



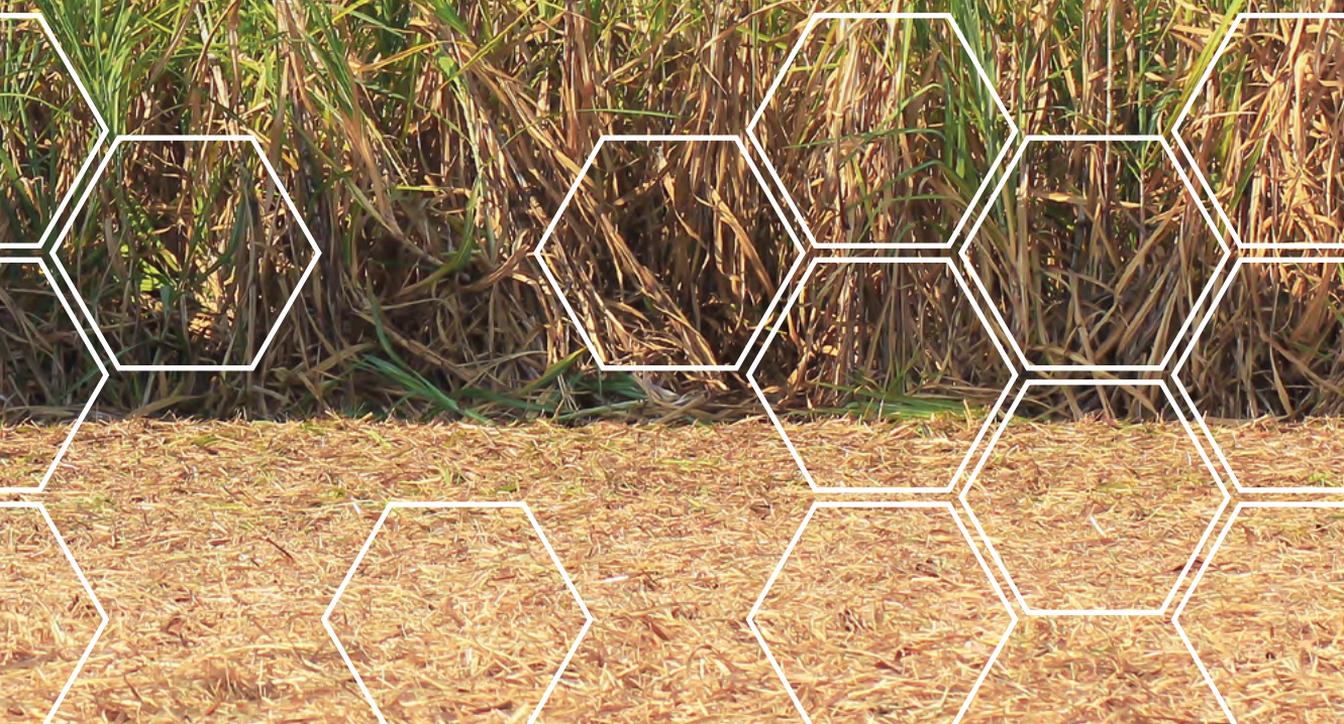


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# CHAPTER 1

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Summary and outlook



## Summary and outlook



In June 2018, the Australian Pesticides and Veterinary Medicines Authority (APVMA) celebrated its 25th anniversary. This milestone provided an opportunity to reflect on our achievements and set the stage for embracing future opportunities.

Originally established in 1993 as the National Registration Authority, we have a proud history of scientific expertise and innovation as the national regulator of agricultural and veterinary (agvet) chemicals. It is our collective expertise and the dedication of our people that have driven improved regulatory performance in 2017-18, and it is that same commitment to world-class regulation that will endure as we relocate to Armidale.

### Improved operational performance and decision making

This year we delivered four consecutive quarters of improved regulatory performance. On-time assessment of agricultural chemical product, permit and active applications increased from 69 per cent in 2016-2017 to 73 per cent in 2017-18. In the three months spanning April to June 2018, we achieved a new high, finalising 85 per cent of applications within the statutory timeframes.

