

# AUSTRALIAN PESTICIDES AND VETERINARY MEDICINES AUTHORITY

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# AUSTRALIAN PESTICIDES AND VETERINARY MEDICINES AUTHORITY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

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

The APVMA regulates the supply of safe and effective agricultural and veterinary (agvet) chemicals in Australia. Robust risk assessment methods are used to scientifically evaluate new and existing pesticides and veterinary medicines. Through efficient and effective regulation, the APVMA ensures the registration of agvet chemical products delivers appropriate protections for human health and safety, animals and the environment, and supports international trade.

The APVMA's regulatory responsibility extends from registration and manufacturing through to the point of sale. By agreement, the states and territories are then responsible for regulating and monitoring how agvet chemicals are used.

We will build on the adaptive and flexible response adopted during the COVID-19 pandemic, continuing to deliver regulatory services through collaborative and innovative work practices.

We will work to minimise cost recovery charges, consistent with the Australian Government Cost Recovery Guidelines, through the efficient implementation of cost recovered activities.

## **1.2 ENTITY RESOURCE STATEMENT**

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4: Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Australian Pesticides and Veterinary Medicines Authority – Resource Statement – Budget Estimates for 2021–22 as at Budget May 2021**

	2020–21 <i>Estimated actual</i> \$'000	2021–22 Estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	<b>1,736</b>	<b>1,696</b>
<b>Funds from Government</b>		
<b>Annual appropriations – ordinary annual services<sup>(a)</sup></b>		
Outcome 1	4,400	1,923
<b>Total annual appropriations</b>	<b>4,400</b>	<b>1,923</b>
<b>Amounts received from related entities</b>		
Amounts from portfolio department <sup>(b)</sup>	135	136
<b>Total amounts received from related entities</b>	<b>135</b>	<b>136</b>
<b>Total funds from Government</b>	<b>4,535</b>	<b>2,059</b>
<b>Special appropriations<sup>(c)</sup></b>		
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i> s. 58 (6) – amount payable to the APVMA	38,466	35,878
<b>Total special appropriations</b>	<b>38,466</b>	<b>35,878</b>
<b>Total funds from Government</b>	<b>43,001</b>	<b>37,937</b>
<b>Funds from industry sources</b>		
Levies, fees and charges <sup>(d)</sup>	38,466	35,878
<i>less amounts paid to the CRF</i>	(38,466)	(35,878)
<b>Total funds from industry sources</b>	<b>-</b>	<b>-</b>
<b>Funds from other sources</b>		
Interest	20	20
Other	20	20
<b>Total funds from other sources</b>	<b>40</b>	<b>40</b>
<b>Total net resourcing for APVMA</b>	<b>44,777</b>	<b>39,673</b>
	<b>2020–21</b>	<b>2021–22</b>
<b>Average staffing level (number)</b>	<b>180</b>	<b>187</b>

(a) Appropriation Bill (No. 1) 2021–22. Appropriation is provided through the Department of Agriculture, Water and the Environment (DAWE) and is specified within the Annual Appropriation Bills as a payment to the Australian Pesticides and Veterinary Medicines Authority (APVMA) and is considered departmental for all purposes.

(b) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to that corporate entity (for example, a grant awarded to a corporate entity from one of its portfolio department's administered programs).

(c) APVMA's special appropriation is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to DAWE and are then paid to APVMA and are considered departmental for all purposes.

Continued on following page

**Table 1.1: Australian Pesticides and Veterinary Medicines Authority – Resource Statement – Budget Estimates for 2021–22 as at Budget May 2021 (continued)**

(d) These charges are imposed by the *Agricultural and Veterinary Chemicals Code Act 1994* and the *Agricultural and Veterinary Chemical Products (Collection of Levy) Act 1994*. They are collected by APVMA and transferred to the CRF. These amounts are then drawn down by the department as a Special Appropriation under the Administration Act.

CRF – Consolidated Revenue Fund.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (i.e. appropriations available) basis.

### **1.3 BUDGET MEASURES**

Budget measures in Part 1 relating to the Australian Pesticides and Veterinary Medicines Authority are detailed in *Budget Paper No. 2: Budget Measures 2021–22* and are summarised below.

**Table 1.2: Australian Pesticides and Veterinary Medicines Authority – 2021–22 Budget measures – Measures announced after the Mid-Year Economic and Fiscal Outlook (MYEFO)**

APVMA does not have any 2021–22 Budget measures.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

APVMA's most recent corporate plan can be found at:

<https://apvma.gov.au/node/69251>.

