Australian Government

Australian Pesticides and Veterinary Medicines Authority

Fees and Charges 2027–28

Consultation Paper

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Executive Summary

The Australian Pesticides and Veterinary Medicines Authority (APVMA) is Australia's independent regulator of agricultural and veterinary (agvet) chemicals. The APVMA operates as a cost recovered agency under the Australian Government Charging Framework (Charging Framework) and the Australian Government Cost Recovery Policy (Cost Recovery Policy), which requires government entities to recover the efficient costs of regulatory activities from those who directly benefit from them, where appropriate.

The APVMA understands its responsibilities as a cost recovered regulator, and is committed to operating efficiently and transparently. The APVMA is focused on ensuring that its regulatory activities deliver value to the Australian community while maintaining confidence in the agvet chemical regulatory system.

Reforming the APVMA's cost recovery policy is essential to improving the outcomes of the agvet chemical regulatory system. The APVMA's existing funding arrangements are not sufficient to support its full suite of regulatory responsibilities. Reforms that deliver sustainable funding will ensure that APVMA continues to underpin the supply of safe agvet chemicals, while providing access to innovative technologies and proactively maintaining the integrity of the regulatory system.

Multiple independent reviews support this position, including the *Final Report of the Independent Review of the Pesticides and Veterinary medicines Regulatory System in Australia (Independent Review) 2021,* and the *Final Report on Future Structure and Governance Arrangements for the Australian Pesticides and Veterinary Medicines Authority (Rapid Evaluation) 2023,* which concluded that the APVMA's current cost recovery arrangements are insufficient to resource its full suite of regulatory functions and responsibilities. These reviews identified structural weaknesses in the existing funding model and recommended reform to improve sustainability and alignment with the Charging Framework and Cost Recovery Policy.

The Australian Government has approved a revised cost recovery policy for the APVMA, which will be implemented with the 2027–28 Cost Recovery Implementation Statement (CRIS). The changes to the APVMA's cost recovery policy better align regulatory charges with the Charging Framework and the Cost Recovery Policy, improve financial sustainability, and address structural weaknesses in the prior policy. In particular, the revised policy will reduce cross-subsidisation and ensure regulatory costs are paid by those who benefit from the APVMA's regulatory services.

Purpose of this paper

The purpose of this consultation is to provide industry and other interested stakeholders with the opportunity to comment on the APVMA's proposed fees and charges for the 2027–28 financial year. It outlines changes to the APVMA's cost recovery arrangements and how these differ from the 2025–26 CRIS.

For the purposes of this paper, a "funding model" sets out how an entity's activities are funded in accordance with its statutory functions and government policy, it does not necessarily determine individual fees or charges.

The revised cost recovery policy requires the APVMA to:

- recover the full and efficient costs for most fee-for-service regulatory activities through direct fees,

- reduce sales-based levies, reflecting the increased share of costs recovered through fees,
- maintain appropriated funding for discrete activities that deliver significant public good outcomes (such as emergency use permits), and
- maintain reduced fees for minor use permits, with remaining costs shared between levies and appropriations.

The APVMA is committed to implementing a sustainable funding framework that supports long-term financial viability, enables delivery of its full suite of regulatory functions, and meets community expectations. The revised funding model is designed to address projected operating deficits from the 2027–28 financial year and reduce reliance on ad-hoc funding measures.

This paper presents the changes to the APVMA's charges resulting from the revised cost recovery policy. It also reflects a revised approach to CRIS consultation. For the 2027-28 CRIS and future iterations, the consultation process will document how the APVMA's fees and charges comply with its cost recovery policy, including any updated charges. Policy changes will continue to be considered separately by the Department of Agriculture, Fisheries and Forestry (DAFF) as the relevant policy agency. If a policy change alters the APVMA's cost recovery charges, this will be reflected in the relevant CRIS. This approach is consistent with how other Commonwealth entities consult on cost recovery arrangements.

The proposed changes outlined in this paper are intended to commence from 1 July 2027, subject to consultation outcomes, ministerial agreement, and any required regulatory amendments. The impacts of the revised funding model will be monitored and reviewed following implementation using financial, operational and market indicators.

