 810</b>                   | <b>1 710</b>                     | <b>1 813</b>                       |
| <b>Costs recovered by:</b>                                 |                                |                                  |                                    |
| GMP licence fees   | 1 029                          | 1 034                            | 1 034                              |
| Levies, annual registration renewal fees and other revenue | 781                            | 676                              | 779                                |
| <b>Total costs recovered</b>                               | <b>1 810</b>                   | <b>1 710</b>                     | <b>1 813</b>                       |

| R&A activities   | 2022-23 FY<br>actual<br>\$'000 | 2021-22 FY<br>restated<br>\$'000 | 2021-22 FY<br>prior year<br>\$'000 |
|--|--------------------------------|----------------------------------|------------------------------------|
| <b>Permits</b>   |                                |                                  |                                    |
| Direct costs   | 2 023                          | 2 375                            | 2 609                              |
| Indirect costs   | 1 644                          | 1 757                            | 2 528                              |
| <b>Total cost</b>  | <b>3 667</b>                   | <b>4 132</b>                     | <b>5 137</b>                       |
| <b>Costs recovered by:</b>                                 |                                |                                  |                                    |
| R&A fees   | 333                            | 356                              | 356                                |
| Levies, annual registration renewal fees and other revenue | 3 334                          | 3 776                            | 4 781                              |
| <b>Total costs recovered</b>                               | <b>3 667</b>                   | <b>4 132</b>                     | <b>5 137</b>                       |
| <b>Pre-application assistance (PAA) and other fees</b>     |                                |                                  |                                    |
| Direct costs   | 1 349                          | 890                              | 943                                |
| Indirect costs   | 1 101                          | 656                              | 845                                |
| <b>Total costs</b>   | <b>2 450</b>                   | <b>1 546</b>                     | <b>1 787</b>                       |
| <b>Costs recovered by:</b>                                 |                                |                                  |                                    |
| R&A fees   | 356                            | 356                              | 356                                |
| Levies, annual registration renewal fees and other revenue | 2 094                          | 1 190                            | 1 431                              |
| <b>Total costs recovered</b>                               | <b>2 450</b>                   | <b>1 546</b>                     | <b>1 787</b>                       |
| <b>Total registrations and approvals (R&amp;A)</b>         |                                |                                  |                                    |
| Direct costs   | 16 796                         | 15 557                           | 15 580                             |
| Indirect costs   | 13 801                         | 11 615                           | 15 037                             |
| <b>Total R&amp;A costs</b>                                 | <b>30 597</b>                  | <b>27 172</b>                    | <b>30 617</b>                      |
| <b>R&amp;A costs recovered by:</b>                         |                                |                                  |                                    |
| R&A fees   | 9 796                          | 11 362                           | 11 362                             |
| Levies, annual registration renewal fees and other revenue | 20 801                         | 15 810                           | 19 255                             |
| <b>Total R&amp;A costs recovered</b>                       | <b>30 597</b>                  | <b>27 172</b>                    | <b>30 617</b>                      |

## Financial estimates

Table 6: 2023–24 budget and forward estimates – cost recovery

| Cost recovery performance –<br>Budget and forecast                                   | 2022–23<br>FY actual<br>\$'000 | 2023–24<br>FY budget<br>\$'000 | 2024–25<br>FY est.<br>\$'000 | 2025–26<br>FY est.<br>\$'000 | 2026–27<br>FY est.<br>\$'000 |
|--|--------------------------------|--------------------------------|------------------------------|------------------------------|------------------------------|
| Cost of activities – recovered by industry contributions and other sources of income |                                |                                |                              |                              |                              |
| Direct costs   | 23 029                         | 28 440                         | 27 031                       | 26 672                       | 27 339                       |
| Indirect costs   | 17 893                         | 21 269                         | 20 215                       | 19 947                       | 20 446                       |
| <b>Total cost of activities</b>  | <b>40 922</b>                  | <b>49 709</b>                  | <b>47 246</b>                | <b>46 619</b>                | <b>47 785</b>                |
| Cost recovered by:   |                                |                                |                              |                              |                              |
| Registration and approval (R&A) fees   | 9 796                          | 10 341                         | 10 544                       | 10 752                       | 10 965                       |
| Levies   | 21 479                         | 26 500                         | 23 145                       | 23 145                       | 23 145                       |
| Annual registration renewal fees   | 7 984                          | 8 292                          | 8 458                        | 8 627                        | 8 800                        |
| <b>Industry contributions applied to cost of activities</b>                          | <b>39 259</b>                  | <b>45 133</b>                  | <b>42 147</b>                | <b>42 524</b>                | <b>42 910</b>                |
| Unapplied levies   | 5 856                          | –                              | –                            | –                            | –                            |
| Penalties  | 28                             | 16                             | 16                           | 16                           | 16                           |
| <b>Total industry contributions</b>  | <b>45 143</b>                  | <b>45 149</b>                  | <b>42 163</b>                | <b>42 540</b>                | <b>42 926</b>                |
| Appropriations:  |                                |                                |                              |                              |                              |
| Ordinary appropriations  | 1 663                          | 1 840                          | 2 265                        | 2 414                        | 1 783                        |
| Own-source revenue   | 402                            | 403                            | 304                          | 306                          | 309                          |
| <b>Total income from ordinary activities</b>   | <b>47 208</b>                  | <b>47 392</b>                  | <b>44 732</b>                | <b>45 260</b>                | <b>45 018</b>                |
| <b>Surplus (deficit) of cost recovered</b>   | <b>6 286</b>                   | <b>(2 317)</b>                 | <b>(2 514)</b>               | <b>(1 359)</b>               | <b>(2 767)</b>               |

Table 7: 2023–24 budget and forward estimates – income

| Income –<br>Budget and forecast                | 2022–23<br>FY actual<br>\$'000 | 2023–24<br>FY budget<br>\$'000 | 2024–25<br>FY est.<br>\$'000 | 2025–26<br>FY est.<br>\$'000 | 2026–27<br>FY est.<br>\$'000 |
|--|--------------------------------|--------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Income from ordinary activities</b>         |                                |                                |                              |                              |                              |
| <b>Industry contributions</b>                  |                                |                                |                              |                              |                              |
| Levies   | 27 335                         | 26 500                         | 23 145                       | 23 145                       | 23 145                       |
| Annual registration renewal fees               | 7 984                          | 8 292                          | 8 458                        | 8 627                        | 8 800                        |
| Product application fees                       | 6 950                          | 7 421                          | 7 569                        | 7 720                        | 7 875                        |
| Good manufacturing practice (GMP) licence fees | 1 029                          | 1 035                          | 1 056                        | 1 077                        | 1 098                        |
| Permits, actives and other fees                | 1 817                          | 1 885                          | 1 919                        | 1 955                        | 1 992                        |
| Penalties                                      | 28                             | 16                             | 16                           | 16                           | 16                           |
| <b>Total industry contributions</b>            | <b>45 143</b>                  | <b>45 149</b>                  | <b>42 163</b>                | <b>42 540</b>                | <b>42 926</b>                |
| Appropriations:                                |                                |                                |                              |                              |                              |
| Ordinary appropriations                        | 1 663                          | 1 840                          | 2 265                        | 2 414                        | 1 783                        |
| Own-source revenue                             | 402                            | 403                            | 304                          | 306                          | 309                          |
| <b>Total income from ordinary activities</b>   | <b>47 208</b>                  | <b>47 392</b>                  | <b>44 732</b>                | <b>45 260</b>                | <b>45 018</b>                |