



A close-up photograph of a person's hands gently holding a grey and white tabby kitten. The kitten is sitting on a wooden surface and looking towards the left. The background is a soft, out-of-focus indoor setting. The overall tone is warm and caring.

CHAPTER 2

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.

Agvet chemical products must be evaluated and registered by the APVMA before they can be legally sold, supplied or used in Australia.

More than 11 600 pesticide and veterinary medicine products are currently registered in Australia, including products for treating crop and garden diseases and pests, and medicines for treating livestock and companion animals.

The APVMA takes a systematic, scientific, evidence-based approach to decision making and operations. We evaluate the safety and performance of chemicals intended for sale in Australia to protect the health and safety of people, animals, crops and the environment. Registered products must also not jeopardise Australia's trade with other countries.

Our work supports primary industries by enabling the supply of safe and effective animal health and crop protection products. Our work also supports consumers by ensuring that domestic pesticides and companion animal products are safe to use.

Our role extends beyond registration of agricultural chemicals and veterinary medicines to encompass a range of activities aimed at protecting Australians, and ensuring that products are safe. We license and audit veterinary medicine manufacturers to ensure that they adhere to APVMA-prescribed manufacturing standards. We manage an Adverse Experience Reporting Program to ensure early detection of unforeseen problems with registered chemicals. We also monitor the market for compliance, and review and take regulatory action on registered products when concerns are raised.

The APVMA is a portfolio agency of the Australian Government Department of Agriculture, under the Minister for Agriculture, Senator the Hon. Bridget McKenzie.

Enabling legislation

The APVMA is established under the *Agricultural and Veterinary Chemicals (Administration) Act 1992* (Administration Act). The Administration Act sets out the APVMA's role 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.

The APVMA is 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, the APVMA is responsible for regulating agvet chemicals up to and including the point of sale. The states and territories are responsible for regulating agvet chemicals after they are sold, a process which is known as 'control of use'.

The key functions of the APVMA, which are set out in s. 7 of the Administration Act, are to:

- assess the suitability for sale in Australia of active constituents for proposed or existing chemical products, registered chemical products and labels for containers for chemical products
- ensure that approvals and registrations for active constituents for chemical products, chemical products and labels for containers for chemical products comply with the Agvet Code and the Agvet Code Regulations
- provide information to the Australian Government and its agencies, and the states and territories, about approved active constituents for proposed or existing chemical products, registered chemical products and approved labels for such products, and cooperate with the Australian Government and its agencies on matters relating to the management and control of chemical products
- collect and publish relevant information and statistics on approvals and registrations granted, and permits and licences issued under the Agvet Code
- with the Australian Government and its agencies, and the states and participating territories, facilitate a consistent approach to the assessment and control of agvet chemicals
- exchange information relating to chemical products and their use with overseas and international bodies that have similar functions to those of the APVMA
- report to or advise the minister on matters relating to the performance of the APVMA's functions.

Under s. 10 of the Administration Act, the Australian Government minister responsible for administering agricultural and veterinary medicine legislation may direct the APVMA (in writing) concerning its functions or powers under Australian, state or territory laws. The APVMA must comply with any such direction. No such direction was given in 2018–19.

Executive management and structure

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

Table 1: APVMA organisation structure as at 30 June 2019

Chief Executive Officer	Office of the Chief Executive Officer
Deputy Chief Executive Officer	Finance and Procurement Human Resources and Development Relocation Operations Infrastructure Information and Communications Technology Communications Parliamentary Processes
Executive Director, Risk Assessment Capability	Chemistry and Manufacture Efficacy and Safety Health Environment Residues and Trade
Executive Director, Registration Management	Case Management and Administration Veterinary Medicines Pesticides Minor Use
Executive Director, Service Improvement and Integration	Relocation and Enabling Technologies
Chief Regulatory Scientist	Chemical Review Science Quality Adverse Experience Reporting Compliance and Monitoring Manufacturing Quality and Licensing Hormone Growth Promotant Licensing Learning and Development
General Counsel	Legal

The APVMA Executive Leadership Team is responsible for business performance and managing agency compliance with legislative requirements. It oversees the development of key corporate plans and strategies, monitors and reviews organisational performance and risk, and ensures that we meet our regulatory obligations. The executive team and APVMA staff use their collective skills and experience to develop and consider strategic initiatives and operational issues.



