

# AUSTRALIAN PESTICIDES AND VETERINARY MEDICINES AUTHORITY

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# AUSTRALIAN PESTICIDES AND VETERINARY MEDICINES AUTHORITY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION

The Australian Pesticides and Veterinary Medicines Authority (APVMA) is established under the *Agricultural and Veterinary Chemicals (Administration) Act 1992* (Administration Act). The APVMA's principal responsibilities are described in the Administration Act and the *Agricultural and Veterinary Chemicals Code Act 1994*.

APVMA is the independent statutory authority responsible for registering pesticides and veterinary medicines and regulating them up to and including retail sale.

APVMA is responsible for administering and managing the National Registration Scheme. The scheme sets out the regulatory framework for the management of pesticides and veterinary medicines in Australia. APVMA carries out its work in partnership with state and territory governments and with the active involvement of other Australian Government agencies including the Office of Chemical Safety within the Department of Health and the Department of the Environment.

APVMA uses robust risk assessment methods to scientifically evaluate new and existing pesticides and veterinary medicines to protect the health and safety of people, animals and the environment, and to support international trade. APVMA aims to operate a system for regulating pesticides and veterinary medicines that is efficient, effective, open and transparent and gives opportunity for public input.

In 2010-11 the Australian Government announced funding for APVMA of \$8.8 million over four years to support reforms to the regulation of agricultural and veterinary (agvet) chemicals in Australia.

These reforms aim to improve the systems that protect human health and the environment and enhance APVMA's business and operational functions. This funding has also enabled APVMA to upgrade its information and communications technology infrastructure.

The Better Regulation of Agvet Chemicals legislation was implemented on 1 July 2014.

APVMA's focus in the 2015-16 financial year will be bedding down the implementation of the legislation and embarking on a new programme to reduce the administration and regulatory burden to industry.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Corporate Commonwealth entity Australian Pesticides and Veterinary Medicines Authority resource statement — Budget estimates for 2015–16 as at Budget May 2015**

Source	<i>Actual available appropriation</i> 2014–15 \$'000	Estimate of prior year amounts available in 2015–16 \$'000	Proposed at Budget 2015–16 \$'000	Total estimate 2015–16 \$'000
<b>Opening balance/Reserves at bank</b>	<b>13,424</b>	-	<b>15,892</b>	<b>15,892</b>
<b>REVENUE FROM GOVERNMENT</b>				
<b>Departmental appropriation<sup>1</sup></b>	743	-	732	732
<b>Payments from related entities</b>				
Amounts from the portfolio department	272	-	143	143
<b>Total</b>	<b>1,015</b>	-	<b>875</b>	<b>875</b>
<b>Special appropriations<sup>2</sup></b>				
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i>	12,746	-	31,721	31,721
<i>– s. 58 (6) amount payable to the Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Act 2014 – Schedule 5, Part 3, s. 66(2) to make a payment to APVMA</i>	18,528	-	-	-
<b>Total special appropriations</b>	<b>31,274</b>	-	<b>31,721</b>	<b>31,721</b>
<b>Total funds from Government</b>	<b>31,274</b>	-	<b>31,721</b>	<b>31,721</b>
<b>FUNDS FROM INDUSTRY SOURCES</b>				
Levies <sup>3</sup>	31,274	-	31,721	31,721
<i>less amounts paid to the CRF</i>	<i>(31,274)</i>	-	<i>(31,721)</i>	<i>(31,721)</i>
<b>Total</b>	<b>-</b>	-	<b>-</b>	<b>-</b>
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	14	-	14	14
Other	199	-	119	119
<b>Total</b>	<b>213</b>	-	<b>133</b>	<b>133</b>
<b>Total net resourcing for entity</b>	<b>45,926</b>	-	<b>48,621</b>	<b>48,621</b>

1. Appropriation Bill (No. 1) 2015–16.

2. APVMA's special appropriation is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Agriculture which are then paid to APVMA and are considered departmental for all purposes.

3. These charges are imposed by the *Agricultural and Veterinary Chemicals Code Act 1994* and the *Agricultural and Veterinary Chemical Products (Collection of Levy) Act 1994*. They are collected by APVMA and transferred to the CRF via the Department of Agriculture. This is then drawn down by the Department of Agriculture as a special appropriation under the Administration Act.

Reader note: All figures are GST exclusive.