Introduction

The APVMA is the independent statutory authority responsible for the registration of agvet chemicals in Australia. Its purpose is to regulate agricultural and veterinary chemicals to protect the health and safety of people, animals and the environment, while supporting primary industries, biosecurity and international trade.

The APVMA primarily operates on a cost-recovered basis, receiving revenue from industry fees and levies and an appropriation from the Australian Government. As a cost recovered regulator, the APVMA is committed to operating efficiently, transparently and in accordance with the Charging Framework and the Cost Recovery Policy, ensuring that the fair costs of regulatory activities are paid by those who benefit from these services.

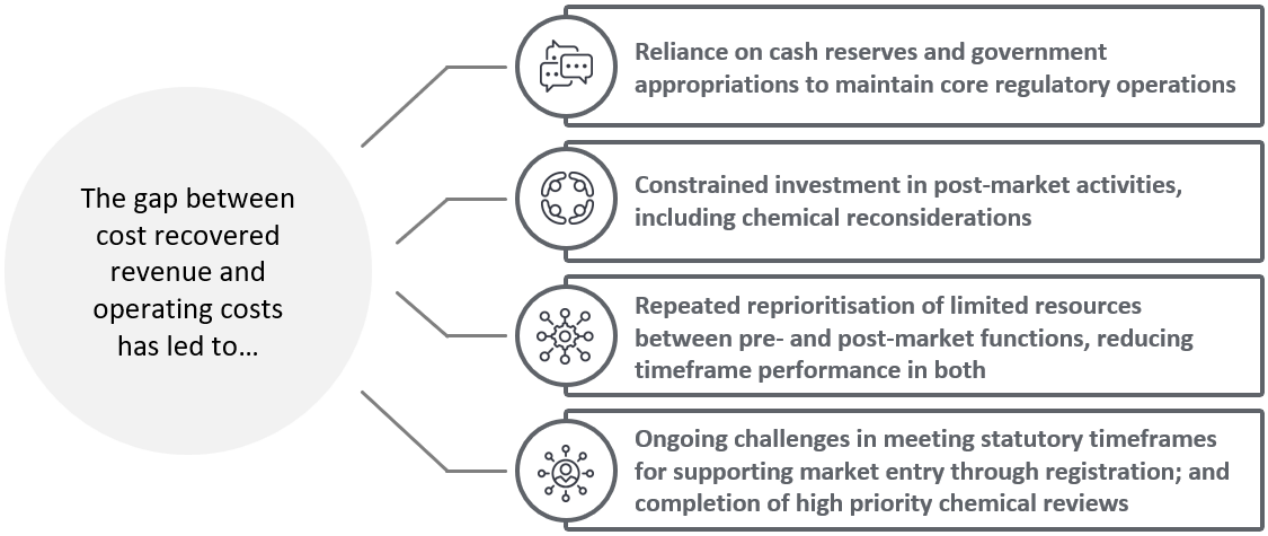
Previous policy settings and their market impact

The APVMA's previous cost recovery policy was established in 1994, and was intended to ensure that registration fees did not act as a barrier to innovation or market diversity. While the policy was clarified in 2019, it has not been substantively revised since its introduction.

The APVMA's previous cost recovery policy, commonly referred to as the "40:60 split", is a partial cost recovery model. Under the 40:60 split, application fees for fee-for-service regulatory activities recovered, on average, 40 per cent of the costs of assessment, with the remaining 60 per cent recovered through a statutory levy on the sale of registered products. The levy was also relied upon to fund the APVMA's post-market regulatory activities, including compliance, monitoring, and chemical reviews.

Over time, the APVMA's cost recovery arrangements have fallen out of step with this policy. Fees and levies have not been updated since 2019, despite rising workforce and ICT costs, increasing scientific and regulatory complexity, and heightened expectations for post-market assurance. Since 2020, the gap between cost-recovered revenue and operating costs has grown from approximately $2 million to $5 million per year. Fees in the 2024–25 financial year recovered approximately 27 per cent of underlying assessment costs, which is well below the intended policy objective.

