Australian Government

Australian Pesticides and Veterinary Medicines Authority

Annual Report 2021–22

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Australian Government

Australian Pesticides and Veterinary Medicines Authority

07 09 2022

Senator the Hon Murray Watt
Minister for Agriculture, Fisheries and Forestry
Parliament House
Canberra ACT 2600

Dear Minister

In accordance with subsection 46(1) of the *Public Governance, Performance and Accountability Act 2013* and section 61 of the *Agricultural and Veterinary Chemicals (Administration) Act 1992,* I am pleased to submit the annual report on behalf of the APVMA Board, that details the activities of the Australian Pesticides and Veterinary Medicines Authority (APVMA) for the 2021–22 reporting year.

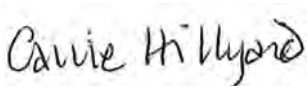
In accordance with the Public Governance, Performance and Accountability Rule 2014, the APVMA Board certifies that:

(i) fraud risk assessments and fraud control plans have been prepared for the APVMA

(ii) appropriate mechanisms that meet the needs of the APVMA are in place for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud

(iii) all reasonable measures have been taken to deal appropriately with fraud relating to the APMVA.

Yours sincerely



Dr Carmel Hillyard AM
Board Chair

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Purpose

We regulate agricultural and veterinary 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.

Our vision

To be a global leader in agriculture and veterinary chemicals regulation for the benefit of Australia.

Chapter 1

Summary and outlook

Summary and outlook

In 2021–22, the Australian Pesticides and Veterinary Medicines Authority (APVMA) has remained focused on ensuring Australians are provided with timely access to safe and effective agricultural and veterinary (agvet) chemical products that support agricultural productivity and improved animal health.

Regulatory performance

This year we maintained our strong timeframe performance, completing 97% of applications for pesticides, veterinary medicines and permits within statutory timeframes.

We supported our stakeholders in response to the outbreaks of pests and diseases, issuing emergency permits for products for the control and surveillance of the exotic pest varroa mite, and approving an emergency permit for a vaccine to protect pet rabbits against the rabbit haemorrhagic disease (calicivirus) virus type 2 strain (RHDV2).

The APVMA delivered 3 world-first registrations during the reporting period that demonstrated our commitment to providing Australian producers with more options for agvet products that are safe and effective to use. In July 2021 we approved the Dectomax V Dual Combination Injection for Cattle, a world-first combination of doramectin and levamisole hydrochloride, for the control of ticks, lice and gastrointestinal worms in cattle. In September 2021 we approved Salibro Reklemel Active Nematicide containing the new active constituent fluazaindolizine, for the control of root-knot nematodes in vegetable crops. In March 2022, we approved Booster-Mag 609 SC Insecticide, a world-first registration of magnesium hydroxide for use as an insecticide to suppress two-spotted mite in cucurbits and tomatoes.

At the conclusion of the reporting period, the APVMA had finalised the implementation of the chemical reconsiderations for 2,4-D and molinate, published the proposed regulatory decision for procymidone, and launched a reconsideration of first and second generation anticoagulant rodenticides.

Consultation and collaboration

The APVMA has continued regular and meaningful engagement with stakeholders throughout 2021–22 to strengthen information sharing and enhance our decision-making processes. Regular stakeholder meetings, including our Agvet Users Forum, Consultative Forum and Registration Liaison Forum, have provided the opportunity to work directly with stakeholders to keep them informed of the APVMA's regulatory activities and ensure their needs are understood and considered.

Stakeholder consultation and collaboration has been critical in the ongoing reviews of the Veterinary and Agricultural Labelling Codes, by working with industry to ensure the labelling codes are clear, consistent and user friendly.

Internationally, APVMA staff have continued their participation in many forums, including meetings and committees of the Organisation for Economic Co-operation and Development, Veterinary International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH), the Joint FAO/WHO Meeting on Pesticide Specifications and the Joint FAO/WHO Meeting on Pesticide Residues.

Regulatory reform

The APVMA continues to implement the measures from the *Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Act 2021*, which amended the *Agricultural and Veterinary Chemicals (Administration) Act 1992*, the *Agricultural and Veterinary Chemicals Code Act 1994* and the *Agricultural and Veterinary Chemical Products (Collection of Levy) Act 1994*.

We have also continued our engagement with the Department of Agriculture, Fisheries and Forestry regarding the Australian Government's response to the independent review of the pesticides and veterinary medicines regulatory system in Australia.

Looking forward

In the year ahead we will continue to focus on ensuring Australians have timely access to safe and effective agvet chemicals, by maintaining high timeframe performance across all aspects of our business and finalising chemical reviews scheduled for completion in the next reporting period.

We will continue to pursue regulatory and operational improvements through the opportunities provided by ongoing regulatory reform, to support delivery of efficient agvet chemical regulation and ensure our staff are equipped with the resources they need to continue to deliver high-quality regulatory outcomes.

Through our commitment to timely and transparent stakeholder engagement, we will strive for continuous improvement to deliver an efficient and streamlined regulatory service and support Australia's National Registration Scheme.

I would like to thank APVMA staff, who have worked diligently and demonstrated their ongoing commitment to ensuring the APVMA continues to meet its obligations and objectives.

Ms Lisa Croft
Chief Executive Officer
September 2022

Chapter 2

Organisation overview

Organisation overview

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.

Responsible minister

The APVMA is within the portfolio of Senator the Hon Murray Watt, who was appointed Minister for Agriculture, Fisheries and Forestry on 1 June 2022. Prior to this date, the Hon David Littleproud MP served as the responsible minister.

Enabling legislation

The APVMA is established under the *Agricultural and Veterinary Chemicals (Administration) Act 1992* (Administration Act). The Administration Act sets out our role as an independent statutory authority of the Commonwealth to administer the National Registration Scheme for Agricultural and Veterinary Chemicals in partnership with state and territory governments, and the scheme's legislation.

Functions and powers are conferred on the APVMA by the Administration Act, the Agricultural and Veterinary Chemicals Code (Agvet Code) scheduled to the *Agricultural and Veterinary Chemicals Code Act 1994*, the Agricultural and Veterinary Chemicals Code Regulations 1995 (Agvet Code Regulations), and the Agvet Codes and Agvet Regulations of each state or participating territory.

We are a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*. A corporate Commonwealth entity is a corporate body that is legally separate from the Commonwealth.

Functions and powers

The APVMA operates under an intergovernmental agreement between the Australian Government and all states and territories. Under this agreement, we are responsible for regulating agvet chemicals up to and including the point of sale. The state and territory governments are responsible for regulating agvet chemicals after they are sold, a process that is known as 'control of use'.

Our functions, which are set out in section 7 of the Administration Act, are to:

- assess the suitability for supply in Australia of active constituents for proposed or existing chemical products, chemical products and labels for containers for chemical products
- provide information to the governments and authorities of the Commonwealth, the states and the participating territories about approved active constituents for proposed or existing chemical products, registered chemical products, reserved chemical products and approved labels for containers for chemical products and to co-operate with those governments and authorities on matters relating to the management and control of chemical products
- keep records and statistics of approvals and registrations granted, and permits and licences issued, by the APVMA under the Agvet Codes
- evaluate the effects of the use of chemical products in the states and participating territories
- co-operate with governments and authorities of the Commonwealth, the states and the participating territories for the purpose of facilitating a consistent approach to the assessment and control of chemicals
- in co-operation with governments and authorities of the Commonwealth, the states and the participating territories, to develop codes of practice, standards and guidelines for, and to recommend precautions to be taken in connection with, the manufacture, export, import, sale, handling, possession, storage, disposal and use of chemical products in the states and participating territories
- collect, interpret, disseminate and publish information relating to chemical products and their use
- encourage and facilitate the application and use of results of evaluation and testing of chemical products
- exchange information relating to chemical products and their use with overseas and international bodies having functions similar to the APVMA's functions
- when requested by the minister, or on its own initiative, to report to or advise the minister on any matter relating to chemical products or arising in the course of the performance of its functions
- encourage and facilitate the introduction of uniform national procedures for control of the use of chemical products
- fund, and co-operate in, a program designed to ensure that active constituents for proposed or existing chemical products, chemical products, and labels for containers for chemical products, comply with the Agvet Codes and the Agvet Regulations.

Organisation structure

Our organisation structure (Table 1) supports effective operation, communication and strategic understanding at all levels of the APVMA.

Table 1: APVMA organisation structure as at 30 June 2022

Area	Responsibilities
APVMA Board	• Governs the APVMA and conducts financial, risk and audit oversight amongst other functions and duties
Chief Executive Officer	• Office of the Chief Executive Officer
Deputy Chief Executive Officer	• Business Improvement • Reform and Engagement • Registration Management • Risk Assessment Capability
Chief Operating Officer, Business Enabling Services	• Assessment, Investigations and Monitoring • Corporate Planning and Performance • Finance and Procurement • FOI and Privacy • Human Resources • ICT • Learning and Development • Parliamentary, Media and Communications • Records and Knowledge Management
Executive Director, Risk Assessment Capability	• Chemical Review • Chemistry and Manufacturing • Efficacy and Safety • Environment • Human Health • Residues and Trade
Executive Director, Registration Management	• Adverse Experience Reporting Program • HGP Control and Monitoring • Levy Audit and Voluntary Recall Program • Manufacturing Quality and Licensing • Permits and Minor Use • Pesticides • Pre-Evaluation and Quality • Veterinary Medicines
General Counsel	• Legal services

Dr Carmel Hillyard AM BSc (Joint Hons) PhD FTSE FAICD

Board Chair

Dr Carmel Hillyard AM was appointed Chair of the APVMA Board in March 2022. Dr Hillyard currently chairs Fitgenes Australia Ltd, is a Director of the Academy of Technology and Engineering and chairs the Research Advisory Board for Mater Research. Dr Hillyard has served on the Industry Research and Development Board and the Australian Nuclear Science and Technology Organisation board. She co-founded venture capital firm, CM Capital, and led its Life Sciences team, taking an active role on the board of pharmaceutical, diagnostics and medical device investee companies. Dr Hillyard has also served on not-for-profit and university commercialisation company boards.

Dr Jeremy Burdon BSc(Hons) PhD FAA FTSE MAICD

Board member

Dr Jeremy Burdon was appointed to the APVMA Board in March 2022. Dr Burdon has extensive experience in research management and planning across Australian agriculture and is currently a non-executive Director of Sugar Research Australia and a Special Advisor to the Australian Plant Phenomics Facility. Previously, Dr Burdon was a non-executive Director of both the Cotton Research and Development Corporation and the Grains Research and Development Corporation.

Mrs Maree Gooch EMBus FAIM FAICD

Board member

Mrs Maree Gooch was appointed to the APVMA Board in March 2022. Mrs Gooch is Principal of Value Creators, which provides specialised business coaching and capacity building courses in business transformation, strategy and finance for small and medium enterprises in the agribusiness and tourism sectors. Mrs Gooch is a former farmer and is currently the Chair of CRISP Wireless, President of the Perth Rotary Club and a board member of FarmSafe Australia. Mrs Gooch is a former Director of the Rural Business Development Corporation, AusChem Training and the Chamber of Commerce WA's SEN panel.

Dr Steve Jefferies AM BAgSc PhD GAICD

Board member

Dr Steve Jefferies was appointed to the APVMA Board in March 2022. Dr Jefferies is Principal of Jefferies Ag Solutions Pty Ltd, which provides specialised consultancy services to agribusiness in strategy, risk management and business growth. Dr Jeffries was formerly the Managing Director of the Grains Research and Development Corporation and is currently Chairman of Rice Breeding Australia Ltd and non-executive Director of Grain Producers South Australia.

Ms Lisa Croft BA Comms GAICD

Chief Executive Officer

Lisa Croft was appointed Chief Executive Officer (CEO) on 9 October 2020, having served as acting CEO since 17 August 2020, and Deputy CEO since February 2018. Ms Croft was appointed to the APVMA Board in March 2022.

Ms Croft consults with key stakeholders to set the APVMA's vision, objectives and strategies to meet its legislative responsibilities. The CEO monitors financial and operational performance and oversees program performance.

Dr Jason Lutze BRurSc(Hons) PhD MAICD

Deputy Chief Executive Officer

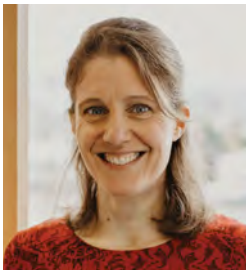
The Deputy CEO provides strategic advice to the CEO and executive oversight of the regulatory science and reform functions of the APVMA. Key responsibilities include oversight of the Risk Assessment Capability and Registration Management functions, business improvements and reform and stakeholder engagement.

Dr Rachel Chay BVSc MHROD
Chief Operating Officer

The Chief Operating Officer supports the delivery of the APVMA's strategic objectives through oversight of the agency's enabling services, including corporate planning, performance and risk, information technology, human resources, finance and procurement, media and communications, parliamentary services, security, records and knowledge management and post-market compliance activities.

Dr Sheila Logan BVSc(Hons)
Executive Director, Risk Assessment Capability

The Executive Director, Risk Assessment Capability manages the expert assessment areas of the APVMA, including chemical review, chemistry and manufacture, efficacy and safety, environment, health, and residues and trade assessment.



Dr Maria Trainer BSc MSc PhD
Executive Director, Registration Management (Acting)

The Executive Director, Registration Management manages the assessment process for agricultural chemicals and veterinary medicines. Responsibilities include managing pre-application assistance, preliminary assessment and evaluation of product registration, permits, export certificates and import consents.

Mr Aabid Nawaz LLB(Hons) GradDipLegPrac BBusAcc
General Counsel

The General Counsel provides legal advice to the CEO, Executive and staff on all aspects of the APVMA's administrative and regulatory functions.

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.

