



A photograph of a farm with chickens in a field, overlaid with a green hexagonal graphic containing text. The background shows a grassy field with several chickens, some in the foreground and some in the distance. A fence is visible in the background. The sky is bright and clear. The green hexagon is centered in the upper half of the image and contains the text "Chapter 4 Corporate governance and management".

Chapter 4
Corporate
governance and
management

Corporate governance and management

Corporate and operational plans

As an independent statutory authority, the APVMA is required to conduct rigorous corporate planning and reporting. Our planning and reporting requirements are set out in the *Agricultural and Veterinary Chemicals (Administration) Act 1992*.

Our central planning document is the APVMA corporate plan, which defines the principal objectives of the APVMA, and gives a broad outline of the strategies devised to achieve these objectives. The corporate plan aligns with the APVMA Regulator Performance Framework, which outlines our key performance measures.

In addition, each year we develop an operational plan that sets out the actions needed to achieve the objectives in the corporate plan. We measure our operational effectiveness annually through the performance indicators in the operational plan and the PBS.

Governance

Under the PGPA Act, the APVMA is a corporate Commonwealth entity. The APVMA is a body corporate with a separate legal identity from the Commonwealth of Australia. The CEO of the APVMA is responsible for the governance and management of the APVMA, with the support of the executive team (see Chapter 2) and the audit committee (see below).

The APVMA governance structure aligns accountabilities to ensure decision making is best practice in delivering scientific assessment and operational effectiveness. The APVMA CEO is the accountable authority for purposes of the PGPA Act and is appointed as a statutory officer by the minister. The CEO, who has responsibility for the management and governance of the authority, together with the APVMA's executive team, is responsible for delivering against the performance measures within the regulator performance framework.

The APVMA governance committees (Table 10) adhere to the principles of public sector governance to provide accountability, transparency, integrity, stewardship, efficiency and leadership.