Our focus on improved registration processes and procedures has increased operational efficiency, resulting in the approval of more than 3300 applications. That's thousands of new products, and new uses for existing products, that support Australia's agricultural productivity, enhance animal health, and deliver safe and effective consumer products. Delivering world firsts has further demonstrated our commitment to improved regulatory performance. In 2018 Australia was first to approve the registration of a new insecticide to help control aphids and silverleaf whitefly in cotton and vegetables, and first to approve a biological, present as a palatable feed supplement, used to treat gastrointestinal parasites in grazing animals.

We commissioned an independent review of assessment performance to identify the underlying causes for delays in assessment and registration. The review confirmed that fluctuations in our workload, and the range in quality and complexity of applications we receive make it difficult to meet the legislated performance measure of 100 per cent on-time assessments. The APVMA accepted all recommendations in the independent review and has worked towards implementing immediate priorities identified in the report.

Science quality and capability remains the cornerstone of our work. Participating in international fora such as the Organisation for Economic Cooperation and Development (OECD) and International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal products, we contributed an Australian perspective on the regulation and authorisation of plant protection products and animal medicines, and continued to ensure that our assessment staff are familiar with and implementing global best practice. On the forefront of regulatory science training, we have delivered the Accelerated Regulatory Science Training Program with the first of three cohorts graduating with a Diploma of Government (Regulatory Science).

## Progressing regulatory reform

Promoting the use of international assessments has resulted in more applicants making use of international data, reducing assessment timeframes for many. In 2017–18, the APVMA used international data and assessments from other regulators to inform the decision on 28 product applications and 19 applications for minor use or emergency permits. We made it easier to submit a quality application through tailored guidance material, and defined module descriptors for assessment levels and types.

This past year we surveyed applicants and stakeholders to measure satisfaction with APVMA communication channels and engagement practices. This study provided the benchmark to measure our improvement, and identified areas for targeted investment in our information and communication technology and refined service processes.

We worked with the Australian Government Department of Agriculture and Water Resources to inform legislative reforms that seek to streamline agvet chemical regulation and improve operational efficiency. The Agricultural and Veterinary Chemicals Legislation Amendment (Operational Efficiency) Bill 2017 was introduced into the Australian Parliament on 25 October 2017. Additionally, the proposed Agricultural and Veterinary Chemicals Legislation Amendment (Streamlining Regulations) Bill 2018 is being developed and is expected to be introduced into the Australian Parliament late 2018. If passed, the APVMA will be required to prepare for the introduction of new measures, including reporting requirements, streamlined regulatory processes and adjustments to APVMA governance.

## Strong foundations for our Armidale regulatory centre

This year has seen significant progress in our move to Armidale. We developed the structures, strategies and processes that will enable us to successfully transition our world-class regulatory operations to regional Australia. More than 20 staff now work for the APVMA in Armidale from the interim office on Beardy Street, which was expanded in 2018 to accommodate staff choosing to relocate early, and those recruited directly into Armidale. In a significant step forward, building work commenced on our permanent leased premises in Armidale that will accommodate up to 150 staff by mid-2019. Funding provided by the Australian Government for our digital strategy will further ensure a smooth transition of our operations to Armidale by stabilising the fragmented information and communication technology (ICT) operating environment and enabling a cloud based services solution.

A key challenge for us over the coming year is to develop and maintain the essential expertise and skills that support effective risk assessment and decision making. Staff retention and transition policies developed in 2017 have helped us maintain access to the high-level expertise that is essential to our work. With the conclusion of our staff intention survey, e-working trial and approach to market for scientific assessment services, we chose to retain 30–40 specialist scientists and decision makers in Canberra. Retaining the skills and expertise of our scientists is essential to the effective operations of the APVMA, and accommodating these staff in a Canberra satellite office will enable the APVMA to deliver its statutory obligations under the Agricultural and Veterinary Chemicals Code (Agvet Code) while implementing the Government Policy Order to relocate.