Dr Chris Parker

Chief Executive Officer

The Chief Executive Officer (CEO) is the accountable authority responsible for APVMA governance and management, including the exercise of the APVMA's powers and functions. The CEO consults with key stakeholders to set the organisation's vision, objectives and strategies to meet its legislative responsibilities. The CEO approves the APVMA's corporate and operational plans and budgets, monitors financial and operational performance, and oversees program performance. The CEO leads the authority's engagement efforts, particularly its engagement with key international agencies.



Ms Lisa Croft

Deputy Chief Executive Officer

The Deputy CEO provides strategic advice to the CEO and executive oversight of Corporate Services and the regulatory science, postmarket and reform functions of the APVMA. Key responsibilities include overseeing the APVMA business operating model; preparing financial plans, budgets and strategies that enable the APVMA to deliver quality services with the funds available; and managing people services, risk management, stakeholder engagement, records management, and physical and personnel security.



Dr Jason Lutze

Executive Director, Risk Assessment Capability

The Executive Director (ED) Risk Assessment Capability manages the expert assessment areas of the APVMA, including Chemistry and Manufacture, Efficacy and Safety, Environment, Residues and Trade and Health Assessment teams. Responsibilities also include continuously improving data guidelines and the quality of the assessments contributing to registration.



Mr Alan Norden

Executive Director, Registration Management and Evaluation

The ED Registration Management and Evaluation 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 Bob Smith

Executive Director, Service Improvement and Integration

The ED Service Improvement and Integration is responsible for ensuring that the objectives of the APVMA digital strategy are met to support the transition to the APVMA Armidale business model, including overseeing the linkages to established business systems and the transition from these systems to new platforms. Key responsibilities include overseeing planning, scheduling and delivery of the logistics of the relocation, and ensuring appropriate risk management, procurement, governance and record keeping arrangements are in place.



Dr Maggie Hardy

Chief Regulatory Scientist

The Chief Regulatory Scientist ensures the continued high quality of the APVMA's scientific decision making through two functions: Science Quality (responsible for the Learning and Development framework and Knowledge Management) and postmarket activities (including the Adverse Experience Reporting Program, Chemical Review, Compliance and Monitoring, and Manufacturing Quality and Licensing). Responsibilities also include providing the CEO and senior staff with independent, expert advice on regulatory decisions and scientific aspects of the APVMA's regulatory framework, and delivering the International Engagement Strategy.



Mr Dwayne Currie

General Counsel

The General Counsel provides and oversees the provision of legal advice and assistance, providing support to the CEO, the Executive Leadership Team and staff on all aspects of the APVMA's administrative and regulatory requirements. Responsibilities include providing high-level and strategic legal advice, particularly on significant issues that may have agency-wide implications.

Funding

The APVMA is a cost-recovered agency. Registrants pay application fees to register new products and active constituents, amend a current registration or apply for a permit. An annual fee is payable to renew the registration of a product. Product owners also pay an annual levy based on the sales of their registered products.

Levies 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.

Financial performance

The APVMA's total income for 2018–19 was \$57.368 million. This includes:

- industry fees and charges of \$32.092 million
- government appropriation of \$24.902 million
- other revenue of \$374 000.

Total industry income derived from fees and charges of \$32.092 million, government appropriated funding of \$1.606 million, and other revenue of \$374 000 (including \$46 000 of resources received free of charge and a grant of \$130 000 from the Department of Agriculture for minor use) was available to fund the APVMA's business-as-usual activities. Normal business operational activities excludes specific appropriated funding of \$23.296 million.

The specific appropriation funding of \$23.296 million was assigned to Relocation (\$15.012 million) and Enabling Technologies (\$8.284 million) throughout 2018–19. Multi-year contracts and commitments in 2019–20 have necessitated carry-overs of \$5.651 million for Relocation activities, and \$6.915 million for Enabling Technologies.