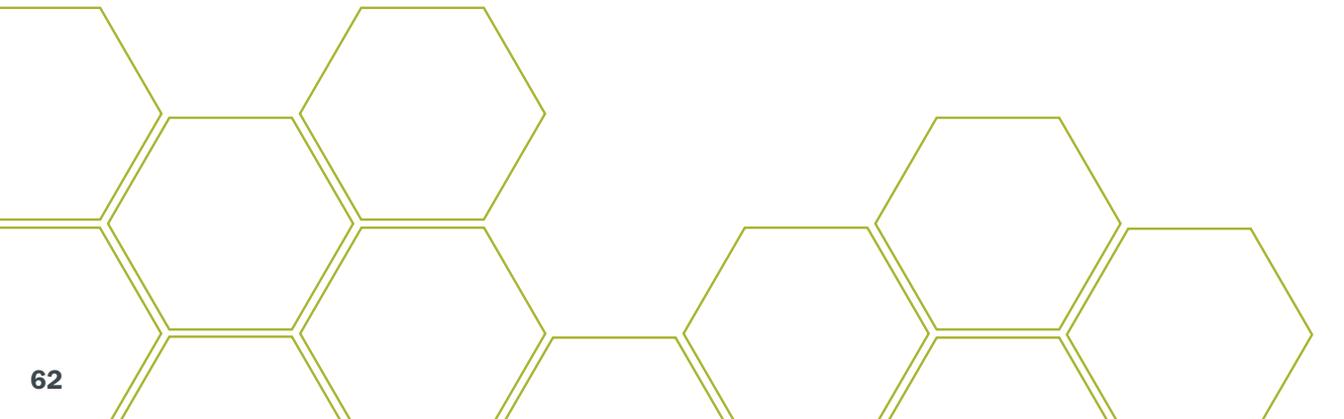


Table 10: APVMA governance committees

Group	Description
Executive Leadership Team	The Executive Leadership Team comprises the senior executive and is chaired by the CEO. The team provides strategic, whole-of-organisation advice and direction relevant to decision making, management and oversight of the APVMA's operations and performance.
Senior Leadership Team	The Senior Leadership Team provides a forum for the senior operational managers in the agency to identify opportunities for cross-agency collaboration, innovation and performance improvement, and to develop leadership.
Audit Committee	This subcommittee reports to the CEO. It assists the agency to discharge its responsibilities under the <i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i> and the <i>Public Governance, Performance and Accountability Act 2013</i> regarding financial reporting, performance reporting, risk oversight and management, internal control and compliance with relevant laws and policies. The committee is not responsible for the executive management of these functions.
Registration Quality Committee	This subcommittee reports to the executive team. It oversees the quality of decision making in the registration activities of the APVMA, and ensures that systems, processes and capability support high-quality decision making that is consistent and legally defensible.
Science Quality Committee	This subcommittee reports to the executive team. It advises and provides recommendations on matters of science and science quality relevant to the functions of the APVMA.
Enforcement Committee	This subcommittee reports to the executive team. It oversees the potential use and actual use of coercive powers.
Major Projects Board	The Major Projects Board oversees the progress of projects that are significant to the operational direction of the agency. The board oversees project deliverables, resourcing requirements, timeframes and management of risks. It also ensures that cross-project opportunities and issues are identified and addressed.

The governance structure, senior management and guidance material support all staff in delivering high-quality scientific assessments and operational effectiveness. They help staff adhere to the public sector values—to be impartial, committed to service, respectful, accountable and ethical.

APVMA guidance material for employees includes policies relating to security, appropriate management of confidential information, financial and procurement practices, use of social media, conflicts of interest, travel, performance management and workplace safety. These policies operate in line with and in addition to requirements under the APS Code of Conduct and legislative framework governing the conduct of APS employees. The APVMA undertakes corporate risk management with regular review by executive staff.

The APVMA operates a Work Health and Safety Committee and a Staff Consultative Committee to consider and progress employee matters.

APVMA Audit Committee

The audit committee is part of the APVMA governance and risk framework. Its terms of reference are to provide independent assurance and advice to the CEO concerning the risk control and compliance framework, the APVMA's financial and management responsibilities, and performance reporting and external accountability responsibilities.

The committee members include an external, independent chair, a representative from an external organisation, and a member of the APVMA executive team. Committee observers and advisers can include representatives from the Australian National Audit Office (ANAO), the internal auditor, the APVMA CEO, COO, Chief Financial Officer and other management representatives.

Meetings and attendance

The audit committee met four times in 2016–17: in September and November 2016, and March and May 2017. Attendance at audit committee meetings is shown in Table 11.

Table 11: Attendance at audit committee meetings, 2016–17

Representative	Member's organisation	Meetings eligible to attend	Meetings attended
Peter Hoefler	External independent chair	4	3
Stefanie Janiec	APVMA	4	2
Helen Stokes			1
Claude Gauchat	External organisation representative	4	4
Appointment pending	External organisation representative	4	0

Issues considered

In 2016–17, the audit committee considered:

- the previous year’s financial statements
- annual assessment of the PSPF
- annual assessment of the Regulator Performance Framework
- the *Strategic Internal Audit Plan 2016–17*.

Presentations

In 2016–17, the audit committee received a presentation by the ANAO, who provided an update on the ANAO performance audit on *Pesticide and veterinary medicine regulatory reform*.

Declarations of interest

No conflicts of interest that would conflict with the proper performance of the audit committee’s functions were declared at any meeting in 2016–17.

Manufacturers’ Licensing Scheme Industry Liaison Committee

The APVMA established the Manufacturers’ Licensing Scheme Industry Liaison Committee (MLSILC) as a forum to discuss strategic and operational issues relating to the Australian Manufacturers’ Licensing Scheme and the Overseas Good Manufacturing Practice Scheme with industry representatives and auditors.

Terms of reference

The terms of reference of the MLSILC are to:

- obtain the views of industry members and auditors on issues of an operational, technical or strategic nature
- advance the development and review of operating procedures, manufacturing standards and guidelines relevant to the Australian Manufacturers’ Licensing Scheme and the Overseas Good Manufacturing Practice Scheme
- provide industry input into APVMA operational planning processes relating to manufacturing issues
- identify opportunities for regulatory reform within the existing framework
- consider the effect of proposed policy changes on APVMA operations, and implications for industry
- facilitate communication with industry and other stakeholders.

Meetings and attendance

The committee met twice in 2016–17: in December 2016 and May 2017. Figures for membership and attendance at MLSILC meetings are shown in Table 12.

