

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 2022–23 as at Budget March 2022

	2021–22 <i>Estimated actual</i> \$'000	2022–23 Estimate \$'000
Opening balance/cash reserves at 1 July	1,117	1,166
Funds from Government		
Annual appropriations – ordinary annual services^(a)		
Outcome 1	1,923	1,663
Total annual appropriations	1,923	1,663
Special appropriations^(b)		
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992 , s. 58 (6)</i>	37,462	38,713
Total special appropriations	37,462	38,713
Amounts received from related entities		
Amounts from portfolio department ^(c)	136	138
Total amounts received from related entities	136	138
Total funds from Government	39,521	40,514
Funds from industry sources		
Levies, fees and charges ^(d)	37,462	38,713
<i>less amounts paid to the CRF</i>	(37,462)	(38,713)
Total funds from industry sources	-	-
Funds from other sources		
Other	2	3
Total funds from other sources	2	3
Total net resourcing for APVMA	40,640	41,683
	2021–22	2022–23
Average staffing level (number)	178	180

(a) Appropriation Bill (No. 1) 2022–23. 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 APVMA and is considered departmental for all purposes.

(b) APVMA's special appropriation is not directly appropriated as it is a corporate Commonwealth entity (CCE) under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Appropriations are made to DAWE and are then paid to APVMA and are considered departmental for all purposes.

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

(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.

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 2022–23* and are summarised below.

Table 1.2: Australian Pesticides and Veterinary Medicines Authority – 2022–23 Budget measures – Measures announced after the Mid-Year Economic and Fiscal Outlook (MYEFO)

APVMA does not have any 2022–23 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/87421>

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

<https://apvma.gov.au/node/92371> 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 APVMA and DAWE 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

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	2022–23	2023–24	2024–25	2025–26
	Estimated actual	Budget	Forward estimate	Forward estimate	Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 1.1: Australian Pesticides and Veterinary Medicines Authority					
Revenue from Government					
Ordinary annual services					
(Appropriation Bill (No. 1)) ^(a)	1,923	1,663	1,673	1,686	1,697
Payment from related entities	136	138	141	143	145
Special appropriations					
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992, s. 58 (6) – amount payable to the APVMA</i>	40,612	38,418	38,727	39,042	39,365
Revenues from other independent sources	56	58	59	60	61
Expenses not requiring appropriation in the Budget year ^(b)	(2,416)	193	136	91	66
Total expenses for program 1.1	40,311	40,470	40,736	41,022	41,334
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services					
(Appropriation Bill (No. 1)) ^(a)	1,923	1,663	1,673	1,686	1,697
Payment from related entities	136	138	141	143	145
Special appropriations	40,612	38,418	38,727	39,042	39,365
Revenues from other independent sources	56	58	59	60	61
Expenses not requiring appropriation in the Budget year ^(b)	(2,416)	193	136	91	66
Total expenses for Outcome 1	40,311	40,470	40,736	41,022	41,334
	2021–22	2022–23			
Average staffing level (number)	178	180			

(a) Appropriation Bill (No. 1) 2022–23. The APVMA is CCE under the PGPA Act and does not receive direct appropriations. Appropriation is provided through DAWE and is specified with the Annual Appropriation Bills as payment to the APVMA and is considered departmental for all purposes.

(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 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Program 1.1: Australian Pesticides and Veterinary Medicines Authority		
Objective	The APVMA regulates 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.	
Key Activities	Regulation of agricultural and veterinary chemicals is delivered through four mechanisms: <ul style="list-style-type: none"> • Risk-based assessment and registration of pesticides and veterinary chemicals; • Identification and resolution of non-compliance up to and including the point of retail sale; • Licence and audit veterinary manufacturers; and • Identification and review of the safety of existing chemicals of regulatory concern. 	
Year	Performance measures	Expected Performance Results
Current year 2021–22	Percentage of applications finalised within statutory timeframes.	100 per cent.
Year	Performance measures	Planned Performance Results
Budget Year 2022–23	As per 2021–22.	As per 2021–22.
Forward Estimates 2023–26	As per 2022–23.	As per 2022–23.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2022–23, including the impact of 2022–23 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 was approved by the Minister for Agriculture, Drought and Emergency Management in April 2020, and came into effect on 1 July 2020.

The APVMA has experienced an increase in sales declarations for levy revenue greater than historical averages would indicate. Future sales of agvet products are difficult to predict and the forward estimates have been based on a 3-year average.

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 has not been drawn down and the receivable is planned to be reversed against equity in 2021–22.

3.2 Budgeted financial statements tables

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

	2021–22 Estimated actual \$'000	2022–23 Budget \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000
EXPENSES					
Employee benefits	25,559	26,186	26,685	27,220	27,755
Suppliers	11,812	11,282	11,033	10,861	10,619
Depreciation and amortisation	2,752	2,827	2,858	2,797	2,828
Finance costs	188	175	160	144	132
Total expenses	40,311	40,470	40,736	41,022	41,334
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	56	58	59	60	61
Total own-source revenue	56	58	59	60	61
Total own-source income	56	58	59	60	61
Net cost of (contribution by) services	40,255	40,412	40,677	40,962	41,273
Revenue from Government					
Commonwealth contribution	1,923	1,663	1,673	1,686	1,697
Industry contributions	40,612	38,418	38,727	39,042	39,365
Payment from related entities	136	138	141	143	145
Total revenue from Government	42,671	40,219	40,541	40,871	41,207
Surplus/(deficit) attributable to the Australian Government	2,416	(193)	(136)	(91)	(66)
Total comprehensive income/(loss) attributable to the Australian Government	2,416	(193)	(136)	(91)	(66)
Note: Impact of net cash appropriation arrangements					
	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	3,743	-	-	-	-
less depreciation/amortisation expenses for ROU ^(a)	2,380	1,301	1,301	1,209	987
add principal repayments on leased assets ^(a)	1,053	1,108	1,165	1,118	921
Total comprehensive income/(loss) – as per the Statement of comprehensive income	2,416	(193)	(136)	(91)	(66)