Figure 1: Impacts of under recovery on APVMA revenue



Further evidence demonstrates that these arrangements led to significant cross-subsidisation within the market. Approximately half of all registered products have never recorded a sale in Australia. A significant number of applications took advantage of APVMA's subsidised up front pricing to gain Australian approval as a pathway to approval in other countries, never intending the product to be sold in Australia. As a result, these products only paid the subsidised application fee without contributing to levy revenue, meaning they did not pay their full assessment costs or fund any post-market regulatory activities. This placed a disproportionate cost burden on registrants who actively sold products in Australia, who effectively subsidised both the registration and post-market regulation of products that do not enter the Australian market.

Building a sustainable funding model for the APVMA

Multiple independent reviews have consistently identified that the APVMA's current cost-recovery arrangements are insufficient to resource its full suite of regulatory functions and responsibilities. These findings were reflected in both the *Final Report of the Independent Review of the Pesticides and Veterinary Medicines Regulatory System in Australia* (Independent Review, 2021) and the *Final Report on Future Structure and Governance Arrangements for the Australian Pesticides and Veterinary Medicines Authority* (Rapid Evaluation, 2023), each of which recommended a review of the APVMA's funding model.

These reviews identified that ongoing operating deficits, increasing reliance on cash reserves and top up appropriations constrain the APVMA's ability to invest adequately in post-market regulatory activities, including chemical reviews and compliance. They also highlighted the risk that, without reform, funding pressures would continue to affect regulatory performance and long-term system integrity.

In November 2024, the Australian Government published its Detailed Response to the Rapid Evaluation (the Detailed Response, 2024). The Detailed Response acknowledged that independent reviews had found the APVMA's cost recovery framework to be insufficient to support its regulatory responsibilities and committed the

Australian Government to “undertake analysis to determine the sustainability of the APVMA’s current cost-recovery framework with the aim of the APVMA being financially sustainable” (p. 52).

The Detailed Response also recognised that while increasing industry charges is likely to be necessary to address the growing gap between cost-recovered revenue and operating costs, there is also an opportunity to ensure that charging arrangements more clearly align regulatory costs with beneficiaries and support appropriate regulatory outcomes.

Addressing this gap has been considered with the need to undertake longer-term funding reform. For this reason, in February 2025, the Australian Government provided the APVMA with $5.2 million in additional funding to support a balanced budget in the 2025–26 financial year. In May 2026, the Australian Government decided to delay the APVMA’s annual CRIS update and provided the APVMA a further $8.7 million in additional funding for the 2026-27 financial year. This is intended to reduce the impact of conflict in the Middle East on Australian agricultural production and exports. Neither of these interim measures are intended to resolve the underlying structural funding issues identified by the independent reviews.

A Ministerial Statement of Expectations provided to the APVMA on 22 December 2025 notes that DAFF will work closely with the APVMA to progress regulatory reforms to ensure the long-term performance, sustainability and integrity of the APVMA and Australia’s agvet chemicals regulatory system. This includes ensuring the APVMA operates on a financially sustainable basis across the long-term business cycle. This CRIS is the result of that long-term funding reform and implements the undertaking made in the Detailed Response.

Findings from independent market impact analysis

To support the development of a sustainable funding model, DAFF commissioned an independent market and economic analysis to assess:

- the market effects of changes to the Cost Recovery Policy
- any potential barriers to entry, and
- whether fees influence decisions to bring new products to market.

The analysis found limited evidence that the current 40:60 split achieves its core objective of supporting market entry.

It indicated that transitioning to greater reliance on fee-for-service charges is not expected to create material barriers to market entry. Application fees represent a relatively small proportion of the overall cost of bringing an agvet chemical product to market, with market size, research and development costs, and regulatory certainty playing a far more significant role in investment decisions.

The analysis further observed that the subsidisation of application fees under the 40:60 split contributes to unintended market outcomes, including cross-subsidisation between applicants and registrants. In particular, products that are approved but never sold in Australia benefit from subsidised assessment costs while contributing little or nothing to ongoing levy revenue.

New cost recovery policy for the APVMA

The Australian Government's new cost recovery policy for the APVMA seeks to:

- better align charges with beneficiaries in accordance with the Cost Recovery Policy's user pays principle
- reduce unintended cross-subsidisation between applicants, registrants and levy payers
- support improved regulatory performance and statutory timeframe outcomes, and
- ensure the APVMA is sustainably funded to protect the health and safety of people, animals and the environment, while supporting agricultural innovation, productivity and trade.