Financial performance

The APVMA's total income for 2021–22 was $43.687 million. This included:

- industry fees and charges of $41.570 million
- government appropriation of $1.923 million (including $1.63 million in government appropriated funding and $292,000 specific appropriation funding assigned to relocation)
- own source income of $194,000 (including $54,000 of resources received free of charge and a grant of $136,000 for minor use from the Department of Agriculture, Fisheries and Forestry).

Multi-year contracts and commitments necessitated carry-overs of $3.280 million for relocation activities and $2.735 million for enabling technologies. The receivable for $17.735 million for *Appropriation Act (No. 5) 2019–2020* has been written back against equity as the APVMA did not experience any adverse effects to revenue as a result of the COVID-19 pandemic.

The net cost of APVMA services for 2021–22 was $35.822 million. The cost of the APVMA's industry-related expenses for 2021–22 was $35.452 million, excluding expenses related to information technology renewal and relocation, some of which were funded by the carry forward of funds from 2020–21.

The final comprehensive income position for the APVMA was $7.671 million with an equity balance of $30.282 million.

Compliance with finance law

Section 19 of the PGPA Act requires, among other things, that agencies notify their responsible minister and the Finance Minister, as soon as practicable, of any significant issue that has affected the entity. There were no significant instances of non-compliance with the finance law in 2021–22.

Staff profile

The APVMA has offices at 2 locations within Australia: Armidale and Canberra. Details of our office locations are provided in Table 2.

Table 2: APVMA office locations

	Street address	Postal address
Armidale	102 Taylor Street Armidale NSW 2350	GPO Box 3262 Sydney NSW 2001
Canberra	Level 1, 11 Faulding Street Symonston ACT 2609	

Table 3 provides details of Australian Public Service (APS) employees employed at the APVMA under the *Public Service Act 1999* in 2021–22.

Table 3: APVMA employee substantive positions as at 30 June 2022

Classification	Full-time (ongoing)	Part-time (ongoing)	Non-ongoing and casual	Total
CEO	0	0	1	1
Senior Executive Officer	4	0	0	4
EL2	22	0	3	25
EL1	41	8	1	50
APS6	45	4	6	55
APS5	30	3	4	37
APS4	12	2	4	18
APS3	1	0	3	4
APS2	0	0	0	0
Trainee	0	0	0	0
Total	**155**	**17**	**22**	**194***

EL = Executive Level
**Total as at 30 June 2022.*

Table 4 provides additional detail about all ongoing APS employees employed at the APVMA in 2021–22.

Table 4: Ongoing APS employees employed at the APVMA during the current reporting period

	Male			Female			Indeterminate			
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	Total
NSW	60	2	**62**	80	12	**92**	0	0	**0**	**154**
ACT	22	2	**24**	17	2	**19**	0	0	**0**	**43**
Total	**82**	**4**	**86**	**97**	**14**	**111**	**0**	**0**	**0**	**197***

**Total for the 2021–22 financial year.*

Table 5 provides additional detail about all ongoing APS employees employed at the APVMA during the previous reporting period, 2020–21.

Table 5: Ongoing employees employed at the APVMA during the previous reporting period

	Male			Female			Indeterminate			
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	Total
NSW	52	1	**53**	67	9	**76**	0	0	0	**129**
ACT	21	2	**23**	18	1	**19**	0	0	0	**42**
Total	**73**	**3**	**76**	**85**	**10**	**95**	**0**	**0**	**0**	**171**

Table 6 provides additional detail about all non-ongoing APS employees employed at the APVMA in 2021–22.

Table 6: Non-ongoing APS employees employed at the APVMA during the current reporting period

	Male			Female			Indeterminate			
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	Total
NSW	8	1	9	13	5	18	0	0	0	27
ACT	3	0	3	0	1	1	0	0	0	4
Total	**11**	**1**	**12**	**13**	**6**	**19**	**0**	**0**	**0**	**31**

Table 7 provides additional detail about all non-ongoing APS employees employed at the APVMA during the previous reporting period, 2020–21.

Table 7: Non-ongoing APS employees employed at the APVMA during the previous reporting period

	Male			Female			Indeterminate			
	Full-time	Part-time	**Total male**	Full-time	Part-time	**Total female**	Full-time	Part-time	**Total indeterminate**	**Total**
NSW	11	0	**11**	14	5	**19**	0	0	**0**	**30**
ACT	1	0	**1**	0	1	**1**	0	0	**0**	**2**
Total	**12**	**0**	**12**	**14**	**6**	**20**	**0**	**0**	**0**	**32**

Key management personnel

During the reporting period, the APVMA had the following executives who met the definition of key management personnel (KMP). Their names and length of term as KMP are summarised in Table 8. Their remuneration is shown in Tables 9 and 10.

Table 8: Key management personnel

Name	Position	Term as KMP
Dr C Hillyard AM	Board Chair	Appointed 29 March 2022
Dr J Burdon	Board member	Appointed 29 March 2022
Mrs M Gooch	Board member	Appointed 29 March 2022
Dr S Jefferies	Board member	Appointed 29 March 2022
Ms L Croft	Chief Executive Officer (CEO)	Full year
Dr J Lutze	Deputy CEO	Appointed 25 August 2021
	Acting Deputy CEO	1 July 2021 to 24 August 2021
	Acting CEO	• 23 August 2021 • 30 September 2021 to 1 October 2021 • 24 January 2022 to 27 January 2022
Dr R Chay	Acting Chief Operating Officer (COO)	17 January 2022 to 30 June 2022
	Acting CEO	19 April 2022 to 22 April 2022
	Acting Deputy CEO	• 6 December 2021 to 16 January 2022 • 24 January 2022 to 27 January 2022 • 25 March 2022 to 18 April 2022 • 23 April 2022 to 20 May 2022
	Executive Director, Registration Management	Substantive
Dr S Logan	Executive Director, Risk Assessment Capability	Appointed 10 January 2022
	Acting Executive Director, Risk Assessment Capability	1 July 2021 to 9 January 2022
	Acting Deputy CEO	19 April 2022 to 22 April 2022
Dr M Trainer	Acting Executive Director, Registration Management	6 December 2021 to 30 June 2022
Mr A Nawaz	General Counsel	Appointed 28 March 2022

Name	Position	Term as KMP
Dr M Hardy	Executive Director, Compliance	Term ended 26 May 2021
Ms S Hynes	General Counsel	Term ended 29 November 2021
Ms L Weston	Acting General Counsel	23 September 2021 to 25 March 2022
Mr B Wright	Acting COO	1 July 2021 to 28 January 2022
Ms L Rixon	Acting COO	Short-term acting during 2021–22
Mr S Harris	Acting Executive Director, Compliance	Short-term acting during 2021–22
Ms Z Nadimi	Acting General Counsel	Short-term acting during 2021–22
Ms K Higgins	Acting Executive Director, Registration Management	Short-term acting during 2021–22
Mr J Deller	Acting Executive Director, Risk Assessment Capability	Short-term acting during 2021–22

Table 9: Summary of key management personnel remuneration

	2021–22 $	2020–21 $
Short-term employee benefits:		
Base salary	1 832 090	1 732 759
Bonuses	0	3 015
Other benefits and allowances	0	0
Total short-term employee benefits:	**1 832 090**	**1 735 774**
Superannuation	253 712	246 069
Total post-employment benefits:	**253 712**	**246 069**
Long-service leave accrued	40 542	46 218
Total other long-term employee benefits:	**40 542**	**46 218**
Terminations	5 521	0
Total key management personnel remuneration	**2 131 865**	**2 028 061**

Senior Executive personnel

The APVMA had no Senior Executive staff earning more than $220,000 this financial year, not included above.

Other highly paid staff

The APVMA had no other highly paid staff earning more than $235,000 this financial year.

Senior Executive Remuneration Policy

Chief Executive Officer

As a statutory officer, the APVMA CEO is remunerated in accordance with determinations made by the independent Remuneration Tribunal under the *Remuneration Tribunal Act 1973*.

Senior Executive Officers

The terms and conditions of employment for the APVMA's Senior Executives are established under subsection 24(1) of the *Public Service Act 1999* and outlined in the respective employee's determination. Factors used by the CEO to determine the relevant remuneration are experience and level of responsibility, taking comparable salaries for senior executives across the APS into consideration. The APVMA Enterprise Agreement is also considered.

Table 10: Key management personnel remuneration

			Short-term benefits			Post-employment benefits	Other long-term benefits			
Name	Position title	Base salary	Annual leave accrued	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits	Termination benefits	Total
Dr C Hillyard AM	Board Chair	24 900	0	0	0	4 299	0	0	0	**29 200**
Dr J Burdon	Board member	12 320	0	0	0	1 238	0	0	0	**13 558**
Mrs M Gooch	Board member	12 320	0	0	0	1 238	0	0	0	**13 558**
Dr S Jefferies	Board member	12 320	0	0	0	1 238	0	0	0	**13 558**
Ms L Croft	Chief Executive Officer	336 402	25 778	0	0	51 972	8 295	0	0	**422 447**
Dr J Lutze	Deputy Chief Executive Officer/ Acting Chief Executive Officer	232 510	17 817	0	0	41 148	5 733	0	0	**297 208**
Dr R Chay	Executive Director, Registration Management/ Acting Chief Operating Officer/ Acting Chief Executive Officer/ Acting Deputy Chief Executive Officer	209 096	16 023	0	0	30 609	5 156	0	0	**260 884**

			Short-term benefits			Post-employment benefits	Other long-term benefits			
Name	Position title	Base salary	Annual leave accrued	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits	Termination benefits	Total
Dr S Logan	Executive Director, Risk Assessment Capability/ Acting Deputy Chief Executive Officer	198 609	15 219	0	0	30 492	4 897	0	0	**249 217**
Dr M Trainer	Director, Pesticides/ Acting Executive Director, Registration Management	115 399	8 843	0	0	13 254	2 845	0	0	**140 341**
Mr A Nawaz	General Counsel	43 119	3 304	0	0	7 202	1 063	0	0	**54 689**
Dr M Hardy	Executive Director, Compliance	191 569	14 680	0	0	29 473	4 724	0	0	**240 446**
Ms S Hynes	General Counsel	69 316	5 312	0	0	11 372	1 709	0	5 521	**93 230**
Ms L Weston	Acting General Counsel	67 821	5 197	0	0	8 700	1 672	0	0	**83 390**
Mr B Wright	Acting Chief Operating Officer	134 206	10 284	0	0	15 757	3 309	0	0	**163 556**
Ms L Rixon	Acting Chief Operating Officer	11 159	855	0	0	1 737	275	0	0	**14 026**

Name	Position title	Base salary	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total
			Annual leave accrued	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Mr S Harris	Acting Executive Director, Compliance	7 790	597	0	0	1 200	192	0	0	**9 779**
Ms Z Nadimi	Acting General Counsel	5 664	434	0	0	747	140	0	0	**6 985**
Ms K Higgins	Acting Executive Director, Registration Management	3 720	285	0	0	438	92	0	0	**4 534**
Mr J Deller	Acting Executive Director, Risk Assessment Capability	17 854	1 368	0	0	1 597	440	0	0	**21 259**
Total		**1 706 094**	**125 996**	**0**	**0**	**253 712**	**40 542**	**0**	**5 521**	**2 131 865**

Ministerial directions and government policy orders

The following government policy orders made under section 22 of the PGPA Act applied to the APVMA during the reporting period:

- Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017
- Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016

Significant activities and changes

The Agricultural and Veterinary Chemicals Code (Conditions of Approval or Registration) Order 2021 came into effect on 29 October 2021. This instrument requires that agricultural products and active constituents for use in agricultural products must not be supplied if the manufacture of the active constituent or product contravenes, or fails to comply with, any manufacturing law of the country, or part of the country, in which it is manufactured. It does not apply to veterinary medicines or active constituents used in veterinary medicines.

On 7 December 2021, the *Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Act 2021* (Improvements Act) commenced, which amends the *Agricultural and Veterinary Chemicals Code Act 1994*, the *Agricultural and Veterinary Chemicals (Administration) Act 1992* and the *Agricultural and Veterinary Chemical Products (Collection of Levy) Act 1994*. The amendments commenced and were implemented by the APVMA from 7 December 2021 to be completed by 7 December 2022.

The Improvements Act established the APVMA Board, which from 4 March 2022 became the Accountable Authority of the APVMA under the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

The Agricultural and Veterinary Chemicals Code Amendment (Miscellaneous Measures) Regulations 2021 and the Agricultural and Veterinary Chemicals Legislation Amendment (Improvements) Regulations 2021 amended the Agricultural and Veterinary Chemicals Code Regulations 1995. These instruments support consequential changes arising from the Improvements Act.

Similarly, the Agricultural and Veterinary Chemicals Code (Extension of Protection Periods and Limitation Periods) Order 2022 commenced on 7 March 2022. This instrument supports amendments to the Agvet Code introduced by the Improvements Act. This instrument allows the APVMA, upon application, to provide extensions to certain protection periods and limitation periods. It sets the conditions and qualifying criteria – such as the eligible application types and the prescribed uses that may trigger an extension – that apply in order to obtain an extension, and how long this extension will be.