Table 12: Attendance at Manufacturers' Licensing Scheme Industry Liaison Committee meetings, 2016–17

Representative	Member organisation	Meetings eligible to attend	Meetings attended
Susan Hanns (Chair)	APVMA	2	2
Garry Hartridge (Secretary)	APVMA	2	2
Geetha Nair, Executive Director, Legal and Compliance	APVMA	2	1
Ian Saunders	Veterinary Manufacturers and Distributors Association	2	1
Neil Sammons	Animal Medicines Australia Ltd	2	1
John Aird	Feed Ingredients and Additives Association of Australia	2	2
Ian Wheatley/ Wendy Free	Auditors' representative	2	2
Jim Adams (attended part of one meeting)	Veterinary Manufacturers and Distributors Association	1	1

Issues considered

Issues considered in 2016–17 included:

- the external review of the APVMA's GMP scheme
- feedback from 2016 auditors' workshop on topics raised by industry
- update on progress of revised risk-based audit scheduling and management methodology
- manufacturing quality and licensing staffing and performance measures
- progress with auditing and licensing of veterinary medicine product manufacturers
- regulatory and international recognition issues.

Declarations of interest

There were no matters declared by any member of the MLSILC that would give rise to any personal material conflict of interest. The APVMA maintains records of declarations.

Science Quality Committee

The Science Quality Committee is a subcommittee reporting to the APVMA CEO and executive team. The committee provides advice and makes decisions related to matters of science and science quality relevant to the functions of the APVMA.

The objectives of the committee are to:

- provide a forum for open debate of scientific issues relevant to the functions of the APVMA
- foster and encourage regulatory scientific excellence in the APVMA
- approve and prioritise proposals for development and adoption of scientific methodologies, test guidelines and guidance documents by the APVMA and partner advising agencies
- oversee implementation of the science strategy.

APVMA Relocation Advisory Committee

The APVMA Relocation Advisory Committee was established by the APVMA CEO to provide strategic advice on major aspects of the relocation and the transition of the APVMA from Canberra to Armidale.

Its role is to:

- assist with the design of the business model for the APVMA operating out of Armidale
- provide input to the design and delivery of the digital strategy to underpin the Armidale business model
- identify strategic risks and advise on mitigation strategies related to the relocation of the APVMA
- identify relocation-related stakeholder issues and advise on engagement and communication activities and issues management (as appropriate)
- provide high-level oversight of the progress against key milestones
- consider other relevant issues referred to it by the APVMA CEO.

The committee is not a decision-making body and does not have any direct say on the day-to-day management of the relocation project or the allocation of resources.

Related entity transactions

The APVMA contracted the Department of the Environment and Energy to provide environmental scientific assessment advice during 2016–17. During 2016–17 there were 20 individual transactions totalling \$684 919. There were no Department of Health contracted environmental scientific assessment services for 2016–17.

Consultation and collaboration

Our stakeholders are at the core of our business, so consulting and working with them, and with other regulatory agencies, to ensure we meet their needs is a priority. Industry, chemical users, government and the community provide input and are involved in our decision making and in the development of guidelines and operational policy.

We work closely with the Australian Government Department of Agriculture and Water Resources to ensure policy and legislation development and change is effective and best placed to help our regulated entities.

The APVMA conducted 45 public consultations on a range of topics, including chemical registrations, trade advice notices, public release summaries, chemical reviews and revisions to the Australia New Zealand Food Standards Code. Key client and stakeholder engagements included:

- conducting a pilot project and review of fast-track registration to reduce regulation through streamlined assessments and online self-registration
- workshopping improved guidance material for the top 20 application types (Sydney, February 2016) to establish a baseline of client requirements from the regulatory efficiency project
- a two-day industry information session in Canberra (November 2016), which provided first-hand feedback on regulatory impediments and a view of new science and industry challenges.

See also *Key activity: Ensure communication with regulated entities is clear, targeted and effective.*

The APVMA continued its program of international engagement in 2016–17, including participating in key international scientific and regulatory forums (Table 13).

