



Cost Recovery Implementation Statement (CRIS) 1 July 2025 to 30 June 2026 Consultation Summary

Have your say

You are invited to provide feedback on 3 cost recovery scenarios. Your insights and suggestions will help shape the future of the APVMA, ensuring it continues to meet the needs of the agricultural and veterinary sectors.

Overview

The Australian Pesticides and Veterinary Medicines Authority (APVMA) is at a pivotal point in its operational and financial journey and without changes, the APVMA will enter a deficit in 2025-26 due to inflation and rising operational costs.

We have developed 3 scenarios for consultation which will ensure that the APVMA can continue to operate effectively and sustainably. Scenario 1 is the APVMA's preferred option as it accounts for inflation and best aligns with the business cycle by focusing on recovering the actual costs of operations rather than projecting potential future costs.

Going forward, we will move to a yearly review and update cycle so we can better respond to market conditions and avoid large fee increases. This will mean the APVMA can take a more active role in monitoring and adjusting fees to reflect the real expenses of running the agency.

We need your feedback to ensure the updated cost recovery arrangement balances the need for operational reform, addresses funding deficiencies, and prepares the APVMA to effectively handle future challenges.



TIME:

Opens 9 am, 16 September 2024

Closes 5 pm, 18 October 2024

SUBMISSIONS:

costrecovery@apvma.gov.au

Late submissions will not be accepted

MORE INFORMATION:

apvma.gov.au/news-and-publications/public-consultations

PROPOSED SCENARIOS FOR FUTURE OPERATIONS

To address its operational and financial challenges, the APVMA has developed 3 potential scenarios for consultation

OBJECTIVE

Frequency of CRIS updates

Increase in forecast industry revenue to the APVMA in 2025-26

Annual renewal fee increase, included in the forecast figures

Resourcing

Levy tiers and rates

Expenditure

Other impacts

Scenario 1

Maintain current operations, services levels and fee structures while managing financial constraints. Addresses immediate financial pressures to ensure APVMA continues to meet its regulatory and legislative requirements

A 12% increase, from \$42m to \$47m

Fee increase from \$600 to \$700

Maintain current resourcing level, fee increase will recover the cost of the staffing increase of the last 2 years

NO CHANGE

Maintain current expenditure profile of \$50m

Capacity is matched to meet the minimum regulatory requirements. Alternative funding will be required for significant operational reforms, responding to legislative changes, or adapting emerging technologies

Scenario 2

Expand operations to eliminate resource-shifting and enhance regulatory performance. Provides a balanced approach to addressing current and future challenges

YEARLY

A 25% increase, from \$42m to \$52m

Fee increase from \$600 to \$900

Increases staffing levels (\$3.5m employee costs) to address workload imbalances and reduce backlogs without altering levy rates

Increase expenditure to \$55m, with \$3m allocated for ICT

Provides for increased capacity to meet immediate operating demands. It does not provide full funding for recent or outstanding reform initiatives such as the modernisation of practices or improving internal regulatory processes

Scenario 3

Implement operational and technological reforms funded by increased levy rates. Offers a comprehensive long-term solution to both operational and financial challenges

A 26% increase, from \$42m to \$47m in fees and \$23m to \$28m in levy income

Fee increase from \$600 to \$700

No planned increase, with any increases to resourcing and service levels to be informed by strategic priorities

A total increase of 0.09% in the effective tax rate of levies on sales, resulting in a projected increase in levy income of \$5m

Maintain current expenditure profile of \$50m but use levy increases for strategic projects

Payment in advance of incurring costs for major projects and would see a significant increase in levy fees