Chapter 3
Annual performance statement

Annual performance statement

Strategic framework and reporting

The APVMA Corporate Plan 2021–22 and Operational Plan 2021–22 established 4 strategic priorities to help the APVMA achieve our vision and mission (Figure 1):

Figure 1: APVMA strategic priorities

		Activities	Performance measures
Priorities	Delivery	Regulation of agvet chemicals is delivered through 6 key activities: 1. Timely completion of risk-based assessment and registration of pesticides and veterinary chemicals 2. Licence and audit of veterinary manufacturers 3. Identification and review of the safety of existing chemicals of regulatory concern 4. Action on non-compliance up to – and including – the point of retail sale 5. Maintain and improve the Quality Management System 6. Ongoing improvement in the quality and consistency of decision-making	1. Percentage of applications finalised within legislative timeframes 2. Percentage of audits conducted to the Australian GMP Code closed within 3 months of receipt 3. Percentage of reconsiderations completed in accordance with the Chemical Review Program Plan 4. Percentage of Annual Compliance Plan activities completed in accordance with the Plan 5. Percentage of opportunities for improvement completed within identified timeframes, per quarter 6. Percentage of improvements completed within identified timeframes
	Engagement	Effective engagement with stakeholders is delivered through 4 key activities: 1. Implementation of our Stakeholder Engagement Framework and Activities 2. The provision of timely and quality communication activities and guidance materials 3. Industry notification 4. Timely engagement with key stakeholder groups	1. Percentage of Stakeholder Engagement Activities completed in accordance with the Stakeholder Engagement Framework 2. Percentage of stakeholders satisfied with the timeliness and quality of communication 3. Percentage of statutory notices issued are gazetted in accordance with legislative requirements 4. Percentage of engagement activities occurring in line with the APVMA Stakeholder Activity schedule
	Reform	Ongoing improvement of the agvet regulatory framework is delivered through the following reform activities: 1. Timely implementation of reforms to support the NRS 2. Review of the technical modular structure underpinning the timeframe and fees	1. Percentage of reforms implemented within the required timeframes 2. Percentage of modular structure review completed
	Foundation	Support for all activities and outcomes is enabled by delivery of foundational activities: 1. Maintain and strengthen our Enterprise Risk Management Framework and systems 2. Implementation of the Workforce Plan	1. Percentage of risks outside agency tolerance that have assurance plans to mitigate the risk 2. Percentage of activities completed in accordance with Plan

Measuring our performance

Each of the 4 strategies has associated activities and performance measures to ensure:

- our business continues to transform in response to industry, science and environmental factors, and makes evidence-based regulatory decisions to protect the health and safety of people, animals and the environment
- we maintain the quality and timeliness of our decisions, while applying our scientific expertise to align the effort of regulatory intervention with the risks being managed
- we enable our operations to deliver effective regulatory evaluation and registration of agvet chemical products.

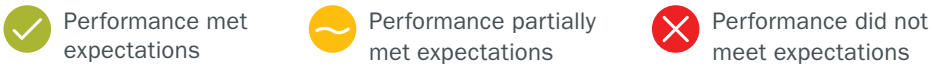
Results against performance criterion

This chapter provides the results of our performance against the:

- APVMA Portfolio Budget Statement (PBS)
- measures listed in the Corporate Plan 2021–22
- activities listed in the APVMA Operational Plan 2021–22.

The APVMA Operational Plan 2021–22 details additional performance measures for each strategy. Results against these measures are presented in this Annual Report in tables. A summary and explanation of the performance is provided at the beginning of each strategy section. Achievement of each performance measure is rated using the scale shown in Figure 2.

Figure 2: Performance rating scale



Variation from the APVMA Portfolio Budget Statement

There have been no variations from the APVMA PBS in 2021–22.

Statement of preparation by the APVMA Board Chair

I, as the Accountable Authority of the APVMA, present the 2021–22 annual performance statement of the APVMA, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity and comply with subsection 39(2) of the PGPA Act.

Dr Carmel Hillyard AM
7 September 2022

Strategic priority 1: Delivery

Summary and explanation of performance

Performance measure	Result
Percentage of applications finalised within legislative timeframes	Partially met expectations
Percentage of audits conducted to the Australian Good Manufacturing Practice (GMP) Code closed within 3 months of receipt	Partially met expectations
Percentage of reconsiderations completed in accordance with the Chemical Review Program Plan	Partially met expectations
Percentage of Annual Compliance Plan activities completed in accordance with the Plan	Met expectations
Percentage of opportunities for improvement completed within identified timeframes, per quarter	Partially met expectations
Percentage of improvements implemented within identified timeframes	Met expectations

Results against corporate performance measures

Activity	Timely completion of risk-based assessment and registration of pesticides and veterinary chemicals
Measure	Percentage of applications finalised within legislative timeframes
Target	100%
Source	Portfolio Budget Statement, Corporate Plan 2021–22
Result	Partially met expectations (97%)

At the completion of the reporting period, timeframe performance for pesticide product applications was at 98.9%, veterinary medicine product applications at 99.5%, permit approval applications at 88.7% and active constituent approval applications at 98.3%.

The APVMA provides industry and end users with timely access to high-quality agvet chemical products that are safe to use in accordance with the approved label instructions. As part of the assessment process, the APVMA takes a pragmatic approach to work with applicants to mitigate identified risks. On occasions, this may result in applications not being completed within the statutory timeframes; however, this is considered appropriate where it is necessary to ensure end users have access to safe and effective products.

In addition to the applications completed during the reporting period, work has been ongoing for activities including pre-application assistance and the issuing of certificates of export and import consents, which do not have statutory timeframes.

Activity	Licence and audit of veterinary manufacturers
Measure	Percentage of audits conducted to the Australian Good Manufacturing Practice (GMP) Code closed within 3 months of receipt
Target	90%
Source	Corporate Plan 2021–22
Result	~ Partially met expectations (76%)

We did not meet this target due to the increase in audits during the reporting period, following the COVID-19-related moratorium imposed during the 2019–20 reporting period:

- On average, the APVMA will close 60 to 65 audits per reporting period; in contrast we closed 118 audits in the 2021–22 reporting period.
- On average, the APVMA will manage 90 to 110 audits (all at different stages) per reporting period; in contrast we managed an average of 124 audits per quarter throughout 2021–22.

The loss of 2 experienced reviewers during the reporting period also impacted our ability to meet this performance target.

In addition to undertaking audits throughout the reporting period, in the first and second quarters of 2021–22 we focused on ensuring compliance with the Good Manufacturing Practice (GMP) Code, engaging auditors in occupational health and safety and audit practices, developing and amending the remote/hybrid audit program and engaging stakeholders on priority issues such as the inter-audit internal review.

Prior to 2019, all audits were conducted on-site. In response to the COVID-19 pandemic, we introduced hybrid audits (a combination of remote and on-site) to reduce the risks associated with travel and direct contact with personnel at manufacturing sites. All overseas audits were conducted remotely using IT resources and documentation reviews.

Activity	Identification and review of the safety of existing chemicals of regulatory concern
Measure	Percentage of reconsiderations completed in accordance with the Chemical Review Program Plan
Target	100%
Source	Corporate Plan 2021–22
Result	~ Partially met expectations

During the reporting period, we published the proposed regulatory decision for molinate in October 2021, the final regulatory decision for molinate in February 2022 and the proposed regulatory decision for procymidone in May 2022. We finalised the implementation of the final regulatory decisions for 2,4-D and molinate, with all relevant

labels updated, and concluded our review of methidathion with the cancellation of approval of the final remaining sources of active constituent.

We also focused on addressing identified and emerging risks related to existing chemicals, launching a review of first and second generation anticoagulant rodenticides in November 2021 based on emerging scientific information relating to environment, residues and human health.

Three reviews expected to be finalised during the reporting period were not fully completed (procymidone, malathion and neomycin) and work remains underway to complete these reviews in 2022–23.

Activity	Action on non-compliance up to – and including – the point of retail sale
Measure	Percentage of Annual Compliance Plan activities completed in accordance with the Plan
Target	100%
Source	Corporate Plan 2021–22
Result	Met expectations (100%)

All planned activities were completed in accordance with the Annual Compliance Plan. This included the publishing of:

- 2 education campaigns, for importing chemicals (published in September 2021, available at apvma.gov.au/node/90991) and scheduled drugs and poisons (published in November 2021, available at apvma.gov.au/node/94206)
- reporting requirements for holders under section 161 to notify the APVMA of new information (published in March 2022, available at apvma.gov.au/node/10826)
- quarterly compliance and enforcement measures (available at apvma.gov.au/node/156).

We also conducted a permit audit during the reporting period that demonstrated no issues of non-compliance. A product testing surveillance program was also initiated during the reporting period.

The APVMA has continued to develop and revise key policy and guidance documents, including the:

a. Case Categorisation and Prioritisation Model (revised in December 2021 and available at apvma.gov.au/node/71406)
b. Enforcement Guidelines (revised in December 2021 and available at apvma.gov.au/node/71411)
c. Compliance and Enforcement Policy (published in November 2021 and available at apvma.gov.au/node/94071).

Activity	Maintain and improve the Quality Management System
Measure	Percentage of opportunities for improvement completed within identified timeframes, per quarter
Target	100%
Source	Operational Plan 2021–22
Result	Partially met expectations (92%)

In addition to undertaking audits throughout the reporting period, in the first and second quarters of 2021–22 we focused on reviewing and updating the Quality Management Framework to ensure it is fit for purpose, meets the needs of the agency and aligns to Australian National Audit Office and ISO9001:2015 recommendations. The review included the APVMA quality policy statement, which was approved and endorsed by the CEO to closely link with the APVMA Corporate Plan and a renewed agency approach to quality management.

Opportunities for improvement (OFI) were identified from process audits designed to check the sequence of processes required for the evaluation of an application for approval, variation of an active constituent or registration/variation of an agvet product in the Registration Management and Risk Assessment Capability programs.

A target of 60 process audits is set for completion per quarter covering a range of active, permit, veterinary and agricultural applications.

A total of 200 process audits were conducted during the reporting period, and from these audits 4 OFI's were identified and completed within timeframe. The 4 OFI's were low-level administrative faults that did not impact the validity of the overall decision-making of the application.

During the reporting period, third party internal audit findings also generated 4 OFI's. The 4 OFI's were linked to the review and update of the Quality Management Framework

The results demonstrate that the APVMA Quality Management System is working effectively and indicate the auditable internal controls are adequate and provide confidence in APVMA processes and decision-making.

Activity	Ongoing improvement in the quality and consistency of decision-making
Measure	Percentage of improvements implemented within identified timeframes
Target	90%
Source	Corporate Plan 2021–22
Result	Met expectations (92%)

Please refer to the analysis for the activity '*Maintain and improve the Quality Management System*' for the percentage of opportunities for improvement completed during the reporting period.

Strategic priority 2: Engagement

Summary and explanation of performance

Performance measure	Result
Percentage of Stakeholder Engagement Activities completed in accordance with the Stakeholder Engagement Framework	Met expectations
Percentage of stakeholders satisfied with the timeliness and quality of communication	Met expectations
Percentage of statutory notices issued are gazetted in accordance with legislative requirements	Met expectations
Percentage of engagement activities occurring in line with the APVMA Stakeholder Activity schedule	Met expectations

Results against corporate performance measures

Activity	Implementation of our Stakeholder Engagement Framework and Activities
Measure	Percentage of Stakeholder Engagement Activities completed in accordance with the Stakeholder Engagement Framework
Target	100%
Source	Corporate Plan 2021–22
Result	Met expectations (100%)

The APVMA liaises with a broad range of stakeholders to achieve our purpose and support effective implementation of the National Registration Scheme for Agricultural and Veterinary Chemicals. During the reporting period, 100% of the activities and events described in the APVMA Stakeholder Engagement Activities document (available at apvma.gov.au/node/92776) were completed, demonstrating the effectiveness of the APVMA's approach to stakeholder engagement and meeting the objectives of the Stakeholder Engagement Framework (available at apvma.gov.au/node/72861).

In addition to ongoing informal engagement with stakeholders, the following stakeholder events were completed during the reporting period and are also reported in Chapter 4 of this Annual Report:

- APVMA Consultative Forum (see apvma.gov.au/node/72996 for more information)
- APVMA Agvet Users Forum (see apvma.gov.au/node/92841 for more information)
- Cost Recovery Working Group
- Industry roundtables
- Interagency Compliance Forum
- Manufacturers' Licensing Scheme – Industry Liaison Forum
- Manufacturing and Quality Licencing (MQL) Auditor Updates
- Ongoing international engagement
- Participation in the National Working Party on Pesticide Applications
- Registration Liaison Forum
- State and territory regulators (Harmonised Agvet Chemicals Control of Use Task Group – HACCUT)

To further support the objectives of the Stakeholder Engagement Framework, the following stakeholder engagement activities continued throughout the reporting period:

- Compliance and enforcement email updates
- Compliance and monitoring education campaigns for suppliers
- Continued e-newsletters tailored for the pesticides and veterinary medicines industries
- Review of our consultation process
- Website accessibility review

Activity	The provision of timely and quality communication activities and guidance materials
Measure	Percentage of stakeholders satisfied with the timeliness and quality of communication
Target	70%
Source	Corporate Plan 2020–21
Result	✓ Met expectations (78%)

The 2022 Client and Stakeholder Survey was deployed in March 2022 to gather insights on stakeholder sentiment towards the APVMA, specifically the provision of timely and quality communication activities and guidance material.

The survey was emailed to a mailing list of approximately 3,365 individuals, who had subscribed to receive email updates on specific areas of interest and included members of major APVMA stakeholder forums. A total of 215 individuals responded to the survey.

82% of respondents reported they were satisfied or highly satisfied with their most recent interaction with the APVMA. Similarly, 74% of respondents agreed or strongly agreed that APVMA staff respond in a timely manner.

In relation to the guidance material provided by APVMA, stakeholder satisfaction varied depending on the nature of the guidance:

- Tailored guidance (80% satisfied)
- Pre-application assistance guidance (70% satisfied)
- Section 6A guidelines (69% satisfied)
- Module descriptors (63% satisfied)
- Data guidelines (59% satisfied)
- International assessment guidance (57% satisfied)

Activity	Industry notification
Measure	Percentage of statutory notices issued are gazetted in accordance with legislative requirements
Target	100%
Source	Operational Plan 2020–21
Result	Met expectations (100%)

The *Agricultural and Veterinary Chemicals Code Act 1994* requires the APVMA to publish certain notices relating to the registration, variation or cancellation of agvet products and active constituents in the Gazette within specified legislative timeframes.