APVMA's most recent annual performance statement can be found at:

<https://apvma.gov.au/node/75056> in chapter 3.



## **2.1 BUDGETED EXPENSES AND PERFORMANCE 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.**

### **2.1.1: Linked programs**

**Department of Agriculture, Water and the Environment**

Program 3.10: Agricultural Resources

**Contribution to Outcome 1 made by linked programs:**

The Australian Pesticides and Veterinary Medicines Authority and the Department of Agriculture, Water and the Environment work together to ensure the protection of the health and safety of humans, animals and the environment.

## 2.1.2: Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

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

<b>Outcome 1: Protection of the health and safety of people, animals, the environment, and agricultural and livestock industries through regulation of pesticides and veterinary medicines.</b>					
	2020–21	2021–22	2022–23	2023–24	2024–25
	Estimated	Budget	Forward	Forward	Forward
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 1.1: Australian Pesticides and Veterinary Medicines Authority</b>					
<b>Revenue from Government</b>					
Ordinary annual services					
(Appropriation Bill (No. 1)) <sup>(a)</sup>	4,400	1,923	1,656	1,663	1,669
Payment from related entities	135	136	138	141	142
Special appropriations					
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992 s. 58 (6) – amount payable to the APVMA</i>	35,713	36,665	36,665	36,665	36,665
Revenues from other independent sources	100	100	100	100	100
Expenses not requiring appropriation in the Budget year <sup>(b)</sup>	3,767	248	193	136	91
<b>Total expenses for program 1.1</b>	<b>44,115</b>	<b>39,072</b>	<b>38,752</b>	<b>38,705</b>	<b>38,667</b>
<b>Outcome 1 totals by resource type</b>					
<b>Revenue from Government</b>					
Ordinary annual services					
(Appropriation Bill (No. 1)) <sup>(a)</sup>	4,400	1,923	1,656	1,663	1,669
Payment from related entities	135	136	138	141	142
Special appropriations	35,713	36,665	36,665	36,665	36,665
Revenues from other independent sources	100	100	100	100	100
Expenses not requiring appropriation in the Budget year <sup>(b)</sup>	3,767	248	193	136	91
<b>Total expenses for Outcome 1</b>	<b>44,115</b>	<b>39,072</b>	<b>38,752</b>	<b>38,705</b>	<b>38,667</b>
	<b>2020–21</b>	<b>2021–22</b>			
<b>Average staffing level (number)</b>	180	187			

(a) Appropriation Bill (No. 1) 2021–22. The APVMA is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through DAWE to APVMA.

(b) Expenses not requiring appropriation in the Budget year are made up of make good expenses, audit fees, and can include depreciation / amortisation expenses not requiring an appropriation.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

Prepared on Australian Accounting Standards basis.

### 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1: Protection of the health and safety of people, animals, the environment, and agricultural and livestock industries through regulation of pesticides and veterinary medicines.</b>		
<b>Program 1.1: Australian Pesticides and Veterinary Medicines Authority</b>		
<b>Objective</b>	The APVMA regulates agricultural and veterinary chemicals up to and including at the point of sale to protect the health and safety of people, animals and crops, the environment and trade and support Australian primary industries.	
<b>Delivery</b>	Regulation of agricultural and veterinary chemicals is delivered through four mechanisms: <ul style="list-style-type: none"> <li>• Risk-based assessment and registration of pesticides and veterinary chemicals;</li> <li>• Identification and resolution of non-compliance up to and including the point of retail sale;</li> <li>• Licence and audit veterinary manufacturers; and</li> <li>• Identification and review of the safety of existing chemicals of regulatory concern.</li> </ul>	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Actual Achievement/Targets</b>
2020-21	The percentage of applications finalised within statutory timeframes.	100 per cent.
2021-22	As per 2020-21.	As per 2020-21.
2022-23 and beyond	As per 2020-21.	As per 2020-21.
<b>Purpose</b>	Regulate agricultural and veterinary chemicals to ensure they are safe for Australian people, animals and the environment.	

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2021–22, including the impact of 2021–22 Budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1: Differences between entity resourcing and financial statements**

The resourcing statement is prepared on a cash basis. The financial statements are prepared on an accrual basis. Differences between the resourcing and financial statements represent timing differences between revenue recognition and cash received.

