



Australian Government
**Australian Pesticides and
Veterinary Medicines Authority**



Cost recovery performance report
2024–25 financial year

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Preface

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.

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, annual product 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.

Cost recovery performance reporting

Purpose

This Cost Recovery Performance Report is submitted to report on the financial outcomes of the APVMA's cost recovery activities for 2024-25. It has been prepared in accordance with the requirements of the [Australian Government Cost Recovery Policy](#) which were last updated on 21 June 2023.

The aggregate level of cost recovery activities' financial outcomes, non-financial outcomes and output measures are reported in the APVMA's 2024-25 Annual Report and financial statements.

The APVMA's current [Cost Recovery Implementation Statement](#) (CRIS) for the period 1 February 2023 to 30 June 2025 is the agency's substantive document on cost recovery and should be referred to for more detailed information on the agency's cost activities and cost recovery model.

Cost recovery methodology

In 2022-23 the agency's governance was identified as a separate cost recovery activity rather than being allocated to other cost activities. Governance costs include the costs associated with the APVMA's board, executive, communication, engagement and parliamentary support functions.

The rationale for the change was the recognition that governance is a distinct activity of the agency and should be separately identified from the agency's registration and approval activities.

The change in methodology reduced the total costs of registration and approval with governance costs reported separately. It also changed the ratios of direct to indirect costs with governance costs not allocated as an indirect cost of other activities.

In addition, annual product registration renewal fees are fully applied to cost activities before levies.

Cost recovery performance reports

Cost recovery performance 2024–25

The cost recovery performance 2024–25 report in Table 1 shows the actual expenses and revenues of cost recovery activities for 2024–25 compared to the prior financial year.

Table 4 reports the cost recovery performance of the agency's three core activities: registration and approvals, regulatory activities and governance.

A further breakdown of registration and approval activities is shown in Table 5

Table 1: Cost recovery performance 2024–25 summary

Cost recovery activities	2024–25 FY actual \$'000	2023–24 FY prior year \$'000
Cost of activities – recovered by industry contributions and other sources of income		
Direct costs		
Labour	24,389	23,008
Suppliers	2,342	1,516
	26,731	24,524
Indirect costs		
Labour	8,857	6,763
Suppliers	13,645	13,270
	22,502	22,033
Total cost of activities	49,233	46,557
Cost recovered by:		
Registration and approval (R&A) fees	9,463	10,294
Levies	25,830	26,674
Annual product registration renewal fees	7,628	7,750
Industry contributions applied to cost of activities	49,921	44,718
Unapplied levies		140
Penalties	32	42

Cost recovery activities	2024–25 FY actual \$'000	2023–24 FY prior year \$'000
Total industry contributions	42,953	44,900
Appropriations		
<i>Ordinary appropriations</i>	2,260	1,840
Own-source revenue	3,390	534
Total income from ordinary activities	48,603	47,274
Surplus (deficit) of costs recovered	(629)	717

Surplus funds from cost recovery are accumulated in the APVMA's equity balance to fund operations and potential cost recovery deficits in future years. Tables 6 and 7 show financial estimates of funds from cost recovery activities for future financial years.

Table 2: Reconciliation to income in the 2024–25 financial statements

Reconciling items	2024–25 FY actual \$'000	2023–24 FY prior year \$'000
(Deficit)/Surplus of costs recovered	(629)	717
Enabling Technology appropriation costs		
Direct costs	235	739
Indirect costs	25	77
Total cost of appropriation	260	816
Other ordinary appropriation:		
Contribution to the costs of independent reviews	-	4,065
Losses from asset sales	97	
(Deficit)/Surplus	(986)	3,966

In July 2023, the APVMA received an ordinary appropriation of \$4.065 million as a contribution to the costs of independent reviews of the APVMA conducted in the 2022–23 and 2023–24 financial years. The appropriation restored previously cost recovered funds that were spent on mal-administration items from 2022 to 2024.