We continued to work with stakeholders through the Armidale Relocation Advisory Committee, and maintained the Relocation Program Board to oversee and govern the transition of our operations to Armidale. We established two new roles—Deputy Chief Executive Officer, Legal, Corporate and Risk Management (Ms Lisa Croft) and Deputy Chief Executive Officer, Business Operations and Reform (Ms Amy Fox)—to provide additional oversight of reform processes.

## Positive outlook

We took those important steps to address the financial sustainability of our regulatory operations and reduced our operating deficit. Working with industry, our next priority is to review cost recovery arrangements as we transition to a new business operating model. We implemented a robust knowledge capture program, and worked closely with our staff to ensure that the expertise and skills needed to support effective risk assessment and decision making are retained. We will continue to implement reforms to strengthen the APVMA, digitise our services and maintain the authority's quality regulatory services for the benefit of Australia's agricultural industries, our trade and the environment.

Significant change is happening at the APVMA to bridge the gap between regulatory service expectations and delivery, and to prepare our operations for future challenges. We are working closely with those we regulate and stakeholders to ensure that their interactions with us are as smooth as possible, and that the changes we implement achieve regulatory efficiency while maintaining appropriate protections for people, animals and the environment. While managing our extensive program of reform, we have improved regulatory performance, increased productivity and led the world in the approval of new products that support Australia's agricultural productivity.

I am pleased to present this annual report for 2017–18. I would also like to congratulate our staff on the outstanding job they are doing to support the APVMA and continue to deliver on our obligations and objectives. We look forward to further development activity in 2018–19, ahead of our relocation in mid-2019.

**Dr Chris Parker**

Chief Executive Officer

September 2018

## APVMA 2017–18 highlights

### Significant activities and changes

- We delivered four consecutive quarters of improved regulatory performance. On-time assessment of agricultural chemical product, permit and active applications increased from 69 per cent in 2016–17 to 73 per cent in 2017–18.
- On 15 November 2017, the Assistant Minister for Agriculture and Water Resources, Luke Hartsuyker, announced the appointment of Dr Chris Parker as APVMA Chief Executive Officer (CEO).
- In March 2018, the site of the APVMA permanent premises in Armidale, New South Wales, was announced. Construction of the building at 102 Taylor Street and 91 Beardy Street started in mid-2018, and the building is expected to be ready for the APVMA in mid-2019. The office will provide 2000 square metres of office accommodation for up to 150 APVMA staff.

### Performance against Strategy 1— Transform our business to be a world-class agvet chemicals regulator based in regional Australia

- The Armidale Relocation Advisory Committee and the Relocation Program Board oversee and govern the transition of our operations to Armidale. To support the move, we developed and are implementing new Canberra staff arrangements and a new business model, digital strategy, knowledge management strategy, risk framework and profile, and employee retention policy.
- We appointed a Deputy CEO (DCEO) in Armidale and an additional DCEO to oversee innovation and reform, relocation, and continued delivery of regulatory performance.
- We put in place a financial sustainability plan to return the APVMA to a more sustainable position over the next four years. In the 2018 Budget, the Australian Government provided \$10.1 million over three years to fund the digital strategy.

### Performance against Strategy 2— Deliver high-quality decision making that is timely, science-based and proportionate to the risks being managed

- More than 3300 applications were finalised this year, making 2017–18 the most productive year in terms of output for the authority since implementation of the 2014 legislative reforms.
- The Independent review of assessment performance outlined a program of work to improve the timeliness and efficiency of assessment and registration, which will be implemented over the next three financial years.
- The Accelerated Regulatory Science Training Program had three intakes and one graduation in 2017–18.

### Performance against Strategy 3— Reduce the regulatory burden on industry through an enhanced client service approach

- The *Agricultural competitiveness white paper* reforms delivered tailored guidance material for the top 20 application types, revised module descriptors, and improved the process for fast tracked applications, reducing the regulatory burden on applicants and enhancing access to safe and effective farm chemicals.
- We surveyed stakeholders about their satisfaction with APVMA information and consultative processes. The survey results were encouraging and we will use this feedback to continue to improve our engagement processes.
- In June 2018, we developed a complaint handling policy and commenced a comprehensive review of our client service charter.