The net cost of APVMA services for 2018–19 was \$46.963 million. The cost of the APVMA's industry-related expenses for 2018–19 was \$36.233 million, excluding expenses related to the information technology renewal and relocation.

The final comprehensive income position was \$9.983 million. The equity balance of \$16.401 million is \$9.401 million above the APVMA's targeted equity position of \$7 million; however, it includes \$12.566 million in carry-forward funding for the projects described above.

Significant noncompliance issues with finance law

No issues were reported to the Minister for Agriculture under paragraph 19(1)(e) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) that related to noncompliance of the APVMA with the finance law.

Staff profile

Table 2 provides details of Australian Public Service (APS) employees employed at the APVMA under the *Public Service Act 1999* in 2018–19.

We had 182 full-time and part-time ongoing staff at 30 June 2019. There were also 31 non-ongoing or casual staff, bringing the total number of staff to 213 (124 female, 89 male). These figures reflect the transition from Canberra to Armidale, including employees that separated on 1 July 2019.

No staff identify as being Indigenous. Staff are located in Canberra (108 staff) and Armidale (105 staff).

Separation rates were high due to the transition from Canberra to Armidale. In 2018–19, the separation rate for ongoing staff was 23 per cent, which is a 13 per cent decrease from the 36 per cent separation rate in 2017–18.

Table 2: APVMA employees substantive positions, at 30 June 2019

Classification	Full-time (ongoing)	Part-time (ongoing)	Non-ongoing and casual	Total
CEO			1	1
Senior Executive Officer	4		1	5
Chief/Principal Scientist	1			1
EL2	22	1	11	34
EL1	43	4	7	54
APS 6	44	3	4	51
APS 5	32	1	5	38
APS 4	16	1	2	19
APS 3	8	2		10
APS 2				
Trainee				
Total	170	12	31	213

APS = Australian Public Service; CEO = Chief Executive Officer; EL = Executive Level

Key management personnel

During the reporting period, the APVMA had the following executives who meet the definition of key management personnel (KMP). Their names and the length of term as KMP are summarised in Table 3. Their remuneration is shown in Tables 4 and 5.

Table 3: Key management personnel

Name	Position	Term as key management personnel
Dr C Parker	Chief Executive Officer (CEO)	Full year
Ms L Croft	Deputy CEO: Legal, Corporate and Risk Management	Full year
Ms A Fox	Deputy CEO: Business Operations and Reform	Term ended on 26 October 2018
Dr P Reeves	Chief Scientist—Canberra	Full year
Dr M Hardy	Chief Regulatory Scientist—Armidale	Appointed on 8 October 2018
Dr J Lutze	Executive Director (ED)—Risk Assessment Capability	Full year
Mr A Norden	Executive Director (ED)—Registration Management	Full year

Mr R Smith	Executive Director (ED)— Information Management and Technology, Relocation and Property Strategy, and Service Improvement and Integration	Full year
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Table 4: Summary of key management personnel remuneration

Type of benefit	2018-19 (\$)	2017-18 (\$)
Base salary	1 558 103	1 602 756
Annual leave accrued	137 563	147 927
Bonuses	27 778	23 315
Other benefits and allowances	94 547	141 590
Short-term employee benefits:	1 817 991	1 915 588
Superannuation	285 853	315 095
Post-employment benefits:	285 853	315 095
Long-service leave accrued	40 472	45 019
Other long-term employee benefits:	40 472	45 019
Terminations	–	–
Total key management personnel remuneration expenses	2 144 316	2 275 702

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 \$220 000 this financial year.

Senior Executive remuneration policy

Chief Executive Officer

The APVMA CEO position falls under the jurisdiction of the Remuneration Tribunal. The tribunal determines the remuneration package that the APVMA will pay to the office bearer. On 6 June 2019, the tribunal determined that office bearers would receive a 2 per cent remuneration increase from 1 July 2019. This was enacted in the Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2019 on 21 June 2019, and determines the CEO's remuneration and allowances that they are entitled to for the 2018–19 financial year.