CRF – Consolidated Revenue Fund

### 1.3 BUDGET MEASURES

APVMA does not have any 2015–16 Budget measures.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programmes are the primary vehicle by which Government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor APVMA's performance in achieving Government outcomes.

**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.**

#### Outcome 1 strategy

The role of APVMA is to independently evaluate the safety and performance of pesticides and veterinary medicines intended for sale, ensuring that the health and safety of people, animals and crops, the environment and trade are protected. All registered products must be shown to work and be safe for people and the environment. The use of registered products must also not jeopardise Australia's trade with other nations.

To ensure that only those products that meet APVMA's requirements are actually supplied, APVMA monitors the market for compliance. APVMA also reviews registered chemical products to ensure that they continue to meet contemporary standards.

**Outcome 1 expense statement**

Table 2.1 provides an overview of the total expenses for Outcome 1 by programme.

**Table 2.1: Budgeted expenses for Outcome 1**

<b>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.</b>	2014–15 Estimated actual expenses \$'000	2015–16 Estimated expenses \$'000
<b>Programme 1.1: Australian Pesticides and Veterinary Medicines Authority</b>		
Revenue from Government		
Departmental appropriation	743	732
Payment from related entities	272	143
Special appropriations	31,224	31,719
Revenues from other independent sources	213	345
<b>Total for Programme 1.1</b>	<b>32,452</b>	<b>32,939</b>
<b>Outcome 1 Totals by appropriation type</b>		
Revenue from Government		
Departmental appropriation	743	732
Payment from related entities	272	143
Special appropriations	31,224	31,719
Revenues from other independent sources	213	345
<b>Total expenses for Outcome 1</b>	<b>32,452</b>	<b>32,939</b>
	2014–15	2015–16
<b>Average staffing level (number)</b>	<b>171.0</b>	<b>171.0</b>

## Contributions to Outcome 1

### Programme 1.1: Australian Pesticides and Veterinary Medicines Authority

#### Programme objective

Regulate agvet chemicals to protect the health and safety of people, animals and crops, the environment and trade and support Australian primary industries.

#### Linked to:

Department of the Environment:

- Programme 1.6: Management of Hazardous Wastes, Substances and Pollutants.

Department of Health:

- Programme 7.7: Regulatory Policy.

#### Programme expenses

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
Annual departmental expenses:					
Australian Pesticides and Veterinary Medicines Authority	32,452	32,939	33,433	33,933	34,437
<b>Total Programme expenses</b>	<b>32,452</b>	<b>32,939</b>	<b>33,433</b>	<b>33,933</b>	<b>34,437</b>

#### Programme 1.1 Deliverables

APVMA delivers an efficient and effective system of regulation of pesticides and veterinary medicines and will:

- integrate Australian Government reforms into core business;
- conduct robust, risk-based, scientific evaluations to support sound regulatory decisions;
- identify and reconsider existing chemicals of regulatory concern;
- identify and resolve non-compliance;
- identify and manage emerging regulatory issues;
- engage stakeholders to add value to our work;
- conduct our business efficiently and effectively; and
- enhance performance through our people.

APVMA Budget Statements

<b>Programme 1.1 Performance measures</b>					
Performance measures	2014–15 Estimated actual	2015–16 Budget	2016–17 Forw ard estimate	2017–18 Forw ard estimate	2018–19 Forw ard estimate
<b>Applications received before 1 July 2014</b>					
Determine product applications w ithin the statutory timeframe.	90%	n.a	n.a	n.a.	n.a
Determine active constituent applications w ithin the statutory timeframe.	60%	n.a	n.a	n.a.	n.a
Determine permit applications w ithin the statutory timeframe.	85%	n.a	n.a	n.a.	n.a
<b>Applications received after 1 July 2014</b>					
Determine product applications w ithin the statutory timeframe.	100%	100%	100%	100%	100%
Determine active constituent applications w ithin the statutory timeframe.	100%	100%	100%	100%	100%
Determine permit applications w ithin the statutory timeframe.	100%	100%	100%	100%	100%

n.a. = not available

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015–16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

APVMA does not have any movement of administered funds.

#### **3.1.2 Special accounts**

Following APVMA's transition to a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*, APVMA's special account was abolished on 1 July 2014. The balance of the funds in this special account were credited to a special appropriation under the *Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Act 2014*.

#### **3.1.3 Australian Government Indigenous expenditure**

APVMA has no Indigenous specific expenses.



## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

#### **Budgeted comprehensive income statement**

Total income in 2015–16 is budgeted to be \$31.9 million, an increase of \$2.2 million compared to 2014–15. This increase is largely due to an expected increase in revenue from industry.

Total expenditure in 2015–16 is budgeted to be \$32.9 million, a slight increase on 2014–15's forecast of \$32.5 million.

#### **Budgeted balance sheet**

APVMA's forecast total asset position of \$22.7 million at 30 June 2016 is \$0.7 million lower than the estimated balance at 30 June 2015.

Total liabilities at 30 June 2016 are budgeted to increase slightly from the 30 June 2015 estimated balance, rising from \$17.3 million to \$17.6 million.

As APVMA's revenue can vary significantly from year-to-year as a result of fluctuations in agvet chemical sales, APVMA aims to maintain equity levels that allow revenue fluctuations to be managed.

The equity target is currently set at \$7.0 million (approximately three months operating expenses). At 30 June 2016 APVMA's equity is estimated to be \$5.0 million.

### 3.2.2 Budgeted financial statements tables

**Table 3.2.1 Comprehensive income statement (showing net cost of services)  
(for the period ended 30 June)**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	22,047	22,377	22,712	23,051	23,393
Supplier expenses	9,064	9,200	9,338	9,478	9,619
Depreciation and amortisation	1,341	1,362	1,383	1,404	1,425
<b>Total expenses</b>	<b>32,452</b>	<b>32,939</b>	<b>33,433</b>	<b>33,933</b>	<b>34,437</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of	290	292	296	300	304
Interest	14	14	14	14	14
Other	36	37	38	39	40
<b>Total own-source revenue</b>	<b>340</b>	<b>343</b>	<b>348</b>	<b>353</b>	<b>358</b>
<b>Total own-source income</b>	<b>340</b>	<b>343</b>	<b>348</b>	<b>353</b>	<b>358</b>
<b>Net cost of (contribution by) services</b>	<b>32,112</b>	<b>32,596</b>	<b>33,085</b>	<b>33,580</b>	<b>34,079</b>
Revenue from Government					
Commonw ealth contribution	885	875	838	775	781
Industry contributions	28,477	30,721	32,907	33,480	33,983
<b>Total revenue from Government</b>	<b>29,362</b>	<b>31,596</b>	<b>33,745</b>	<b>34,255</b>	<b>34,764</b>
<b>Surplus (Deficit) before income tax</b>	<b>(2,750)</b>	<b>(1,000)</b>	<b>660</b>	<b>675</b>	<b>685</b>
Income tax expense	-	-	-	-	-
<b>Surplus (Deficit) after income tax</b>	<b>(2,750)</b>	<b>(1,000)</b>	<b>660</b>	<b>675</b>	<b>685</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(2,750)</b>	<b>(1,000)</b>	<b>660</b>	<b>675</b>	<b>685</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	214	219	224	230	236
Trade and other receivables	16,469	15,814	17,737	19,665	21,590
<b>Total financial assets</b>	<b>16,683</b>	<b>16,033</b>	<b>17,961</b>	<b>19,895</b>	<b>21,826</b>
<b>Non-financial assets</b>					
Land and buildings	1,911	2,172	1,954	1,732	1,506
Property, plant and equipment	776	679	579	476	370
Intangibles	3,650	3,474	2,834	2,180	1,512
Other	306	306	306	306	306
<b>Total non-financial assets</b>	<b>6,643</b>	<b>6,631</b>	<b>5,673</b>	<b>4,694</b>	<b>3,694</b>
<b>Total assets</b>	<b>23,326</b>	<b>22,664</b>	<b>23,634</b>	<b>24,589</b>	<b>25,520</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,998	4,098	4,200	4,305	4,413
Other	6,157	6,220	6,248	6,239	6,188
<b>Total payables</b>	<b>10,155</b>	<b>10,318</b>	<b>10,448</b>	<b>10,544</b>	<b>10,601</b>
<b>Provisions</b>					
Employee provisions	6,676	6,842	7,013	7,188	7,368
Other	447	456	465	474	483
<b>Total provisions</b>	<b>7,123</b>	<b>7,298</b>	<b>7,478</b>	<b>7,662</b>	<b>7,851</b>
<b>Total liabilities</b>	<b>17,278</b>	<b>17,616</b>	<b>17,926</b>	<b>18,206</b>	<b>18,452</b>
<b>Net assets</b>	<b>6,048</b>	<b>5,048</b>	<b>5,708</b>	<b>6,383</b>	<b>7,068</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	373	373	373	373	373