Table 3: Revenue

Sources of revenue	2024–25 FY actual \$'000	2023–24 FY prior year \$'000
Levies	25,830	26,814
Annual product registration renewal fees	7,628	7,750
Product application fees	5,957	7,154
Good manufacturing practice (GMP) licence fees	1,478	1,177
Permits, actives and other fees	2,028	1,963
Penalties	32	42
Total industry contributions	42,953	44,900
Ordinary appropriations	2,260	1,840
Own-source revenue	3,390	534
Total income from ordinary activities	48,603	47,274

Table 4: Cost recovery performance by activity

Cost activities	2024–25 FY actual \$'000	2023–24 FY prior year \$'000
Total registrations and approvals (R&A)		
Direct costs		
Labour	19,035	17,161
Suppliers	1,233	1,366
	20,268	18,527
Indirect costs		
Labour	7,138	6,901
Suppliers	10,996	10,452
	18,134	17,353
Total R&A costs	38,402	35,880
R&A costs recovered by:		
R&A fees	9,463	10,293

Cost activities	2024–25 FY actual \$'000	2023–24 FY prior year \$'000
Levies, annual product registration renewal fees and other revenue	28,939	25,587
Total R&A costs recovered	38,402	35,880
Total regulatory activities (chemical review, post marked monitoring and investigation)		
Direct costs		
Labour	2,779	2,847
Suppliers	234	136
	3,013	2,983
Indirect costs		
Labour	1,012	1,032
Suppliers	1,559	1,563
	2,571	2,595
Total regulatory activities costs	5,584	5,578
Regulatory costs recovered by:		
Levies, annual product registration renewal fees and other revenue	5,584	4,368
Ordinary appropriations	-	1,210
Total regulatory costs recovered	5,584	5,578
Governance activities (includes the APVMA Board and other executive costs)		
Direct costs		
Labour	2,575	3,000
Suppliers	875	14
	3,450	3,014
Indirect costs		
Labour	707	829
Suppliers	1,090	1,255
	1,797	2,084
Total governance costs	5,247	5,098

Cost activities	2024–25 FY actual \$'000	2023–24 FY prior year \$'000
Governance costs recovered by:		
Levies, annual product registration renewal fees and other revenue	2,987	4,468
Ordinary appropriations	2,260	630
Total governance costs recovered	5,247	5,098

Table 5: Cost recovery performance of registration and approval (R&A) activities

R&A activities	2024–25 FY actual \$'000	2023–24 FY prior year \$'000
Agvet chemicals – active constituents		
Direct costs		
Labour	795	928
Suppliers	23	26
	818	954
Indirect costs		
Labour	285	349
Suppliers	439	527
	724	876
Total costs	1,542	1,830
Costs recovered by:		
R&A fees	1,277	1,289
Levies, annual product registration renewal fees and other revenue	265	541
Total costs recovered	1,542	1,830
Agvet chemicals – products		
Direct costs		
Labour	12,562	11,439
Suppliers	993	1,204
	13,555	12,643

R&A activities	2024-25 FY actual \$'000	2023-24 FY prior year \$'000
Indirect costs		
Labour	4,722	4,686
Suppliers	7,275	7,098
	11,997	11,784
Total cost	25,552	24,427
Costs recovered by:		
R&A fees	5,957	7,154
Levies, annual product registration renewal fees and other revenue	19,595	17,273
Total costs recovered	25,552	24,427
Good Manufacturing Practice (GMP) licence fees		
Direct costs		
Labour	1,553	1,121
Suppliers	67	23
	1,620	1,144
Indirect costs		
Labour	642	482
Suppliers	988	731
	1,630	1,213
Total costs	3,250	2,357
Costs recovered by:		
GMP licence fees	1,478	1,177
Levies, annual product registration renewal fees and other revenue	1,772	1,180
Total costs recovered	3,250	2,357
Permits		
Direct costs		
Labour	2,823	2,247

R&A activities	2024-25 FY actual \$'000	2023-24 FY prior year \$'000
Suppliers	102	63
	2,925	2,310
Indirect costs		
Labour	1,019	843
Suppliers	1,571	1,277
	2,588	2,119
Total cost	5,513	4,429
Costs recovered by:		
R&A fees	416	301
Levies, annual product registration renewal fees and other revenue	5,097	4,128
Total costs recovered	5,513	4,429
Pre-application assistance (PAA) and other fees		
Direct costs	1,350	1,476
Labour	1,302	1,425
Suppliers	48	50
	1,350	1,476
Indirect costs		
Labour	470	541
Suppliers	724	819
	1,194	1,360
Total costs	2,544	2,836
Costs recovered by:		
R&A fees	335	372
Levies, annual product registration renewal fees and other revenue	2,209	2,464
Total costs recovered	2,544	2,836
Total registrations and approvals (R&A)		