Senior Executive Officers

APVMA Senior Executive Officers are remunerated through individual flexible arrangements (IFAs). The terms of IFAs are negotiated by the executive individual and the CEO. Remuneration packages are authorised under the CEO's determinations issued under ss. 24(1) of the *Public Service Act 1999*. Factors used by the CEO to determine the relevant remuneration are experience and level of responsibility, taking comparable salaries for senior executives across the Australian Public Service into consideration. The APVMA Enterprise Bargaining Agreement is also considered.

Table 5: Key management personnel remuneration

Name	Position title	Short-term employee benefits:				Other benefits and allowances	Post-employment benefits:		Other long-term employee benefits:	Terminations	Total key management personnel remuneration expenses
		Base salary	Annual leave accrued	Bonuses	Other benefits and allowances		Superannuation contributions	Long-service leave accrued			
Dr C Parker	Chief Executive Officer (CEO)	336 373	25 789	-	19 483	51 262	8 298	-	-	441 205	
Ms L Croft	Deputy CEO: Legal, Corporate and Risk Management	206 900	17 592	-	11 126	33 192	5 661	-	-	274 471	
Ms A Fox	Deputy CEO: Business Operations and Reform	62 354	6 280	-	15 729	10 518	2 245	-	-	97 126	
Dr P Reeves	Chief Scientist—Canberra	161 193	18 583	9 699	-	36 508	4 784	-	-	230 767	
Dr M Hardy	Chief Scientist—Armidale	143 916	11 283	-	-	22 176	3 765	-	-	181 140	
Mr A Norden	Executive Director (ED)—Registration Management and Evaluation	206 859	16 825	10 977	-	41 100	5 414	-	-	281 175	
Dr J Lutze	Executive Director (ED)—Risk Assessment Capability	166 086	15 579	7 102	30 511	37 835	5 013	-	-	262 126	
Mr R Smith	Executive Director (ED)—Information Management and Technology, Relocation and Property Strategy, and Service Improvement and Integration	195 608	16 445	-	-	40 086	5 292	-	-	257 431	
Mr J Deller	A/g Executive Director (ED)—Risk Assessment Capability	14 988	1 973	-	2 980	2 301	-	-	-	22 242	
Mr A Loch	A/g Executive Director (ED)—Risk Assessment Capability	15 572	2 177	-	3 113	2 880	-	-	-	23 742	
Ms S Logan	A/g Executive Director (ED)—Risk Assessment Capability	5 046	-	-	1 648	780	-	-	-	7 474	
Ms N Sterkenburg	A/g Executive Director (ED)—Risk Assessment Capability	5 555	-	-	850	841	-	-	-	7 246	

Name	Position title	Short-term employee benefits:				Other long-term employee benefits:	Terminations	Total key management personnel remuneration expenses
		Base salary	Annual leave accrued	Bonuses	Other benefits and allowances			
Ms B Battisson	A/g Executive Director (ED)—Registration Management and Evaluation	9 442	1 843	-	5 054	1 755	-	18 094
Mr P Macleod	A/g Executive Director (ED)—Registration Management and Evaluation	22 150	3 194	-	2 970	3 476	-	31 790
Mr N Hamilton	A/g Executive Director (ED)—Information Management and Technology, Relocation and Property Strategy, and Service Improvement and Integration	6 061	-	-	1 083	1 143	-	8 287
Total		1 558 103	1 37 563	27 778	94 547	285 853	40 472	2 144 316

Ministerial directions and Government Policy Orders

There were no ministerial directions or Government Policy Orders issued during 2018–19.

Significant activities and changes

In 2018–19, the APVMA saw the physical completion of the authority’s relocation to Armidale. This was as a result of a 2016 Government Policy Order under s. 22 of the PGPA Act, which specified that a corporate Commonwealth entity with agricultural policy or regulatory responsibilities are to be located in a regional community that is near a main campus of a regional university recognised for research and teaching in the field of agricultural sciences.