During the reporting period, 100% of statutory notices issued by the APVMA were gazetted in accordance with the legislative timeframes.

Activity	Timely engagement with key stakeholder groups
Measure	Percentage of engagement activities occurring in line with the APVMA Stakeholder Activity schedule
Target	90%
Source	Operational Plan 2020–21
Result	Met expectations (100%)

Please refer to the analysis for the activity ‘Implementation of our Stakeholder Engagement Framework and Activities’ for the percentage of Stakeholder Engagement Activities completed in accordance with the Stakeholder Engagement Framework.

Strategic priority 3: Reform

Summary and explanation of performance

Performance measure	Result
Percentage of reforms implemented within the required timeframes	Partially met expectations
Percentage of modular structure review completed	Met expectations

Results against corporate performance measures

Activity	Timely implementation of reforms to support the NRS
Measure	Percentage of reforms implemented within the required timeframes
Target	100%
Source	Corporate Plan 2021–22 Operational Plan 2021–22
Result	Partially met expectations (92.6%)

The APVMA's reform work has focused on recent legislative reforms, including:

- the Agricultural and Veterinary Chemicals Code (Conditions of Approval or Registration) Order 2021
- amendments arising from the *Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Act 2021*
- the Agricultural and Veterinary Chemicals Code Amendment (Miscellaneous Measures) Regulations 2021.

In total, 25 reform measures were implemented in the reporting period. Two measures, which related to minor process changes, were completed outside the agreed timeframe; however, this had no impact on stakeholders or APVMA staff.

Activity	Review of the technical modular structure underpinning the timeframe and fees
Measure	Percentage of review completed
Target	100%
Source	Operational Plan 2021–22
Result	Met expectations (100%)

The modular structure for the technical assessment of applications, as set out in Schedule 7 of the Agricultural and Veterinary Chemicals Code Regulations, has not changed significantly for several years. The aim of the review was to refine the descriptors to provide greater clarity to applicants and ensure the timeframes and fees were commensurate with the associated work.

Consideration was given to the module descriptors, timeframes and relevant fees. The review also proposed the introduction of new modules to capture assessment types where a reduced timeframe and cost is considered appropriate. An additional key area of change proposed is to consolidate the modules relating to toxicology and occupational health and safety into a number of 'health' modules, which reflects the APVMA's current assessment processes.

While the APVMA review is complete, the module descriptors will undergo formal consultation during the Cost Recovery Implementation Statement public consultation in 2022–23, which will consider the technical aspects and applicable fees.

Strategic priority 4: Solid foundation of enabling support

Summary and explanation of performance

Performance measure	Result
Percentage of risks outside agency tolerance that have assurance plans to mitigate the risk	Met expectations
Percentage of activities completed in accordance with Workforce Plan	Did not meet expectations

Results against corporate performance measures

Activity	Maintain and strengthen our Enterprise Risk Management Framework and systems
Measure	Percentage of risks outside agency tolerance that have assurance plans to mitigate the risk
Target	100%
Source	Operational Plan 2021–22
Result	Met expectations (100%)

The APVMA maintains a robust enterprise management system designed to identify, assess, manage and monitor risks within our agency in an efficient and transparent manner. Strong engagement of staff and the Executive, as well as oversight from the APVMA Audit and Risk Committee, is a key part of ensuring the continued effectiveness of this system.

The Risk Management Framework, Policy and Risk Tolerance Statement are reviewed annually to ensure the currency and appropriateness of the documents and to incorporate any non-urgent changes or amendments that have been identified throughout the previous 12 months. Risk Assurance Plans are developed for all risks outside of tolerance and are closely monitored, managed and reported to the Executive monthly.

In support of changes to the Framework, including the APVMA Board being the Accountable Authority, the Risk Management Framework and APVMA Risk Tolerance Statement have been updated.

Activity	Implementation of the Workforce Plan
Measure	Percentage of activities completed in accordance with Plan
Target	80%
Source	Operational Plan 2021–22
Result	Did not meet expectations

We did not meet this target during the reporting period as our focus has been on building human resource strategic capability within the agency. This included the establishment of a new People and Governance function. A Director has been appointed to this role and the team has prioritised development of a higher-level People Strategy 2022–25, which is expected to be finalised by 31 December 2022.

Chapter 4

Corporate governance and management

Corporate governance and management

Corporate Plan

The APVMA's planning and reporting requirements are set out in the *Public Governance, Performance and Accountability Act 2013* and the *Agricultural and Veterinary Chemicals (Administration) Act 1992.*

Our primary planning document is the APVMA Corporate Plan, which defines the principal objectives of the APVMA and outlines the strategies to achieve these objectives.

Governance

As a corporate Commonwealth entity under the PGPA Act, the APVMA is a body corporate with a separate legal personality from the Commonwealth and can act in its own right exercising certain legal rights, such as entering into contracts and owning property. The APVMA Board is established by the Administration Act and is appointed by the minister as Accountable Authority of the APVMA for the purposes of the PGPA Act.

Details of the Accountable Authority during the reporting period are outlined in Table 11.

Table 11: Accountable Authority

Name	Position held	Period as the Accountable Authority		Number of meetings of Accountable Authority attended
		Date of commencement	Date of cessation	
Dr C Hillyard AM	Board Chair	29 March 2022	28 March 2026	1
Dr J Burdon	Board member	29 March 2022	28 March 2025	1
Mrs M Gooch	Board member	29 March 2022	28 March 2025	1
Dr S Jefferies	Board member	29 March 2022	28 March 2025	1
Ms L Croft	Chief Executive Officer	8 October 2020	7 October 2025	1

The Board is responsible for ensuring the performance of the APVMA's functions, but is not involved in the day to day administration or operation of the APVMA. The CEO is responsible for the day to day administration and operation of the APVMA, with the support of the Executive (see Chapter 2) and the Audit and Risk Committee (see Table 13). The CEO is also responsible for delivering against the performance measures listed in our planning documents.

Our governance structure aligns accountabilities to ensure decision-making delivers best-practice scientific assessment and operational effectiveness.

Governance committees

Our governance committees adhere to the principles of public sector governance to provide accountability, transparency, integrity, stewardship, efficiency and leadership and are listed in Table 12.

Table 12: APVMA governance committees

Committee	Description
Executive Committee	The Executive Committee (EC) supports the APVMA CEO to lead, govern and set the strategic direction for the APVMA. The EC provides advice to the CEO on the appropriateness of the APVMA's decision-making processes and oversight and reporting arrangements, and helps to ensure the agency delivers efficient and effective regulation while complying with the law, regulations, published standards and community expectations of probity, accountability and openness.
Audit and Risk Committee	The Audit and Risk Committee reports to the Board and CEO and assists the agency to discharge its responsibilities under the *Public Governance, Performance and Accountability Act 2013* and the *Agricultural and Veterinary Chemicals (Administration) Act 1992* regarding financial reporting, performance reporting, risk oversight and management, internal control and compliance with relevant laws and policies.
Enforcement Advisory Group	The Enforcement Advisory Group reports to the EC. It oversees the potential and actual use of coercive powers but does not make decisions in relation to the exercise of those powers.
Case Assessment Group	The Case Assessment Group categorises and prioritises each referral and allegation against the Case Categorisation and Prioritisation Model, in accordance with APVMA Policy and the Australian Government Investigation Standards (AGIS).
Staff Consultative Committee	The Staff Consultative Committee provides a framework to allow employees to be consulted on significant decisions that affect their working lives and thereby contribute to a more efficient and productive organisation whilst enhancing the quality of the working life of individual employees.

Committee	Description
Health and Safety Committee	The Health and Safety Committee provides a framework to allow workers to be consulted on significant work, health and safety decisions that affect their working lives. Consultation contributes to a safe and healthy workplace whilst enhancing the quality of the working life of individual workers.

APVMA Audit and Risk Committee

The APVMA Audit and Risk Committee is part of the APVMA governance and risk framework and provides independent assurance and advice to the Board and CEO on our accountability and control framework – particularly those aspects concerning performance and financial reporting and systems relating to risk and control.

The Audit and Risk Committee Charter is available on our website at apvma.gov.au/node/9526.

The Audit and Risk Committee met 4 times in 2021–22.

In 2021–22 the Audit and Risk Committee had 3 external members (including the independent Chair). Committee observers and advisers can include representatives from the Australian National Audit Office (ANAO), the internal auditor, and APVMA management representatives.

Table 13 provides detail about Audit and Risk Committee members during the 2021–22 reporting period.

Table 13: 2021–22 Audit and Risk Committee membership and attendance

Member name	Qualifications, knowledge, skills or experience (including formal and informal as relevant)	Number of meetings attended/ total number of meetings	Total annual remuneration ($)
Mr Don Cross (Chair, independent member)	Mr Cross is currently a Chair and member of several federal government audit and risk committees and sub-committees, and was a senior partner at KPMG and a lead partner for KPMG's key strategic government accounts. Mr Cross has experience in government program delivery and reform, financial statement audit and internal audit for policy, regulatory and service delivery agencies. Mr Cross holds professional qualifications in accounting, fraud control, business and auditing and is a Fellow of the Institute of Chartered Accountants and a Certified Practicing Accountant.	4	20 185.00
Mr Darren Schaeffer (independent member)	Mr Schaeffer has more than 12 years' experience working in the private sector for large commercial companies – particularly in the services and manufacturing sectors – 14 years in the public-sector, including 8 as Chief Financial Officer of 2 material federal government departments, and 8 years in professional services. Mr Schaeffer is a Fellow Certified Practising Accountant, Graduate of Australian Institute of Company Directors, Associate Member Institute of Internal Auditors and Member of the Australian Evaluation Society. Mr Schaeffer is currently studying a Professional Doctorate of Business Administration (Research), and holds a Masters of Business Administration (Public Sector), Bachelor of Business (Accounting) and is a Certified Government Auditing Professional.	4	6 600.00

Member name	Qualifications, knowledge, skills or experience (including formal and informal as relevant)	Number of meetings attended/ total number of meetings	Total annual remuneration ($)
Ms Diana Hamono (independent member) – commenced October 2021	Ms Hamono has more than 35 years' internal auditing and IT auditing experience in federal and local government organisations, spanning regulatory, policy and service delivery agencies. Ms Hamono's audit consulting experience covers all aspects of risk, governance, ICT, program and project management and corporate and operational business systems. Ms Hamono holds a Masters in Information Studies (Knowledge Management), a Diploma of Security (Risk Management), a OGC Gateway Reviewer Team Member Certificate, a certificate of COBIT 5 Foundations and a foundation Certificate in IT Service Management (ITIL v3). Ms Hamono is a certified Information Systems Auditor, is certified in the Governance of Enterprise IT, is a Professional Member of IIA-Australia and Member of ISACA.	2	9 789.91
Ms Narelle Sheppard – resigned October 2021	Ms Sheppard has more than 12 years' private sector experience and 17 years' federal government experience in external audit, financial accounting, internal audit and consulting, including working within other regulatory bodies, such as the Levies Revenue Service at the Department of Agriculture, Fisheries and Forestry. Ms Sheppard holds a Bachelor of Financial Administration, is a certified Internal Auditor, Government Auditing Professional and Practicing Accountant, is certified in risk management assurance and is a Fellow of the Institute of Internal Auditors Australia and of CPA Australia.	1	3,519.95

Related entity transactions

The APVMA procured goods and services from the related entities listed in Table 14 during 2021–22.

Table 14: Related entity transactions

Related entity	No. of transactions	Total amount ($)
Attorney-General's Department	1	3 156.21
Australia Post	19	19 295.57
Australian Federal Police	11	1 722.00
Australian Government Solicitor	54	230 595.42
Australian Public Service Commission	2	18 988.00
Comcare	1	91 241.70
Comcover	1	86 403.83
Comsuper	1	17 641.00
Department of Agriculture, Fisheries and Forestry	3	70 965.00
Department of Defence	11	43 811.27
Department of Finance	3	16 524.00
Department of Foreign Affairs and Trade	29	13 032.00
Department of Home Affairs	1	7 840.00
Department of Infrastructure, Transport and Regional Development and Communications	1	1 214.04
Digital Transformation Agency	2	164 819.23

Consultation and collaboration

Effective consultation with our stakeholders is an essential component in supporting us to achieve our purpose and corporate objectives.

Stakeholder consultation is also a mandatory requirement for cost recovered agencies and guides our work to support Australia's National Registration Scheme and ensure the safety of people, animals and the environment. We collaborate with stakeholders from the agvet industry, agvet user groups and government, and encourage transparent and timely consultation to facilitate their feedback in our decision-making processes.

We continue to implement the activities of our Stakeholder Engagement Framework, which sets out our strategic approach to stakeholder consultation and collaboration for the 2020–23 period.

In March 2022 we conducted our Client and Stakeholder Survey to seek feedback from stakeholders about their level of satisfaction with our performance and service delivery. The results of the survey provide us with an updated benchmark to assist with measuring performance, provide insights into what is working well and identify opportunities for improvement.

At the conclusion of the 2021–22 reporting period we had conducted 34 public consultations on a range of topics, including Trade Advice Notices and Public Release Summaries.

In addition to ongoing informal engagements, the APVMA continued to engage with stakeholders in key forums throughout the reporting period (see Table 15).