Table 13: APVMA participation in international forums

Meeting	Date	Participant
Organisation for Economic Co-operation and Development (OECD) 31st Meeting of the Working Group on Pesticides	30 June 2016 – 1 July 2016	Kareena Arthy
Joint Food and Agriculture Organization of the United Nations (FAO)/World Health Organization (WHO) Meeting on Pesticide Residues (JMPR)	13–22 September 2016	Paul Humphrey Sam Margerison
Codex Committee on Residues of Veterinary Drugs in Foods	16–20 October 2016	James Deller
Joint Expert Committee on Food Additives (JECFA)	8–17 November 2016	Utz Mueller
34th meeting of International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH) Steering Committee	28 February – 2 March 2017	Matthew O’Mullane
5th Meeting of the OECD Network on Illegal Trade of Pesticides	6–7 March 2017	Kareena Arthy Geetha Nair
OECD Residues Chemistry Expert Group	Ongoing	Jason Lutze
Codex Committee on Pesticide Residues	24–29 April 2017	Jason Lutze
OECD Expert Group on Electronic Exchange of Pesticide Data	17–18 May 2017	Jennifer Bardsley
Maximum Residue Limit Harmonization Workshop	31 May – 1 June 2017	James Deller
OECD Expert Group on BioPesticides & Working Group on Pesticides 32nd Meeting	26–30 June 2017	Alan Norden
VICH Anthelmintic Expert Working Group	Ongoing	Michelle Wooster

Advertising and market research

With the exception of recruitment advertising, the APVMA did not undertake any advertising or market research during 2016–17.

Obtaining information from subsidiaries

The APVMA has no subsidiaries.

Accountability

Corporate risk management

In 2016–17, the APVMA reviewed and refreshed the *APVMA risk management framework*. The framework consists of a suite of documents that guides strategies for how the APVMA deals with risk on an ongoing basis. The Strategic and Enterprise Risk Profile specifies the most significant and material business risks being managed by the APVMA. The *APVMA risk management framework* articulates and describes:

- the APVMA's policy for the management of risk
- the methodology used in the assessment of risk across the APVMA
- the operation of APVMA's risk registers and the integration of risk management through the APVMA
- how APVMA works to develop a risk-aware organisational culture where proactive risk management is at the forefront of the decision-making process
- the means for employees to understand their roles in active risk management.

The operational risk register identifies and categorises key business risks that need structured management within the APVMA.

The APVMA has also developed a risk framework including a risk register and treatment strategy for the relocation project. This framework ensures identification and treatment of risks during the project. The framework was reviewed by the APVMA Audit Committee and the Relocation Advisory Committee.

Fraud control

The APVMA has a fraud risk assessment and a fraud control plan that comply with the *Commonwealth fraud control guidelines*. The plan includes fraud prevention, detection, investigation, reporting and data collection procedures.

There were no cases of fraud reported or identified during the reporting period.

Reporting

The *APVMA Gazette* lists all APVMA notices and decisions as required under the Agvet Code, including registrations, reviews and changes to registration status. The gazette is published fortnightly and is available from our website.

The APVMA prepares reports of its performance in meeting regulatory obligations, and presents a range of statistics, including:

- registration of chemical products
- approval of active ingredients
- issuance of permits
- licensing and audit of veterinary manufacturers
- preliminary assessment and PAA.

The reporting includes:

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

APVMA service charter

We aim to provide the highest quality of service to all our stakeholders. The *APVMA Client Service Charter* outlines the standards of service that external parties can expect in their dealings with us. The charter applies to all stakeholders, including the chemicals industry that we regulate, other government agencies, chemical users and the community.

Privacy

The APVMA adheres to the *Privacy Act 1988* and our privacy policy is on our website. Our operations were not subject to any report or determinations by the Privacy Commissioner in 2016–17.

Indemnities and insurance premiums

The APVMA's insurance with Comcover includes liability cover up to \$150 million for professional indemnity, and directors' and officers' liability. The insurance premium paid to cover the 2016–17 financial year was \$48 733.37 (excluding GST).

Judicial decisions and reviews by outside bodies

Parliamentary committees and other reviews

The APVMA appeared before the Senate Estimates Rural and Regional Affairs and Transport Legislation Committee hearings on 18 October 2016 (supplementary), 28 February 2017 (additional) and 25 May 2017 (budget).

On 11 April 2017, the APVMA appeared before the Senate Finance and Public Administration Committee Inquiry into the operation, effectiveness, and consequences of the PGPA (Location of Corporate Commonwealth Entities) Order 2016.

On 6 July 2016, the APVMA appeared before the Queensland Parliamentary Inquiry into Hendra virus EquiVacc[®] vaccine and its use by veterinary surgeons in Queensland.