(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)

	2021–22 Estimated actual \$'000	2022–23 Budget \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,166	973	1,263	1,683	1,683
Trade and other receivables	25,613	25,318	25,525	26,633	28,414
Total financial assets	26,779	26,291	26,788	28,316	30,097
Non-financial assets					
Land and buildings	15,205	13,594	11,976	10,444	8,906
Property, plant and equipment	1,277	1,042	801	554	301
Intangibles	1,386	2,465	2,526	1,568	591
Other non-financial assets	624	624	624	624	624
Total non-financial assets	18,492	17,725	15,927	13,190	10,422
Total assets	45,271	44,016	42,715	41,506	40,519
LIABILITIES					
Payables					
Suppliers	544	592	592	592	592
Other payables	746	716	716	716	716
Total payables	1,290	1,308	1,308	1,308	1,308
Interest bearing liabilities					
Leases	13,236	12,128	10,963	9,845	8,924
Total interest bearing liabilities	13,236	12,128	10,963	9,845	8,924
Provisions					
Employee provisions	5,718	5,746	5,746	5,746	5,746
Total provisions	5,718	5,746	5,746	5,746	5,746
Total liabilities	20,244	19,182	18,017	16,899	15,978
Net assets	25,027	24,834	24,698	24,607	24,541
EQUITY*					
Parent entity interest					
Contributed equity	6,675	6,675	6,675	6,675	6,675
Reserves	281	281	281	281	281
Retained surplus/(accumulated deficit)	18,071	17,878	17,742	17,651	17,585
Total parent entity interest	25,027	24,834	24,698	24,607	24,541
Total Equity	25,027	24,834	24,698	24,607	24,541

*'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 2022–23)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	18,071	281	6,675	25,027
Adjusted opening balance	18,071	281	6,675	25,027
Comprehensive income				
Surplus/(deficit) for the period	(193)	-	-	(193)
Total comprehensive income	(193)	-	-	(193)
of which:				
Attributable to the Australian Government	(193)	-	-	(193)
Estimated closing balance as at 30 June 2023	17,878	281	6,675	24,834
Closing balance attributable to the Australian Government	17,878	281	6,675	24,834

Prepared on Australian Accounting Standards basis.

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

	2021–22 Estimated actual \$'000	2022–23 Budget \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Revenue from Government	39,541	40,514	40,334	39,763	39,426
Net GST received	1,354	1,414	1,365	1,082	1,056
Other	2	3	3	3	3
Total cash received	40,897	41,931	41,702	40,848	40,485
Cash used					
Employees	25,559	26,158	26,685	27,220	27,755
Suppliers	13,173	12,623	12,342	11,886	11,617
Interest payments on lease liability	188	175	160	144	132
Total cash used	38,920	38,956	39,187	39,250	39,504
Net cash from (used by) operating activities	1,977	2,975	2,515	1,598	981
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	875	2,060	1,060	60	60
Total cash used	875	2,060	1,060	60	60
Net cash from (used by) investing activities	(875)	(2,060)	(1,060)	(60)	(60)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	1,053	1,108	1,165	1,118	921
Total cash used	1,053	1,108	1,165	1,118	921
Net cash from (used by) financing activities	(1,053)	(1,108)	(1,165)	(1,118)	(921)
Net increase (decrease) in cash held	49	(193)	290	420	-
Cash and cash equivalents at the beginning of the reporting period	1,117	1,166	973	1,263	1,683
Cash and cash equivalents at the end of the reporting period	1,166	973	1,263	1,683	1,683

Prepared on Australian Accounting Standards basis.

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

	2021–22 Estimated actual \$'000	2022–23 Budget \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	875	2,060	1,060	60	60
TOTAL	875	2,060	1,060	60	60
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	875	2,060	1,060	60	60
Total cash used to acquire assets	875	2,060	1,060	60	60

(a) Includes the following s74 external revenue:

- internally developed assets;
- 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.

Table 3.6: Statement of asset movements (Budget year 2022–23)

	Building	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022				
Gross book value	3,293	1,981	9,441	14,715
Gross book value – ROU ^(a)	16,077	-	-	16,077
Accumulated depreciation/amortisation and impairment	(2,864)	(704)	(8,055)	(11,623)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(1,301)	-	-	(1,301)
Opening net book balance	15,205	1,277	1,386	17,868
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase – other ^(b)	-	60	2,000	2,060
Total additions	-	60	2,000	2,060
Other movements				
Depreciation/amortisation expense	(310)	(295)	(921)	(1,526)
Depreciation/amortisation expense – ROU ^(a)	(1,301)	-	-	(1,301)
Total other movements	(1,611)	(295)	(921)	(2,827)
As at 30 June 2023				
Gross book value	3,293	2,041	11,441	16,775
Gross book value – ROU ^(a)	16,077	-	-	16,077
Accumulated depreciation/amortisation and impairment	(3,174)	(999)	(8,976)	(13,149)
Accumulated depreciation/amortisation and impairment – ROU ^(a)	(2,602)	-	-	(2,602)
Closing net book balance	13,594	1,042	2,465	17,101

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

(b) 'By purchase – other' refers to funding provided through other internal funding sources.

Prepared on Australian Accounting Standards basis.