#### **3.1.2: Explanatory notes and analysis of budgeted financial statements**

A new Cost Recovery Implementation Statement (CRIS) was approved by the Minister for Agriculture, Drought and Emergency Management in April 2020, and came in to effect on 1 July 2020.

The Government made available an additional \$17.7 million to the APVMA through *Appropriation Act (No. 5) 2019–20* in response to the COVID-19 pandemic, to ensure funding was available in the event of a fall in cost recovered revenue from industry. This appropriation was recorded as revenue in 2019–20 and remains as an amount receivable on the balance sheet.

The operating losses disclosed in Table 3.1 relate to the accounting treatment of office leases, with an additional amount of \$3.466 million in 2020–21 which represents expenditure funded from appropriations received in prior years.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) (for the period ended 30 June)**

	2020–21 Estimated actual \$'000	2021–22 Budget \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	24,304	24,509	25,244	25,748	25,917
Suppliers	16,073	10,877	11,404	10,868	10,677
Depreciation and amortisation	3,537	3,498	1,929	1,929	1,929
Borrowing costs	201	188	175	160	144
<b>Total expenses</b>	<b>44,115</b>	<b>39,072</b>	<b>38,752</b>	<b>38,705</b>	<b>38,667</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Interest	20	20	20	20	20
Other	80	80	80	80	80
<b>Total own-source revenue</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Total own-source income</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Net cost of (contribution by) services</b>	<b>44,015</b>	<b>38,972</b>	<b>38,652</b>	<b>38,605</b>	<b>38,567</b>
Revenue from Government					
Commonwealth contribution	4,400	1,923	1,656	1,663	1,669
Payment from related entities	135	136	138	141	142
Industry contributions	35,713	36,665	36,665	36,665	36,665
<b>Total revenue from Government</b>	<b>40,248</b>	<b>38,724</b>	<b>38,459</b>	<b>38,469</b>	<b>38,476</b>
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(3,767)</b>	<b>(248)</b>	<b>(193)</b>	<b>(136)</b>	<b>(91)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(3,767)</b>	<b>(248)</b>	<b>(193)</b>	<b>(136)</b>	<b>(91)</b>
<b>Note: Impact of net cash appropriation arrangements</b>					
	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000	2024–25 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets</b>	<b>(2,387)</b>	-	-	-	-
less depreciation/amortisation expenses for ROU <sup>(a)</sup>	2,380	1,301	1,301	1,301	1,209
add principal repayments on leased assets <sup>(a)</sup>	1,000	1,053	1,108	1,165	1,118
<b>Total comprehensive income/(loss) – as per the Statement of comprehensive income</b>	<b>(3,767)</b>	<b>(248)</b>	<b>(193)</b>	<b>(136)</b>	<b>(91)</b>

(a) Applies to leases under AASB 16 Leases. Right of Use (ROU).

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2020–21 Estimated actual \$'000	2021–22 Budget \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,696	1,745	1,552	1,842	2,262
Trade and other receivables	27,747	28,534	28,101	27,139	27,139
<b>Total financial assets</b>	<b>29,443</b>	<b>30,279</b>	<b>29,653</b>	<b>28,981</b>	<b>29,401</b>
<b>Non-financial assets</b>					
Land and buildings	16,862	15,491	14,120	12,749	11,378
Property, plant and equipment	1,931	2,673	3,415	4,157	3,899
Intangibles	1,569	-	-	-	-
Other	419	419	419	419	419
<b>Total non-financial assets</b>	<b>20,781</b>	<b>18,583</b>	<b>17,954</b>	<b>17,325</b>	<b>15,696</b>
<b>Total assets</b>	<b>50,224</b>	<b>48,862</b>	<b>47,607</b>	<b>46,306</b>	<b>45,097</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	460	399	447	447	447
Other payables	910	910	880	880	880
<b>Total payables</b>	<b>1,370</b>	<b>1,309</b>	<b>1,327</b>	<b>1,327</b>	<b>1,327</b>
<b>Provisions</b>					
Employee provisions	4,847	4,847	4,875	4,875	4,875
<b>Total provisions</b>	<b>4,847</b>	<b>4,847</b>	<b>4,875</b>	<b>4,875</b>	<b>4,875</b>
<b>Interest bearing liabilities</b>					
Leases	14,466	13,413	12,305	11,140	10,022
<b>Total interest bearing liabilities</b>	<b>14,466</b>	<b>13,413</b>	<b>12,305</b>	<b>11,140</b>	<b>10,022</b>
<b>Total liabilities</b>	<b>20,683</b>	<b>19,569</b>	<b>18,507</b>	<b>17,342</b>	<b>16,224</b>
<b>Net assets</b>	<b>29,541</b>	<b>29,293</b>	<b>29,100</b>	<b>28,964</b>	<b>28,873</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	6,675	6,675	6,675	6,675	6,675
Reserves	281	281	281	281	281
Retained surplus (accumulated deficit)	22,585	22,337	22,144	22,008	21,917
<b>Total parent entity interest</b>	<b>29,541</b>	<b>29,293</b>	<b>29,100</b>	<b>28,964</b>	<b>28,873</b>
<b>Total Equity</b>	<b>29,541</b>	<b>29,293</b>	<b>29,100</b>	<b>28,964</b>	<b>28,873</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021–22)**