Reserves	1,123	1,123	1,123	1,123	1,123
Retained surplus (accumulated deficit)	4,552	3,552	4,212	4,887	5,572
<b>Total equity</b>	<b>6,048</b>	<b>5,048</b>	<b>5,708</b>	<b>6,383</b>	<b>7,068</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (budget year 2015–16)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2015</b>				
Balance carried forward from previous period	4,552	1,123	373	6,048
<b>Adjusted opening balance</b>	<b>4,552</b>	<b>1,123</b>	<b>373</b>	<b>6,048</b>
<b>Comprehensive income</b>				
Surplus (deficit) for the period	(1,000)	-	-	(1,000)
<b>Total comprehensive income</b>	<b>(1,000)</b>	<b>-</b>	<b>-</b>	<b>(1,000)</b>
of which:				
Attributable to the Australian Government	(1,000)	-	-	(1,000)
<b>Estimated closing balance as at 30 June 2016</b>	<b>3,552</b>	<b>1,123</b>	<b>373</b>	<b>5,048</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	743	732	695	629	633
Net GST received	975	996	1,015	1,034	1,054
Other	31,759	31,997	31,613	32,193	32,709
<b>Total cash received</b>	<b>33,477</b>	<b>33,725</b>	<b>33,323</b>	<b>33,856</b>	<b>34,396</b>
<b>Cash used</b>					
Employees	21,884	22,211	22,541	22,876	23,213
Suppliers	9,938	10,159	10,352	10,549	10,752
<b>Total cash used</b>	<b>31,822</b>	<b>32,370</b>	<b>32,893</b>	<b>33,425</b>	<b>33,965</b>
<b>Net cash from (used by) operating activities</b>	<b>1,655</b>	<b>1,355</b>	<b>430</b>	<b>431</b>	<b>431</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	1,650	1,350	425	425	425
<b>Total cash used</b>	<b>1,650</b>	<b>1,350</b>	<b>425</b>	<b>425</b>	<b>425</b>
<b>Net cash from (used by) investing activities</b>	<b>(1,650)</b>	<b>(1,350)</b>	<b>(425)</b>	<b>(425)</b>	<b>(425)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	5,155	-	-	-	-
<b>Total cash received</b>	<b>5,155</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Other	18,579	-	-	-	-
<b>Total cash used</b>	<b>18,579</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>(13,424)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(13,419)</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>
Cash and cash equivalents at the beginning of the reporting period	13,633	214	219	224	230
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>214</b>	<b>219</b>	<b>224</b>	<b>230</b>	<b>236</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources <sup>1</sup>	1,650	1,350	425	425	425
<b>TOTAL</b>	<b>1,650</b>	<b>1,350</b>	<b>425</b>	<b>425</b>	<b>425</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,650	1,350	425	425	425
<b>Total cash used to acquire assets</b>	<b>1,650</b>	<b>1,350</b>	<b>425</b>	<b>425</b>	<b>425</b>

1. Includes the following sources of funding:
- annual and prior year appropriations;
  - donations and contributions;
  - gifts;
  - internally developed assets;
  - section 74 Retained revenue receipts; and
  - proceeds from the sale of assets.

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

**Table 3.2.6: Statement of asset movements (Budget year 2015–16)**

	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2015</b>				
Gross book value	2,662	1,182	6,229	10,073
Accumulated and impairment	(751)	(406)	(2,579)	(3,736)
<b>Opening net book balance</b>	<b>1,911</b>	<b>776</b>	<b>3,650</b>	<b>6,337</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase – other	500	100	750	1,350
<b>Total additions</b>	<b>500</b>	<b>100</b>	<b>750</b>	<b>1,350</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(239)	(197)	(926)	(1,362)
<b>Total other movements</b>	<b>(239)</b>	<b>(197)</b>	<b>(926)</b>	<b>(1,362)</b>
<b>As at 30 June 2016</b>				
Gross book value	3,162	1,282	6,979	11,423
Accumulated and impairment	(990)	(603)	(3,505)	(5,098)
<b>Closing net book balance</b>	<b>2,172</b>	<b>679</b>	<b>3,474</b>	<b>6,325</b>

Prepared on Australian Accounting Standards basis.