Table 15: APVMA stakeholder engagement forums

Meeting	Purpose	Date	Participants
APVMA Consultative Forum	To consult with and involve stakeholders to ensure their issues and concerns are understood and considered, and to educate stakeholders on our regulatory activities.	• 20 August 2021 • 24 February 2022	• Representative from peak industry bodies
APVMA Agvet Users Forum	To enable liaison and high-level discussion with agvet product user groups.	• 17 September 2021 • 16 March 2022	• Representatives from user groups
Cost Recovery Working Group	To seek feedback and input from industry stakeholders on our cost recovery framework	• 27 July 2021 • 6 October 2021 • 8 February 2022 • 1 April 2022 • 23 June 2022	• DAFF (observer) • Representatives from peak industry groups

Meeting	Purpose	Date	Participants
Harmonised Agvet Chemicals Control of Use Task Group	To consult with state and territory regulators to ensure their issues and concerns are understood and considered, and to share APVMA activities.	• 17 December 2021	• DAFF • Representatives from state and territory regulatory agencies (agriculture and environment departments)
Interagency Regulators Forum	To facilitate cooperative relationships between participants in the NRS on information sharing, intelligence, investigations and regulatory compliance.	• 14 September 2021 • 7 December 2021 • 1 March 2022 • 21 June 2022	• Representatives from state and territory regulatory agencies
Jurisdictional Spray Drift Working Group	To develop and implement spray drift policies.	• 6 June 2022	• DAFF • Representatives from state and territory regulators
Manufacturers' Licencing Scheme – Industry Liaison Forum	To seek feedback and input from veterinary chemical product manufacturers.	• 20 September 2021 • 6 December 2021 • 21 March 2022 • 27 June 2022	• Representatives from veterinary chemical product manufacturers
Manufacturing Quality and Licensing Auditor Updates	To improve audit process, outcomes and opportunities for remote and hybrid audits.	• Monthly until May 2022, then every 2 months	• APVMA Auditors
Registration Liaison Forum	To discuss common issues across the Commonwealth and the jurisdictions.	• 5 August 2021 • 3 November 2021 • 3 March 2022	• DAFF • Representatives from state and territory regulatory agencies (agriculture and environment departments)
Regulatory Science Network	To discuss regulatory science issues and improve interagency cooperation.	• 3 to 4 November 2021	• Representatives from Commonwealth chemical regulators

International engagement

We continued our program of international engagement in 2021–22, participating in key international scientific and regulatory forums (see Table 16 and Table 17).

Table 16: APVMA participation in international forums

Meeting	Contribution	Date
Association of Southeast Asian Nations (ASEAN) PMH Series VI: Good Laboratory Practices, Data Acceptance, and Protection of Regulatory Data Webinar	Presenter	• 1 June 2022
Bayer Operator Safety Working Party	Participant	• Ongoing participation
Codex Committee on Pesticide Residues	Alternate delegation lead	• 26 July 2021 • 3 August 2021
Codex Committee on Residues of Veterinary Drugs in Foods	Alternate delegation lead	• 12 July 2021 • 20 July 2021
Drones for Increasing Farmers' Income: Federation of Indian Chambers of Commerce and Industry	Participant	• 6 October 2021
FAO Regional working group meeting on pesticide risk assessment and mitigation methods for pollinators in the Pacific region	Participant	• 2 November 2021
FAO/WHO Joint Meeting on Pesticide Specifications	Participant	• 26 to 29 October 2021 • 7 to 10 June 2022
Good Manufacturing/Distribution Practice (GMDP) International Working Group 105th and 106th meetings	Observer	• 9 March 2022 • 11 March 2022 • 7 June 2022 • 9 June 2022
Health and Environmental Sciences Institute (HESI) Risk-21 Advisory Board	Board member	• Multiple meetings
Health and Environmental Sciences Institute (HESI) Transforming the Evaluation of Agrochemicals (TEA) Committee	Participant	• Multiple meetings
International Chemicals and Waste Conventions Inter-Departmental Committee meetings (preparation for the Basel, Rotterdam and Stockholm Conference of Parties)	Participant	• 14 October 2021 • 25 March 2022

Meeting	Contribution	Date
INTERPOL 89th General Assembly	Observer	• 23 November 2021
Johns Hopkins University Center for Alternatives to Animal Testing; Workshop to discuss challenges and opportunities for overcoming dog use in agrochemical evaluation and registration	Participant	• 8 to10 November 2021
Joint FAO/WHO Meeting on Pesticides Residues	Participant	• Multiple pre-meetings • 6 to 17 September 2021
OECD 37th Working Party on Pesticides	Head of delegation	• 15 to 17 June 2022
OECD Biocides Group – Risk assessment of biocide and antibiotic resistance	Participant	• 9 March 2022
OECD Chemicals and Biotechnology Committee	Observer	• 11 February 2022
OECD Drone Subgroup of the Working Group on Pesticides	Participant	• 22 September 2021 • 13 January 2022 • 11 February 2022 • 19 April 2022
OECD Expert Group on Electronic Exchange of Pesticide Data	Participant	• 10 November 2021 • 16 March 2021 • 10 to 11 May 2022
OECD International Uniform Chemical Information Database User Group Expert Panel	Observer	• 6 October 2021
OECD Meeting of the Expert Group on BioPesticides	Participant	• 13 to 15 June 2022
OECD Network on Illegal Trade of Pesticides	Observer	• 14 June 2022
OECD Thyroid Disruption Methods Expert Group, meeting	Participant	• 17 June 2022
OECD Working Group for the Development of a Guidance Document for Residues of Pesticides in Honey	Participant	• Multiple meetings
OECD Working Group for the Revision of Definition of Residue Guidance Document	Participant	• Multiple meetings

Meeting	Contribution	Date
OECD Working Party of National Coordinators of the Test Guidelines Programme	Observer	• 26 to 29 April 2022
OECD Working Party on Biocides	Head of Delegation	• Multiple meetings
PIC/S Expert Circle on Quality Risk Management: Virtual Training Event and Meeting	Observer	• 2 to 3 March 2022
US-ASEAN Business Council (USABC) the Ministry of Agriculture and Rural Development roundtable discussion on Sustainable Agriculture	Participant	• 4 August 2021
VICH 14th Outreach Forum meeting	Observer	• 16 November 2021
VICH 40th Steering Committee meeting	Observer	• 15 to 17 November 2021
VICH expert working groups on development of GL08 for Stability Testing for Medicated Feed Premixes and the Pharmaceutical Development guideline.	Expert	• Ongoing participation
VICH intermediate Steering Committee (SC) virtual meeting (3rd special SC meeting)	Observer	• 23 June 2022
VICH training follow-up webinar for VOF members on the VICH Guidelines on Environmental Risk Assessment of Veterinary Medicines (GLs 6 & 38),	Participant	• 2 February 2022

FAO = Food and Agriculture Organization of the United Nations; OECD = Organisation for Economic Co-operation and Development; VICH = International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; WHO = World Health Organization

Table 17: APVMA engagement with international regulators

Meeting	Date
APVMA/Canadian Pest Management Regulatory Agency Senior Management Teleconference	• Ongoing engagement
Australia-Argentina: Meeting on agvet chemicals registrations	• 22 March 2022
Europol – Operation Silver Axe VII	• Ongoing engagement
Government-Industry Global Joint Review Meeting	• 15 June 2022
Health Canada – Regulatory, Operations and Enforcement Branch Quarterly Meeting	• 27 July 2022
Joint assessment meetings with New Zealand	• Ongoing engagement
Joint assessments meetings with Canada and New Zealand	• Ongoing engagement
APVMA/DAFF/ Regional Pesticide Registration and Management Scheme – Secretariat of the Pacific Community	• Multiple meetings
US Environmental Protection Authority	• Ongoing engagement
Veterinary Medicines Regulatory meeting – Australia, Canada, New Zealand, United Kingdom and United States of America	• Monthly
Veterinary Medicines Subgroup on joint assessments (Australia, Canada, New Zealand, United Kingdom and United States of America)	• 23 September 2021 • 23 November 2021 • 14 December 2021

Advertising and market research

In 2021, the APVMA engaged the market research company Pollinate to support the development and delivery of the APVMA's 2022 Client and Stakeholder Survey, at a cost of $36,000.

The amount paid exceeded the disclosure threshold of $14,500. More information about the disclosure threshold is available on the Australian Electoral Commission website, aec.gov.au.

More information about the APVMA Client and Stakeholder Survey is available at apvma.gov.au/survey.

Obtaining information from subsidiaries

The APVMA has no subsidiaries.

Accountability

Corporate risk management

The APVMA Risk Management Framework and Policy details how we engage with and manage risk to support our role as the regulator of agvet chemicals in Australia.

The Risk Management Framework and Policy has been developed to meet the requirements of section 16(a) of the *Public Governance, Performance and Accountability Act 2013* and the Commonwealth Risk Management Policy issued by the Department of Finance. It follows the international standard on Risk Management—ISO 31000:2018 and articulates our:

- policy for the management of risk
- methodology used in the assessment of risk across the APVMA
- operation of risk registers and the integration of risk management through the APVMA
- strategies to develop a risk-aware organisational culture where proactive risk management is at the forefront of the decision-making process.

The APVMA Risk Appetite and Tolerance Statement describes our attitude towards risk taking and details the level of risk we are willing to accept per individual risk. In conjunction with the Risk Management Framework and Policy, this statement supports the effective engagement with risk and ensures all staff understand what constitutes acceptable risk taking in both our day-to-day work and in achieving our strategic priorities.

Fraud control

We have a fraud risk assessment and fraud control plan that complies with the Commonwealth Fraud Control Guidelines. The plan includes fraud prevention, detection, investigation, reporting and data collection procedures. The appropriateness of the fraud control plan and risk register are considered by our Audit and Risk Committee.

Reporting

The APVMA Gazette lists all notices and decisions required under the Agvet Code, including registrations, reviews and changes to registration status. The Gazette is published fortnightly and is available on our website at apvma.gov.au/news-and-publications/publications/gazette.

We publish regular reports that assess our performance in meeting regulatory timeframes and present 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 pre-application assistance.

The reports include:

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

Our performance reports can be accessed on our website at apvma.gov.au/node/26876.

Table 18 provides an overview of activities related to our regulatory decisions within the reporting period.

Table 18: Activities related to APVMA regulatory decisions

Type of regulatory decision	Commenced	Finalised/ issued	In progress
Pre-application assistance	221	220	40
Product registration – pesticides	1 039	1 005	466
Product registration – veterinary medicines	911	868	291
Actives	309	236	239
Permits (excludes emergency permits)	483	541	195
Items 8L, 8M, 8P	342	552	0
Item 25	20	16	14
Notifiable variations	908	902	7
Import consents	716	690	29
Certificates of export	95	63	68
Total	**5 044**	**5 093**	**1 349**

A description of these regulatory decisions (application types) is available on our website at apvma.gov.au/node/96716.

Chemical review

The APVMA has powers under Part 2, Division 4 of the *Agricultural and Veterinary Chemicals Code Act 1994* (the Agvet Code) to reconsider approval of an active or product, registration of a product or confirm or vary labels for a chemical product.

On 2 November 2021, we commenced a reconsideration of first and second generation anticoagulant rodenticides. The reconsideration will address concerns raised in relation to public health, worker safety and environmental safety for rodenticides containing the active constituent's warfarin, coumatetralyl, diphacinone, brodifacoum, bromadiolone, difenacoum, difethialone and flocoumafen.

The reconsideration of molinate active constituents, products and labels was finalised on 25 February 2022. Registrations and labels for molinate products have been varied as a result of the decision.

We published the proposed regulatory decision for procymidone on 9 May 2022.

No actions were taken under section 99 of the Schedule to the Agvet Code Act during the reporting period.

Adverse Experience Reporting Program

The Adverse Experience Reporting Program (AERP) is a post-registration program that assesses reports of adverse experiences associated with the use of a registered veterinary medicine or agricultural chemical.

We record, assess and classify adverse experiences to detect uncommon events not evident during the initial registration process of a product. The program provides a means of facilitating regulatory action that may be necessary to ensure the continued safety, quality and effectiveness of registered products.

Anyone can report an adverse experience to the AERP – for example, farmers, pet owners, gardeners, veterinarians or the general public. One adverse incident may be reported multiple times (for example, the vet, pet owner and registrant may all report the same incident).

In 2021–22 we processed more than 5,717 adverse experience reports. The total number of reports received includes duplicate reports, reports classified as unrelated to the registered product and non-serious reports.

Table 19 and Table 20 provide more information about adverse experience reports received during the reporting period.

Table 19: Summary of adverse experience reports received by the APVMA in 2021–22

Type of reports	Number of reports received	Percentage of total reports
Duplicate, unrelated and non-serious reports	4 818	84.27%
Serious incidences related to registered products	899	15.73%
Total reports	**5 717**	

Table 20: Summary of serious adverse experience reports received in 2021–22 by classification

Classification	Number of reports	Percentage of total
Animal health	525	58.40%
Crop health	8	0.89%
Efficacy	298	33.15%
Environment	12	1.33%
Human	56	6.23%
Total serious reports	**899**	**100%**

AERP data was used to inform registration and permit applications, compliance matters and chemical review processes.

Standards

During the 2021–22 reporting period, the Agricultural and Veterinary Chemicals Code (Agricultural Active Constituents) Standards 2022 legislative instrument was created under section 6E of the Agvet Code.

The Standards specify the identity and minimum purity for each agricultural active constituent, and where required, also specify the maximum limits for particular impurities of significance for toxicological, environmental or quality reasons.

The Standards assist the APVMA in ensuring proposed active approvals and product registrations will satisfy the safety and efficacy criteria under sections 5A and 5B of the Agvet Code. The Standards also assist our Assessment, Investigations and Monitoring Team in ensuring approved actives and registered products remain safe and effective, and to take action against non-compliant products and active constituents under sections 83 and 102 of the Agvet Code.

Ecologically sustainable development and environmental performance

We have maintained a number of key measures to encourage environmental sustainability within our offices. In 2021–22, the APVMA's ECONet group – a voluntary network of staff who encourage and promote environmentally friendly office practices – has continued to support a range of programs, including a 10 cent 'return and earn' recycling program for cans and bottles, and composting through the Armidale Regional Council's City to Soil program.

We strive to be a 'paperless office' and use an electronic document and records management system to reduce the amount of paper and printer consumables used within our offices. Our office buildings are also installed with low-power LED motion-activated lighting to improve energy efficiency and meeting rooms are equipped with videoconferencing capabilities to minimise travel.