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2021</b>				
Balance carried forward from previous period	22,585	281	6,675	29,541
<b>Adjusted opening balance</b>	<b>22,585</b>	<b>281</b>	<b>6,675</b>	<b>29,541</b>
<b>Comprehensive income</b>				
Surplus (deficit) for the period	(248)	-	-	(248)
<b>Total comprehensive income</b>	<b>(248)</b>	<b>-</b>	<b>-</b>	<b>(248)</b>
of which:				
Attributable to the Australian Government	(248)	-	-	(248)
<b>Estimated closing balance as at 30 June 2022</b>	<b>22,337</b>	<b>281</b>	<b>6,675</b>	<b>29,293</b>
<b>Closing balance attributable to the Australian Government</b>	<b>22,337</b>	<b>281</b>	<b>6,675</b>	<b>29,293</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2020–21 Estimated actual \$'000	2021–22 Budget \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Grants received from Portfolio Department	43,003	37,937	38,892	39,431	38,476
Net GST received	1,578	1,354	1,414	1,365	1,082
Interest receipts	20	20	20	20	20
Other	20	20	20	20	20
<b>Total cash received</b>	<b>44,621</b>	<b>39,331</b>	<b>40,346</b>	<b>40,836</b>	<b>39,598</b>
<b>Cash used</b>					
Employees	24,282	24,509	25,216	25,748	25,917
Suppliers	17,878	12,232	12,740	12,173	11,699
Lease liability – interest payments	201	188	175	160	144
<b>Total cash used</b>	<b>42,361</b>	<b>36,929</b>	<b>38,131</b>	<b>38,081</b>	<b>37,760</b>
<b>Net cash from (used by) operating activities</b>	<b>2,260</b>	<b>2,402</b>	<b>2,215</b>	<b>2,755</b>	<b>1,838</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	1,300	1,300	1,300	1,300	300
<b>Total cash used</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>300</b>
<b>Net cash from (used by) investing activities</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(300)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Lease liability – principal payments	1,000	1,053	1,108	1,165	1,118
<b>Total cash used</b>	<b>1,000</b>	<b>1,053</b>	<b>1,108</b>	<b>1,165</b>	<b>1,118</b>
<b>Net cash from (used by) financing activities</b>	<b>(1,000)</b>	<b>(1,053)</b>	<b>(1,108)</b>	<b>(1,165)</b>	<b>(1,118)</b>
<b>Net increase (decrease) in cash held</b>	<b>(40)</b>	<b>49</b>	<b>(193)</b>	<b>290</b>	<b>420</b>
Cash and cash equivalents at the beginning of the reporting period	1,736	1,696	1,745	1,552	1,842
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,696</b>	<b>1,745</b>	<b>1,552</b>	<b>1,842</b>	<b>2,262</b>

Prepared on Australian Accounting Standards basis.



**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2020–21 Estimated actual \$'000	2021–22 Budget \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources <sup>(a)</sup>	1,300	1,300	1,300	1,300	300
<b>TOTAL</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>300</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,300	1,300	1,300	1,300	300
<b>Total cash used to acquire assets</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>	<b>300</b>

- (a) Includes the following sources of funding:
- annual and prior year appropriations;
  - internally developed assets;
  - section 74 External Revenue; and
  - proceeds from the sale of assets.

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

Prepared on Australian Accounting Standards basis.