R&A activities	2024-25 FY actual \$'000	2023-24 FY prior year \$'000
Direct costs		
Labour	19,035	17,161
Suppliers	1,233	1,366
	20,268	18,527
Indirect costs		
Labour	7,138	6,901
Suppliers	10,996	10,452
	18,134	17,353
Total R&A costs	38,402	35,880
Costs recovered by:		
R&A fees	9,463	10,293
Levies, annual product registration renewal fees and other revenue	28,939	25,587
Total R&A costs recovered	38,402	35,880

Financial estimates

The forward estimates in Tables 6 and 7 were calculated in the budget for 2025–26.

On 28 March 2025 the *Agricultural and Veterinary Chemicals Code Amendment (Cost Recovery and Other Measures) Regulations 2025* was enacted with the APVMA’s next CRIS (CRIS 2025) in force from 1 October 2025 to 30 September 2026. Future CRIS’s will be prepared on an annual basis commencing on 1 October of each year.

With the exception of annual product registration renewal fees, most fee and levy rates in CRIS 2025 have not changed since 1 July 2020. Estimated deficits from 2026-27 to 2028-29 assume that there will be no changes in fee and levy rates during this period.

The APVMA will receive an additional ordinary appropriation of \$5.187m in 2025-26 to offset the expected 2025-26 deficit. APVMA is reviewing its cost recovery policy and funding model with the Department Of Agriculture, Fisheries and Forestry with the view to apply for an updated CRIS in 2026.

Table 6: 2025–26 budget and forward estimates – cost recovery

Cost recovery performance – Budget and forecast	2024–25 FY actual \$'000	2025–26 FY budget \$'000	2026–27 FY est. \$'000	2027–28 FY est. \$'000	2028–29 FY est. \$'000
Cost of activities – recovered by industry contributions and other sources of income					
Direct costs	26,731	30,409	31,444	31,949	33,176
Indirect costs	22,502	25,922	26,468	26,890	27,914
Total cost of activities	49,233	56,331	57,912	58,839	61,090
Costs recovered by:					
Registration and approval (R&A) fees	9,463	10,156	10,473	10,748	11,031
Levies	25,830	25,645	26,414	27,207	28,023
Annual product registration renewal fees	7,628	10,551	10,867	11,193	11,529
Industry contributions applied to cost of activities	42,921	46,352	47,754	49,147	50,583
Penalties	32	40	41	43	44
Total industry contributions	42,953	46,392	47,795	49,190	50,627
Appropriations:					
Ordinary appropriations	2,260	2,397	1,779	1,779	1,824
Additional funding	-	5,187	-	-	-
Own-source revenue	3,390	2,977	307	310	314
Total income from ordinary activities	48,603	56,953	49,881	51,279	52,765
(Deficit)/Surplus of costs recovered	(629)	622	(8,031)	(7,560)	(8,325)

Table 7: 2025–26 budget and forward estimates - income

Income - Budget and forecast	2024–25 FY actual \$'000	2025–26 FY budget \$'000	2026–27 FY est. \$'000	2027–28 FY est. \$'000	2028–29 FY est. \$'000
Income from ordinary activities					
Industry contributions					
Levies	25,830	25,645	26,414	27,207	28,023
Annual product registration renewal fees	7,628	10,551	10,867	11,193	11,529

Income - Budget and forecast	2024-25 FY actual \$'000	2025-26 FY budget \$'000	2026-27 FY est. \$'000	2027-28 FY est. \$'000	2028-29 FY est. \$'000
Product application fees	5,957	7,000	7,210	7,426	7,649
Good manufacturing practice (GMP) licence fees	1,478	1,175	1,210	1,247	1,284
Permits, actives and other fees	2,028	1,981	2,052	2,074	2,098
Penalties	32	40	42	43	44
Total industry contributions	42,953	46,392	47,795	49,190	50,627
Appropriations:					
Ordinary appropriations	2,260	2,397	1,779	1,779	1,824
Additional funding	-	5,187	-	-	-
Own-source revenue	3,390	2,977	307	310	314
Total income from ordinary activities	48,603	56,953	49,881	51,279	52,765