Work health and safety

To ensure greater levels of work health and safety compliance, we have developed a Health and Safety Management System (HSMS) designed to systematically manage health and safety at the APVMA.

A systems-based approach is accepted as best practice and the APVMA HSMS complies with the principles of the Australian standard, AS/NZS ISO 45001: 2018 (Occupational health and safety management systems), Health and Safety Legislation (WHS Act and Regulations), our Practice Statement Framework and guidance from Comcare, and the Department of Agriculture, Fisheries and Forestry's HSMS.

The APVMA HSMS includes a:

- Health and Safety Policy Statement
- Health and Safety Management Framework
- Health and Safety Management Plan.

The APVMA HSMS is a 'fit for purpose' system that is tailored to the key health and safety risk areas of the agency, such as first aid, emergency preparedness, mental health and office ergonomics. The HSMS also links to other agency policies, including but not limited to, the Officer's Manual Due Diligence Framework, Quality Management Framework, Risk Management Framework, Workplace Respect Policy and Rehabilitation Policy.

The APVMA Health and Safety Committee monitors and informs APVMA-wide work health and safety activities. The APVMA Human Resources Team has commenced training for utilising the health and safety (WHS/OHS) module in our people and payroll software platform to electronically record and report on work and occupational health and safety incidents.

During the reporting period we conducted the following work health and safety training:

- Effective health and safety committees – APVMA Health and Safety Committee members
- Officer Due Diligence – Executive Committee members
- Site Evacuation Drill

We actively promote the benefits and facilities available to staff through our Employee Assistance Program (EAP) and provide all staff the opportunity to participate in an annual influenza vaccination program.

Many APVMA staff participated in the *One Foot Forward* program in October 2021, covering over 12,650 kilometres to raise money for research into the early detection, prevention and treatment of common mental health disorders.

We provided staff webinars for *R U OK Day* and *Men's Health Week* and hosted *The World's Biggest Morning Tea* to raise funds for those affected by cancer.

APVMA managers and staff attended *Introduction to the EAP* sessions and the Human Resources Team facilitated active computer workstation assessments.

Privacy

We adhere to the *Privacy Act 1988* and the Australian Government Agencies Privacy Code (the Code). Our Privacy Policy is published on our website at apvma.gov.au/node/59876.

One Privacy Impact Assessment was conducted in 2021–22 and an audit of our privacy processes against the APVMA's obligations under the Code did not identify any compliance gaps.

Our operations were not subject to any report or determinations by the Privacy Commissioner in 2021–22.

Indemnities and insurance premiums

The APVMA's insurance with Comcover included liability cover up to $150 million for general liability, professional liability, professional indemnity and directors' and officers' liability. The insurance premium paid to cover the 2021–22 financial year was $86,403.83 (including GST).

Judicial decisions and reviews by outside bodies

Parliamentary committees and other reviews

In the 2021–22 reporting period, the APVMA appeared before the Rural and Regional Affairs and Transport Legislation Committee for Senate and Budget Estimates in October 2021, February 2022 and March 2022. We did not attend any other parliamentary committees or inquiries during the reporting period.

Auditor General's reports

The Australian National Audit Office did not publish any Auditor General's reports on our operations in 2021–22.

Judicial decisions

During the 2021–22 reporting period, the APVMA was not the subject of any judicial decision or decision of administrative tribunals that have had, or may have, a significant effect on the operations of the entity.

The Administrative Appeals Tribunal (AAT) made one decision in relation to the APVMA during the reporting period:

- On 2 May 2022, the AAT affirmed a decision of the APVMA to refuse an application for extension of an emergency use permit pursuant to section 115 (3B) of the Agvet Code.

More information on judicial decisions relating to the APVMA is available at austlii.edu.au.

Chapter 5
Financial performance

Financial performance

Summary of financial performance

Tables 21 to 24 provide an overview of our financial performance for 2021–22. Full details are in the audited financial statements available on the following pages.

Income

The APVMA's total income for 2021–22 was $43.687 million (Table 21) and incorporates relocation funding.

Table 21: APVMA income, 2021–22

Income source	Income ($'000)	%
Receipts from industry		
Levies	22 445	51.38%
Application fees	8 276	18.94%
Annual fees (renewal fees)	7 985	18.28%
Other receipts from industry	2 864	6.56%
Parliamentary appropriation	1 923	4.40%
Other revenue	194	0.44%
Total income	**43 687**	**100.00%**

Table 22: Agency Resourcing Statement, 2021–22

Resourcing description	Actual available appropriation for 2021–22 ($'000)	Payments made in 2021–22 ($'000)	Balance remaining in 2021–22 ($'000)
Ordinary annual service			
Previous year unspent ordinary appropriations	18 852	18 852	–
Departmental appropriations	1 923	1 775	148
Revenue from independent sources	194	194	–
Total Departmental appropriations	**20 969**	**20 821**	**148**
Special appropriations			
Unspent special appropriations from previous years	22 362	22 362	–
Special appropriations collected	41 570	9 315	32 255
Total special appropriations	**63 932**	**31 677**	**32 255**
Total resourcing and payments	**84 901**	**52 498**	**32 403**

Expenditure

Total operating expenses for 2021–22 were $36.016 million (Tables 23 and 24).

Table 23: APVMA expenditure, 2021–22 (including comparison with PBS)

Individual lines of expenditure	2021–22 actual expenditure ($'000)	% of expenditure	2021–22 budget (per PBS) ($'000)
Employee benefits	23 656	65.68%	24 509
Supplier expenses	9 479	26.32%	10 877
Depreciation, amortisation & impairment of assets	2 701	7.50%	3 498
Other	180	0.50%	188
Total expenditure	**36 016**	**100.00%**	**39 072**

Table 24: Expenses for Outcome 1

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	2021–22 budget ($'000)	2021–22 actual ($'000)	2021–22 variance ($'000)	2020–21 actual ($'000)
Program 1.1 (APVMA) Department expenses				
Ordinary annual service (Appropriation Bill 1)	1 923	1 923	–	4 400
Revenue from independent sources	236	194	42	194
Special appropriation	36 913	33 899	3 014	31 791
Total expenses for outcome 1	**39 072**	**36 016**	**3 056**	**36 385**

Equity

The APVMA recorded a net operating surplus of $7.671 million for 2021–22, resulting in an equity balance at 30 June 2022 of $30.282 million.

Audit results

The APVMA achieved an unqualified audit result and there were no adverse findings.

Financial reserve

The APVMA's revenue is primarily received as levy payments in December and June and registration renewal payments in May. Subsequently, the APVMA receives the majority of our revenue 3 times during the year. Unrestricted cash holdings can exceed $9 million at various stages throughout the financial year.

To manage this, we monitor daily cash balances to ensure cash is available to pay creditor expenses, particularly during times when the cash balances are reducing in the months when income is not anticipated.

We operated to keep the unrestricted cash level above $9 million as an operating reserve (an equity position of $9 million is equivalent to 3 months' operating expenses).

Consultancies

In 2021–22, we entered into 10 new consultancy contracts totalling $0.434 million (including GST), of which $0.392 million was expended. The consultancies related to information services and operational reviews.

In addition, 2 ongoing consultancy contracts from previous years were active, involving expenditure of $0.052 million (including GST).

Selection processes are described in terms drawn from the Commonwealth procurement guidelines. 'Direct sourcing' refers to a selection process in which neither a tender nor a panel was used. In these situations the APVMA obtained multiple quotes, the number of which was determined by the value of the procurement.

APVMA procedures outline the number of quotes required (See Table 25). Exemptions to these requirements may be approved in some circumstances.

Information on the value of contracts and consultancies is available on the AusTender website.

Table 25: Purchasing – number of quotes required

Purchase limit for goods/services	Quote required
to $2 000	1 quote
$2 001 to $10 000	2 written quotes
$10 001 to $100 000	3 written quotes
$100 001 to $400 000	High-value procurement procedures
$400 000 and over	Tender

INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture, Fisheries and Forestry

Opinion

In my opinion, the financial statements of the Australian Pesticides and Veterinary Medicines Authority ('the Entity') for the year ended 30 June 2022:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2022 and for the year then ended:

- Statement by the Accountable Authority, Chief Executive and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising an Overview, Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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38 Sydney Avenue FORREST ACT 2603
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Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Bradley Medina
Executive Director
Delegate of the Auditor-General

Canberra
7 September 2022

Statement by the Accountable Authority and the Chief Finance Officer

Australian Government
Australian Pesticides and Veterinary Medicines Authority

STATEMENT BY THE ACCOUNTABLE AUTHORITY, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Pesticides and Veterinary Medicines Authority (APVMA) will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the directors.

Signed Carmel Hillyard

Dr Carmel Hillyard
Chair
Accountable Authority
07 September 2022

Signed .....

Ms Lisa Croft
Chief Executive Officer

07 September 2022

Signed .....

Mr Keith A Lockyer
Chief Finance Officer

07 September 2022

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Notes	2022 $'000	2021 $'000	Original Budget 2022 $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	**23 656**	23 894	24 509
Suppliers	1.1B	**9 479**	9 471	10 877
Depreciation and amortisation	2.2A	**2 701**	2 829	3 498
Finance costs	1.1C	**180**	191	188
Total expenses		**36 016**	36 385	39 072
Own-Source Income				
Own-source revenue				
Other revenue	1.2A	**194**	194	236
Total own-source revenue		**194**	194	236
Total own-source income		**194**	194	236
Net cost of services		**35 822**	36 191	38 836
Revenue from government	1.2B	**43 493**	43 229	38 588
Surplus/(Deficit)		**7 671**	7 038	(248)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to profit and loss				
Change in asset revaluation surplus		**-**	-	-
Total other comprehensive income		**-**	-	-
Total Comprehensive income/(loss)		**7 671**	7 038	(248)

The above statement is to be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

Budget Variance Commentary

Statement of Comprehensive Income

Supplier expenses are $1.398 million (12.85%) under budget as reported in the Portfolio Budget Statements (PBS). The mix of employees and contractors changed throughout the year compared to the original estimates in the PBS, resulting in lower supplier expenses than anticipated. The resulting higher employee costs were offset by higher vacancy rates than anticipated. The long service leave provision was also reduced as a result of a higher long term bond rate (discount rate used to calculate future payments), which lowered the employee benefits further.

Depreciation and amortisation reflects the change in accounting estimate from 30 June 2021, resulting in the decelerated amortisation of the software assets that will be replaced by the outcomes of the Enabling Technologies funded project.

Revenue from government was $4.905 million (12.71%) over budget, due to levies being higher than historical averages which formed the basis for the PBS estimates. There was also a significant number of products renewed for five years, which were not accounted for in the PBS. This resulted in an additional $0.945m in renewal income that was not included in the PBS forecast.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Notes	2022 $'000	2021 $'000	Original Budget 2022 $'000
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	**148**	1 117	1 745
Trade and other receivables	2.1B	**32 469**	40 218	28 534
Total financial assets		**32 617**	41 335	30 279
Non-financial assets				
Leasehold improvements[1]	2.2A	**15 228**	16 764	15 491
Property, plant and equipment	2.2A	**867**	692	2 673
Intangibles	2.2A	**1 443**	2 289	-
Other non-financial assets	2.2B	**825**	624	419
Total non-financial assets		**18 363**	20 369	18 583
Total assets		**50 980**	61 704	48 862
LIABILITIES				
Payables				
Suppliers	2.3A	**1 582**	1 351	399
Other payables	2.3B	**546**	522	910
Total payables		**2 128**	1 873	1 309
Interest bearing liabilities				
Leases	2.4A	**13 176**	14 289	13 413
Total interest bearing liabilities		**13 176**	14 289	13 413
Provisions				
Employee provisions	4.1A	**5 394**	5 196	4 847
Total provisions		**5 394**	5 196	4 847
Total liabilities		**20 698**	21 358	19 569
Net assets		**30 282**	40 346	29 293
EQUITY				
Contributed equity		**-**	6 675	6 675
Retained surplus		**30 003**	33 390	22 337
Reserves		**279**	281	281
Total equity		**30 282**	40 346	29 293

The above statement is to be read in conjunction with the accompanying notes.

1. Right-of-use assets are included in Leasehold Improvements.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

Budget Variance Commentary

Statement of Financial Position

Cash and cash equivalents are below budget by $1.597 million due to the timing of payments to creditors and drawdown of special appropriation.

Trade and other receivables are above budget by $3.935 million due to the unanticipated surplus. There was higher than anticipated industry income and savings in supplier and employee expenditure, which lead to a larger balance in the special appropriation receivable than in the budget.

Property, plant and equipment are lower than originally budgeted by $1.806 million due to lower capital replacements.

The value of intangibles are more than budgeted due to the change in accounting estimate, resulting in the decelerated amortisation of the software assets that will be replaced by the outcomes of the Enabling Technologies Program.

Suppliers and other payables are over budget by $0.819 million due to the timing of a larger than expected number of invoices at the end of the financial year.

Employee provisions are above budget due to the number of staff transferring in to the Agency from other APS agencies and a change in organisational structure.