On 6 October 2016, the APVMA appeared before the Queensland Coronial investigation into the death of Donna Alexia Cowley-Persch, which involved pentobarbitone.

Auditor-General's reports

The ANAO performed the following audits for the APVMA in 2016–17:

- APVMA 2015–16 financial statements
- Pesticide and Veterinary Medicine Regulatory Reform.

Ombudsman

During 2016–17, the Commonwealth Ombudsman conducted two investigations that concerned the APVMA.

Courts and tribunals

During 2016–17, the APVMA was notified of eight matters before the Administrative Appeals Tribunal.

Office of the Australian Information Commissioner reviews

During 2016–17, the APVMA received no notification of review or complaint from the Office of the Australian Information Commissioner.

Work health and safety

As part of our WHS arrangements, the APVMA:

- promotes and develops arrangements to ensure employees' health, safety and wellbeing at work, in accordance with the *Work Health and Safety Act 2011*
- provides operational guidelines for the operation of the Health and Safety Committee
- provides mechanisms for reviewing, varying, and informing employees about WHS arrangements, and for dealing with disputes during consultation.

The APVMA Health and Safety Committee continues to monitor and inform APVMA-wide WHS activities. One new health and safety representative was elected to the committee in 2017 and has undertaken the required training.

Health and wellbeing initiatives

In 2016–17, we implemented a number of initiatives to help staff manage their health and wellbeing at work and at home. We provided free influenza vaccinations for staff, facilitated corporate gym memberships, and invited staff to undertake on-site fitness and general health assessments with qualified health practitioners.

The focus on ensuring a positive employee experience (as established by the APVMA People Strategy) continued, including the promotion of physical and mental health and wellbeing initiatives. The APVMA increased the roll out of sit-to-stand workstations and active workstation assessments to address the potential hazards of working in an increasingly digital environment, and actively promoted the benefits and facilities available through our employee assistance program. Social activities, including providing staff with healthy food platters and supporting internal social events, aimed at increasing morale and collegiality.

See also *Key activity: Implement the APVMA People Strategy.*

Disability reporting

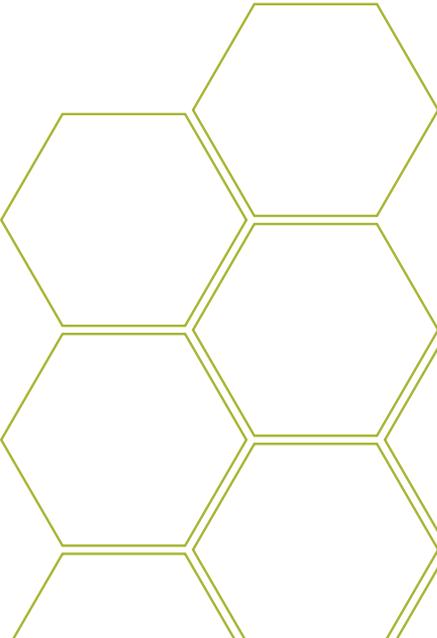
The *National Disability Strategy 2010–20*, which supersedes the Commonwealth Disability Strategy, sets out a 10-year policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level two-yearly report tracks progress against each of the six outcome areas of the strategy, and presents a picture of how people with disability are faring.

Ecologically sustainable development and environmental performance

The APVMA has adopted an environmental management system that meets the requirements of s. 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, the Agvet Code and the Greening of Government program. The environmental management system uses ISO 14001:2004 as its framework.

As far as possible, the APVMA strives to be a 'paperless' office, implementing an EDRMS to significantly reduce the amount of paper and printer consumables used within the office. Additionally, the APVMA works to reduce its environmental impact by:

- recycling paper, plastic and kitchen waste to reduce landfill
- maintaining water tanks for watering gardens at the APVMA's premises in Canberra
- meeting the whole-of-government Energy Efficiency in Government Operations target for energy use of 7500 megajoules per person per year for tenant life and power
- purchasing 100 per cent recycled paper
- using environmental criteria guidelines for all purchases
- using VMware computer hardware to reduce electricity consumption
- using high-efficiency T5 lighting and movement-activated lighting
- using videoconferencing facilities to minimise travel
- using multifunction-device printers that reduce paper waste by secure release, and authenticate all print, copy, scan and fax jobs
- maintaining on-site worm farms to process waste food collected from APVMA kitchens to reduce waste going to landfill.



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