Contributed equity was reversed as part of the return of the $17.735 million COVID-19 appropriation to the Consolidated Revenue Fund (CRF) however, the PBS reflected the adjustment to retained surplus resulting in variances between the equity lines.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

				Original Budget
		2022	2021	2022
CONTRIBUTED EQUITY	**Notes**	**$'000**	$'000	$'000
Opening balance				
Balance brought forward from previous period		**6 675**	6 675	6 675
Adjusted opening balance		**6 675**	6 675	6 675
Transactions with owners				
Distributions to owners				
Returns of capital		**-**	-	-
Adjustment for appropriation returned	1.2B	**(6 675)**	-	-
Total transactions with owners		**(6 675)**	-	-
Closing balance as at 30 June		**-**	6 675	6 675
RETAINED SURPLUS				
Opening balance				
Balance brought forward from previous period		**33 390**	26 352	22 585
Adjusted opening balance		**33 390**	26 352	22 585
Comprehensive income				
Surplus/(Deficit) for the period		**7 671**	7 038	(248)
Asset revaluation reserve - no longer required		**2**	-	-
Total comprehensive income		**7 673**	7 038	(248)
Adjustment for appropriation returned	1.2B	**(11 060)**		
Closing balance as at 30 June		**30 003**	33 390	22 337
ASSET REVALUATION RESERVE				
Opening balance				
Balance brought forward from previous period		**281**	281	281
Opening balance		**281**	281	281
Comprehensive income				
Asset revaluation reserve - no longer required		**(2)**	-	-
Total comprehensive income		**(2)**	-	-
Closing balance as at 30 June	2.2A	**279**	281	281
TOTAL EQUITY				
Opening balance				
Balance brought forward from previous period		**40 346**	33 308	29 541
Adjustment for appropriation returned	1.2B	**(17 735)**	-	-
Adjusted opening balance		**22 611**	33 308	29 541
Comprehensive income				
Surplus/(Deficit) for the period		**7 671**	7 038	(248)
Total comprehensive income		**7 671**	7 038	(248)
Closing balance as at 30 June		**30 282**	40 346	29 293

The above statement is to be read in conjunction with the accompanying notes.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a particular year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Other Distributions to Owners

The Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) requires that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

Appropriation returned to the Consolidated Revenue Fund (CRF)

The $17.735 million receivable relating to Appropriation Act (No. 5) 2019-2020 was released to the CRF at 30 June 2022 as there was no adverse effect to revenue as a result of the COVID-19 pandemic. The receivable has been adjusted against equity.

Budget Variance Commentary

Statement of Change in Equity

Contributed equity was reversed as part of the return of the $17.735 million COVID-19 appropriation to the Consolidated Revenue Fund (CRF) however, the PBS reflected the adjustment to retained surplus resulting in variances between the equity lines.

Australian Pesticides and Veterinary Medicines Authority

CASH FLOW STATEMENT

for the year ended 30 June 2022

	Notes	2022 $'000	2021 $'000	Original Budget 2022 $'000
OPERATING ACTIVITIES				
Cash received				
Agricultural and Veterinary Chemicals (Administration) Act 1992 contribution		**31 661**	28 696	36 014
Corporate Commonwealth entity payment item		**1 923**	4 400	1 923
Net GST received		**890**	1 310	1 354
Interest received		**-**	1	20
Other cash received		**199**	165	20
Total cash received		**34 673**	34 572	39 331
Cash used				
Employees		**23 560**	23 010	24 509
Suppliers		**10 295**	10 083	12 232
Interest on lease liabilities		**180**	191	188
Total cash used		**34 035**	33 284	36 929
Net cash flows from operating activities		**638**	1 288	2 402
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		**494**	191	1 300
Total cash used		**494**	191	1 300
Net cash flows from or (used by) investing activities		**(494)**	(191)	(1 300)
FINANCING ACTIVITIES				
Cash used				
Principal payments of lease liabilities		**1 113**	1 716	1 053
Total cash used		**1 113**	1 716	1 053
Net cash flows from or (used by) financing activities		**(1 113)**	(1 716)	(1 053)
Net increase or (decrease) in cash held		**(969)**	(619)	49
Cash and cash equivalents at the beginning of the reporting period		**1 117**	1 736	1 696
Cash and cash equivalents at the end of the reporting period	2.1A	**148**	1 117	1 745

The above statement is to be read in conjunction with the accompanying notes.

Australian Pesticides and Veterinary Medicines Authority

CASH FLOW STATEMENT
for the year ended 30 June 2022

Budget Variance Commentary

Cash Flow Statement

There was less cash received as there was less drawn down from the special appropriation as a result of a decrease in expenses compared with budget.

The variance in cash used of $2.894 million related to a decrease in contractors used and a higher vacancy rate than expected throughout the year.

Investment activities have been mainly related to the purchase of new computer equipment.

Australian Pesticides and Veterinary Medicines Authority

OVERVIEW

Objectives of the Australian Pesticides and Veterinary Medicines Authority

The Australian Pesticides and Veterinary Medicines Authority (APVMA) is an Australian Government controlled not-for-profit corporate entity. The APVMA is responsible for the assessment and registration of pesticides and veterinary medicines and for their regulation up to the point of retail sale. The APVMA administers the National Registration Scheme for Agricultural and Veterinary Chemicals (NRS) in partnership with the states and territories along with the active involvement of other Australian Government agencies. Its role is to independently evaluate the safety and performance of chemical products intended for sale, ensuring that the health and safety of people, animals, the environment and trade are protected.

The APVMA was established under the *Agricultural and Veterinary Chemicals (Administration) Act 1992* (Admin Act). Following the introduction of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)* on 1 July 2014, the APVMA was reclassified as a corporate Commonwealth entity.

The *Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Act 2021* (Improvements Act) received royal ascent on 7 December 2021. Schedule 2 of the Improvements Act sets out a range of changes to be made to the Admin Act to enable the establishment and operation of the APVMA Board. On 8 April 2022 the then Minister for Agriculture and Northern Australia announced the members of the APVMA Board, the Accountable Authority of the APVMA under the PGPA Act.

Basis of Preparation of the Financial Report

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013.*

The financial statements and notes have been prepared in accordance with:

a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)* ; and

b) Australian Accounting Standards and Interpretations - including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The APVMA financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New Australian Accounting Standards

All new standards, revised standards, interpretations or amending standards that have been issued by the Australian Accounting Standards Board prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the APVMA's financial statements.

Standard/Interpretation	Nature of impending changes in accounting policy and likely impact on initial application
AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaced the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

Taxation

The APVMA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events After the Reporting Period

There were no subsequent events between balance date and signing of the financial statements that had the potential to significantly affect the ongoing structure and financial activities of the APVMA.

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2022

1.1: Expenses

	2022 $'000	2021 $'000
1.1A: Employee benefits		
Wages and salaries	**18 685**	17 902
Superannuation:		
Defined contribution plans	**2 652**	2 498
Defined benefit plans	**437**	437
Leave and other entitlements	**1 517**	2 605
Other employee benefits	**365**	452
Total employee benefits	**23 656**	23 894

Accounting Policy
Accounting policies for employee related expenses is contained in the people and relationships section.

Note
Major expenses comprising "Other employee benefits" included costs associated with staff relocation and learning and development costs.

1.1B: Suppliers		
Goods and services supplied or rendered		
Consultants	**1 259**	845
Contractors	**2 568**	2 653
Travel	**66**	88
IT services	**4 731**	4 062
Other	**718**	1 690
Total goods and services supplied or rendered	**9 342**	9 338

Note
"Other" supplier expenses included costs associated with digitisation of paper files, recruitment expenses and general office running expenses.

Comparative information
The APVMA has reviewed the classification of expenses recorded in this note and has reclassified outsourced IT expenses from "Contractors" to "IT services". This has resulted in a $1.947 million reclassification from contractors to IT services in the comparative period in Note 1.1B.

Goods supplied	**46**	90
Services rendered	**9 296**	9 248
Total goods and services supplied or rendered	**9 342**	9 338

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2022

1.1: Expenses

	2022 $'000	2021 $'000
Other supplier expenses		
Operating lease rentals	**52**	49
Workers compensation premiums	**85**	84
Total other supplier expenses	**137**	133
Total supplier expenses	**9 479**	9 471

Accounting Policy

Short-term leases and leases of low-value assets

The APVMA has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than $10,000). The APVMA recognises the lease payments associated with these leases as an expense on a straight-line bases over the lease term.

1.1C: Finance Costs

Interest on lease liabilities	**180**	191
Total finance costs	**180**	191

Accounting Policy

All borrowing costs are expensed as incurred.

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2022

1.2: Own-Source Revenue and Revenue from Government

	2022	2021
	$'000	$'000
OWN-SOURCE REVENUE		
1.2A: Other revenue		
Resources received free of charge		
Remuneration of auditors	**54**	54
Other revenue	**140**	140
Total other revenue	**194**	194

Accounting Policy

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when fair value can be reliably determined and the donated services would have been purchased. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Other Revenue

Revenue relating to services to the portfolio department is recognised as income under AASB 1058 when APVMA obtains controls of the cash.

Other revenue is predominantly made up of specific services to the portfolio department throughout 2021-22.

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2022

1.2: Own-Source Revenue and Revenue from Government

	2022	2021
	$'000	$'000
1.2B: Revenue from government		
Corporate Commonwealth entity payment item	**1 923**	4 400
Department of Agriculture contribution		
Agricultural and Veterinary Chemicals (Administration) Act 1992	**41 570**	38 829
Total revenue from government	**43 493**	43 229

Department of Agriculture, Fisheries and Forestry contribution is equal to the following fees and charges paid by industry:

Levies	**22 445**	20 089
Annual renewal fee	**7 985**	7 311
Product application fees	**8 276**	8 449
Good manufacturing practice (GMP) licence fees	**1 034**	901
Permits, actives and other fees	**2 052**	2 039
Penalties[1]	**(222)**	40
Total industry contributions	**41 570**	38 829

Note

1. Infringement income does not form part of the Department of Agriculture, Fisheries and Forestry (DAFF) contribution, but is returned to the Consolidated Revenue Fund (CRF). Infringement income of $75,500 was not included above for the 2021-22 financial year and was returned through DAFF to the CRF.

Infringement revenue from prior years totalling $270,200 was recorded previously as Department of Agriculture, Fisheries and Forestry (DAFF) contributions. The Special Appropriation account was reduced in the 2021-22 financial year by $270,200 to return the infringements to the CRF.

Accounting Policy

Revenue from government

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment) is recognised as revenue from government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

Fees and Levies

Fees and levies are recognised as income when they are received.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.1: Financial Assets

	2022	2021
	$'000	$'000
2.1A: Cash and cash equivalents		
Cash at bank	**148**	1 117
Total cash and cash equivalents	**148**	1 117

Accounting Policy

Cash is recognised at its nominal amount.

2.1B: Trade and other receivables

Contribution receivable		
Department of Agriculture, Fisheries and Forestry	**32 255**	22 362
Total contribution receivable	**32 255**	22 362
Other receivable		
Receivable from the Australian Taxation Office	**205**	106
Undrawn appropriation[1]	**-**	17 735
Other	**9**	15
Total other receivables	**214**	17 856
Total trade and other receivables	**32 469**	40 218

Credit terms for goods and services were within 30 days.

Note

1. $17.735 million of administered funds under Appropriation Bill No. 5 2019-20 was not drawn down but brought to account as revenue and a receivable from government in June 2020. The funds were returned to the Consolidated Revenue Fund as at 30 June 2022 as there was no adverse effect on revenue as a result of the COVID-19 pandemic. This return was accounted for as a reduction in contributed equity and retained surplus in the Statement of Changes in Equity.

Accounting Policy

Trade and Other Receivables

Trade and other receivables that have fixed or determinable payments, and are not quoted in an active market, are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method less impairment.

Impairment

Trade and Other Receivables are assessed for impairment at the end of each reporting period.

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (P P & E) and Intangibles

Reconciliation of the opening and closing balances for 2022

	Leasehold Improvements[1]	Other P P & E	Computer Software[2]	Total
	$'000	$'000	$'000	$'000
As at 1 July 2021				
Gross book value	19 369	1 107	9 441	29 917
Accumulated depreciation and impairment	(2 605)	(415)	(7 152)	(10 172)
Total as at 1 July 2021	16 764	692	2 289	19 745
Additions:				
Purchase	20	474	-	494
Depreciation and amortisation expense	(1 556)	(299)	(846)	(2 701)
Disposals:				
Disposal	-	(26)	-	(26)
Accumulated depreciation of disposed assets	-	26	-	26
Total as at 30 June 2022	15 228	867	1 443	17 538
Total as of 30 June 2022 represented by:				
Gross book value	19 389	1 555	9 441	30 385
Accumulated depreciation and impairment	(4 161)	(688)	(7 998)	(12 847)
Total as of 30 June 2022 represented by:	15 228	867	1 443	17 538
Carrying amount of right-of-use assets	12 487	-	-	12 487

Notes

1. The depreciation expense on right-of-use assets during the 2021-22 year was $1.255 million.
2. The carrying amount of computer software of $1.443 million relates to internally generated software.

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in an exchange and any liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of a restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than $5 000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the APVMA where there exists an obligation to restore the property to its original condition. These costs are included in the value of the APVMA's leasehold improvements with a corresponding provision for 'make good'.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the APVMA adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition.

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

Non-Financial Asset Revaluations

All non-financial assets are initially recognised at cost. Property, plant and equipment are then carried at fair value once they have been revalued in accordance with policy. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. Assets are presently revalued on a three year cycle.

All assets (except for intangibles) were revalued as at 30 June 2020 by an independent valuer.

An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the operating result. Revaluation decrements for a class of assets are recognised directly through the operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the APVMA using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2022	2021
Leasehold improvements	**Shorter of lease term or useful life**	Shorter of lease term or useful life
Property, plant and equipment	**3 to 15 years**	3 to 15 years

Impairment

Where indications for impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the APVMA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

All assets were assessed for impairment at 30 June 2022.

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Dependent on the outcome of management's assessment of Canberra office space, some items of property, plant and equipment may be sold or disposed of within the next 12 months, but are not material in value.

Intangibles

The APVMA's intangibles comprise internally developed and externally acquired software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the APVMA's software are 3 to 10 years (2020-21: 3 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2022.

The APVMA currently has a project underway to replace its internally developed software with a cloud-based solution. The existing internally developed software is expected to be in use until 30 June 2024.

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

	2022 $'000	2021 $'000
2.2B: Other non-financial assets		
Prepayments	**688**	624
Customisation of cloud computing configuration costs	**137**	-
Total other non-financial assets	**825**	624

Accounting Policy

Cloud Computing
Costs that are considered not distinct, relating to cloud computing arrangements are capitalised as a prepayment and will be recognised as an expense over the 'software as a service' contract term.

Distinct costs relating to cloud computing arrangements are expensed in the period they are incurred.

No indicators of impairment were found for other non-financial assets.

2.3: Payables

	2022 $'000	2021 $'000
2.3A: Suppliers		
Trade creditors and accruals	**1 582**	1 351
Total supplier payables	**1 582**	1 351

Settlement is usually made within 30 days.

Accounting Policy

Suppliers
Supplier payables are measured at their nominal amounts.

2.3B: Other payables		
Salaries and wages	**545**	515
Superannuation	**1**	7
Total other payables	**546**	522

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.4: Interest Bearing Liabilities

	2022 $'000	2021 $'000
2.4A: Leases		
Lease liabilities	**13 176**	14 289
Total leases	**13 176**	14 289
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	**1 230**	1 191
Between 1 to 5 years	**4 634**	4 778
Over 5 years	**8 545**	9 631
Total operating lease commitments	**14 409**	15 600

Total cash outflow for leases for the year ended 30 June 2022 was $1.203 million (2021: $1.202 million)

The APVMA in its capacity as lessee income has two leases for office accommodation. Each office accommodation lease has annual fixed percentage increases in the lease payments. For both accommodation leases, the initial period of office accommodation is still current and these leases do not have purchase options. The lease for the Armidale NSW office has the option to renew for two five year periods and the lease for the Canberra ACT office has the option to renew for one five year option.

The lease for Armidale NSW commenced in June 2019 and the commitment is approximately $16.4 million (excluding GST) over a lease term of 15 years. Renewal options have not been taken into account in calculating the lease liability as the APVMA is not reasonably certain of exercising the options.

The lease for Canberra ACT commenced in July 2020 and the commitment is approximately $1.3 million (excluding GST) over a lease term of 4 years and 8 ½ months. The renewal option has not been taken into account in calculating the lease liability as the APVMA is not reasonably certain of exercising the option.

Accounting Policy

For all new contracts entered into, the APVMA considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Australian Pesticides and Veterinary Medicines Authority

FUNDING - This section identifies the Australian Pesticides and Veterinary Medicine's funding structure

3.1: Regulatory Charging Summary

3.1A: Regulatory Charging Summary

The APVMA does not generally receive material funding from the government, but is funded through fees, levies and other charges imposed under various sections of legislation.

The only change to this is when the government funds specific projects to improve and/or enhance the APVMA's ability to perform its legislated functions such as the relocation to Armidale, NSW and the information technology environment refresh.

These fees, levies and charges are credited to a special appropriation created under s 58 (6) of the *Agricultural and Veterinary Chemicals (Administration) Act 1992,* (Agvet Admin Act), which is held and managed by the Department of Agriculture, Fisheries and Forestry (DAFF) for and on behalf of the APVMA.

The purpose of this special appropriation is:

(a) to pay or discharge the costs, expenses or other obligations incurred by the APVMA in the performance of its functions
(b) to make payment of any remuneration and allowances payable to any person under this Act
(c) to make any other payments that the APVMA is authorised or required to make by or under this Act or any other law of the Commonwealth or any law of a state or territory that is expressed to confer functions or powers on the APVMA.

Under s 58 of the Agvet Admin Act, monies received by the APVMA from infringement notices is not to be credited to the special appropriation account. Infringement revenue from prior years totalling $270,200 was recorded previously as DAFF contributions. The APVMA has reduced the Special Appropriation in the 2021-22 financial year by 270,200 to return the infringements to the Consolidated Revenue Fund through DAFF.

The balance on this account is recorded as a receivable from the Department at Note 2.1B: Trade and other receivables - Contributions receivable.

	2022	2021
	$'000	$'000
Balance carried from previous period	**22 362**	12 229
External revenue:		
Levies, fees and charges	**42 163**	39 333
Available for payments:	**64 525**	51 562
Amounts applied (Drawn down)	**(32 270)**	(29 200)
Balance carried to next period and represented by:	**32 255**	22 362

Documentation (Cost Recovery Implementation Statement) for the above activities is available at: apvma.gov.au/node/4161

PEOPLE AND RELATIONSHIPS - This section describes a range of employment and post employment benefits provided to our people and our relationship with key people.

4.1: Employee Provisions

	2022	2021
	$'000	$'000
4.1A: Employee provisions		
Annual leave	**2 332**	2 074
Long service leave	**3 062**	3 122
Total employee provisions	**5 394**	5 196

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of the reporting period are measured at their nominal amounts, and reported in Note 2.3B Other payables.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the 'short-hand method' as outlined in the Resource Management Guide No. 125 - Commonwealth Entities Financial Statements Guide as at 30 June 2022. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation and is discounted using the 10 year Government bond rate at 30 June 2022.

Superannuation

The APVMA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The entity makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the government. The entity accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2022 represents outstanding contributions.

PEOPLE AND RELATIONSHIPS - This section describes a range of employment and post employment benefits provided to our people and our relationship with key people.

4.2: Key Management Personnel Remuneration

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the APVMA, recognising that ultimate responsibility resides with the Board who are in turn responsible for the APVMA's performance to the relevant Portfolio Minister. KMP have been taken to comprise the Board members and the members of the Executive Committee at anytime throughout the year in either a permanent or acting capacity.

Key management personnel remuneration for the reporting period	**2022**	2021
	$	**$**
Short-term employee benefits	**1 832 090**	1 735 774
Post-employment benefits	**253 712**	246 069
Other long-term employee benefits:	**40 542**	46 218
Terminations	**5 521**	-
Total key management personnel remuneration expenses[1]	**2 131 865**	2 028 061

The total number of KMP included in the above table is 19, being four members of the Board and 15 staff (2020-21: 14 staff members). Of these 15 staff, seven individuals held positions for only part of the year (2020-21: seven individuals).

The Chair of the Board, Board Members and the Chief Executive Officer's remuneration and other benefits are determined by the Remuneration Tribunal, and paid by the APVMA.

The balance of the other KMP remuneration and other benefits are determined by the CEO, under s24 of the *Public Service Act 1999* .

Note

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

PEOPLE AND RELATIONSHIPS - This section describes a range of employment and post employment benefits provided to our people and our relationship with key people.

4.3: Related Party Disclosures

The APVMA is an Australian Government controlled entity, and is part of the Department of Agriculture, Fisheries and Forestry portfolio. Related parties to this entity are relevant Australian Government Ministers including the Portfolio Minister, the Board, the Executive Committee, comprising the Chief Executive Officer, the Deputy Chief Executive Officer, three Executive Directors and General Counsel, and other Commonwealth Government entities.

Transactions with related parties:
Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

All transactions with other Commonwealth Government entities have been made under normal terms and conditions and, therefore have not been disclosed separately.

There have been no other transactions with related parties this year. All APVMA staff, including the Executive Committee, are required to sign an annual conflict of interest declaration.

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.1: Contingent Assets and Liabilities

Quantifiable contingencies

The APVMA has no quantifiable contingent liabilities at 30 June 2022. (2020-21: nil)

Unquantifiable contingencies

The APVMA had no unquantifiable contingencies at 30 June 2022. (2020-21: nil)

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.2: Financial Instruments

	2022 $'000	2021 $'000
5.2A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	**148**	1 117
Total Financial assets at amortised cost	**148**	1 117
Total Financial assets	**148**	1 117
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	**1 582**	1 351
Other payables	**546**	522
Total financial liabilities measured at amortised cost	**2 128**	1 873
Total financial liabilities	**2 128**	1 873
5.2B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Interest revenue	**1**	1
Net gain/(loss) from financial assets	**1**	1

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.2: Financial Instruments

Accounting Policy

Financial Assets

In accordance with AASB 9 Financial Instruments, the entity classifies its financial assets in the following categories:
a) financial assets at fair value through profit or loss;
b) financial assets at fair value through other comprehensive income; and
c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:
1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest(SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.3: Fair Value Measurements

Accounting Policy

Non-financial assets

Initial recognition

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in an exchange and any liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of a restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Revaluations

Property, plant and equipment are then carried at fair value once they have been revalued in accordance with policy. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. Assets are presently revalued on a three year cycle. If there are any major impacts on any asset group, the effect is assessed and the asset's valuation will be adjusted. As the asset groups are quite stable, any impacts are minimal.

All assets (except for intangibles) were revalued as at 30 June 2020 by an independent valuer.

	Valuation method	**2022 $'000**	2021 $'000
Non-financial assets			
Leasehold improvements	Depreciated replacement cost adjusted for impairment	**2 741**	3 021
Property, plant and equipment	Depreciated replacement cost adjusted for impairment	**867**	692
		3 608	3 713

OTHER INFORMATION

6.1 Current/non-current distinction for assets and liabilities

	2022 $'000	2021 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**148**	1 117
Trade and other receivables	**32 469**	40 218
Other non-financial assets	**756**	624
Total no more than 12 months	**33 373**	41 959
More than 12 months		
Leasehold Improvements	**15 228**	16 764
Property, plant and equipment	**867**	692
Intangibles	**1 443**	2 289
Other non-financial assets	**69**	-
Total more than 12 months	**17 607**	19 745
Total assets	**50 980**	61 704
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	**1 582**	1 351
Other payables	**546**	522
Leases	**959**	1 004
Employee provisions	**1 841**	1 821
Total no more than 12 months	**4 928**	4 698
More than 12 months		
Leases	**12 217**	13 285
Employee provisions	**3 553**	3 375
Total more than 12 months	**15 770**	16 660
Total liabilities	**20 698**	21 358

Acronyms and abbreviations

Glossary

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Acronyms and abbreviations

Term	Description
Agvet	Agricultural and veterinary chemicals
AAT	Administrative Appeals Tribunal
Administration Act	*Agricultural and Veterinary Chemicals (Administration) Act 1992*
AERP	Adverse Experience Reporting Program
AGIS	Australian Government Investigation Standards
Agvet Code	Agricultural and Veterinary Chemicals Code
Agvet Code Act	*Agricultural and Veterinary Chemicals Code Act 1994*
Agvet Code Regulations	Agricultural and Veterinary Chemicals Code Regulations 1995
ANAO	Australian National Audit Office
APS	Australian Public Service
ASEAN	Association of Southeast Asian Nations
CEO	Chief Executive Officer
COO	Chief Operating Officer
DAFF	Department of Agriculture, Fisheries and Forestry
EC	Executive Committee
EL	Executive Level
FAO	Food and Agriculture Organization of the United Nations
GMP	Good Manufacturing Practice
HACCUT	Harmonised Agvet Chemicals Control of Use Task Group

Term	Description
HESI	Health and Environmental Sciences Institute
HSMS	Health and Safety Management System
Improvements Act	*Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Act 2021*
KMP	Key management personnel
MQL	Manufacturing and Quality Licensing
OECD	Organisation for Economic Co-operation and Development
OFI	Opportunities for improvement
PBS	Portfolio Budget Statement
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
VICH	International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products
WHO	World Health Organization

Glossary

Term	Description
active constituent	The component of a pesticide or veterinary medicine product that is responsible for its physiological or pharmacological action.
adverse experience	Any undesirable experience arising from the use of a chemical; adverse experiences may affect human or animal health, the environment or other factors.
applicant	A person or company who applies to the APVMA to register a pesticide or veterinary chemical for use in Australia.
approved label	The market product label that carries text approved and published by the APVMA.
compliance	Compliance with any applicable agvet law. See also non-compliance.
cost recovery	Fees and charges relating to the provision of government goods and services (including regulation) to the private and other nongovernment sectors of the economy
Good Manufacturing Practice	Standards that ensure products are consistently manufactured to the quality standards appropriate for their intended use and in accord with their registration specifications.
licence	Authority to manufacture pesticides or veterinary medicines according to s 123 of the Agvet Code.
minor use	A use that would not produce sufficient economic return to an applicant to meet the cost of registering the product for that use.
non-compliance	Non-compliance with any applicable agvet law. Non-compliance may include the sale and use of unregistered products, supply of restricted products to unauthorised users, unapproved labels, unfounded claims in advertising or other media, or active constituents that do not conform to APVMA standards.
pesticides	Substances or mixtures of substances intended for preventing, destroying, repelling or mitigating any pest; also known as agricultural chemical products.

Term	Description
registrant	A person or company who registers a pesticide or veterinary medicine product for use in Australia.
registration	Official recognition that a pesticide or veterinary medicine is safe and will work when used according to the label. Before an agricultural or veterinary chemical product can be legally supplied, sold or used in Australia, it must be registered by the APVMA.
statutory timeframe	The legislatively prescribed timeframe in which the APVMA must process applications for registration.
this year; 2021–22	1 July 2021 to 30 June 2022
veterinary medicines	Substances or mixtures of substances intended for treating diseases or conditions in animals.

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17BE(a)	Details of the legislation establishing the body	8
17BE(b)(i)	A summary of the objects and functions of the entity as set out in legislation	9
17BE(b)(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period	1, 8
17BE(c)	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	8
17BE(d)	Directions given to the entity by the Minister under an Act or instrument during the reporting period	24
17BE(e)	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	24
17BE(f)	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	N/A
17BE(g)	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	28–39
17BE(h), 17BE(i)	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	N/A
17BE(j)	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	42
17BE(k)	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	10–13

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17BE(ka)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location.	15–17
17BE(l)	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	15
17BE(m)	Information relating to the main corporate governance practices used by the entity during the reporting period	42–47
17BE(n), 17BE(o)	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than $10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	47, 65
17BE(p)	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	24
17BE(q)	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	59
17BE(r)	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	59
17BE(s)	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	N/A

PGPA Rule Reference	Description	Page
17BE(t)	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	N/A
17BE(taa)	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	44–46
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