Consistent with the Australian Government's overall Cost Recovery Policy, the core principle underpinning the policy change is that those who directly benefit from a regulatory service should bear its cost. Where an identifiable beneficiary exists, cost recovery should occur through a fee-for-service arrangement. Most of the APVMA's pre-market regulatory activities directly benefit applicants by enabling access to the Australian market and therefore meet this test.

The APVMA's regulatory charges under the revised policy were designed around the following principles:

- direct beneficiaries pay through fees where work is performed for an identifiable applicant, business or holder
- collective beneficiaries pay through levies where regulatory activities provide broad, market-wide benefits
- appropriation is used where charging is inappropriate, including for emergency permits, partial funding of minor use permits, consents to import and specific compliance activities
- charges are based on the efficient cost of delivering the activity, as determined through the Activity-Based Costing (ABC) model, and
- charges support regulatory integrity, transparency and financial sustainability by reducing reliance on variable levy revenue and ensuring alignment between demand, cost and recovery.

Stakeholder feedback and concerns raised through previous CRIS consultations and independent reviews informed the development of the revised policy.

The cost recovery approach outlined in the 2027–28 CRIS is intended to deliver an improvement in funding sustainability by establishing a more robust and transparent framework for future charging decisions. Over time, this framework is expected to support smaller, more predictable adjustments to fees and levies through future annual CRIS processes. This approach is intended to provide regulated industries with greater certainty and reduce the need for infrequent but significant pricing adjustments.

The APVMA continues to work to streamline regulatory processes and restructure internally to improve efficiency, transparency and regulatory outcomes. Efficiencies will flow through into future annual CRIS processes and will continue to ensure that future charges are based on efficient, contemporary regulatory practices.

Summary of key changes

Full cost recovery of pre-market fee-for-service activities

Under the revised cost recovery policy, most pre-market fee-for-service regulatory activities will be paid for in full by the applicants who directly benefit from them. In practice, this means that application and assessment fees will charge the full efficient cost of the APVMA's regulatory services before a product can enter the market. This approach reflects the core principle of the Cost Recovery Policy, that those who receive a direct regulatory benefit should pay for that service.

Moving to full cost recovery for these activities delivers several important benefits. It aligns the APVMA's charging arrangements with the Australian Government's Charging Framework and Cost Recovery Policy, reduces reliance on sales-based levies to subsidise pre-market assessments, and addresses long-standing cross-subsidisation between levy-paying products and applications for products that do not generate Australian sales. It also improves transparency by more clearly linking regulatory effort to individual applications.

Under the 40:60 split, assessment and registration and costs were funded through a mix of application fees and sales-based levies, meaning that levies imposed across the entire agvet chemical market subsidised individual applications. Charging applicants 100% of the cost of pre-market fee-for-service activities is fairer and more transparent, since specific parties who directly benefit from regulatory services have to pay for them.

The revised approach also reduces incentives for applications where there is no genuine intention to supply or use products in Australia. Up to half of all products approved by the APVMA in any one year have never been sold in Australia. Under previous arrangements, these products benefited from subsidised assessment costs while contributing little or nothing to levy revenue.

The Australian Government's new cost recovery policy for the APVMA will be implemented from 1 July 2027 through the 2027-28 CRIS. From that date, the APVMA will transition fully to a fee-for-service funding model for pre-market activities, with sales-based levies primarily applied to relevant post-market regulatory functions.

The estimated total costs for registration and approval outputs in 2027–28 are presented in Table 1. These estimates include direct, indirect and total cost components for each output and are based on the APVMA's Activity-Based Costing (ABC) model.

More information regarding the calculation of direct and indirect costs is provided in the CRIS.

Table 1: Cost elements of pre-market fee-for-service activities

Outputs	Description	Total Direct costs ($)	Total Indirect costs ($)	2027–28 Estimated cost ($)
Regulatory decision of product applications	Application streams related to sections 10 and 27 of the Code Act. Applications under section 10 involve the approval of an active constituent for a proposed or existing chemical product, the registration of a chemical product,	10,420,178	10,466,128	20,886,307

Outputs	Description	Total Direct costs ($)	Total Indirect costs ($)	2027–28 Estimated cost ($)
	or the approval of a label for containers of a chemical product. Applications under section 27 pertain to the variation of relevant particulars or conditions associated with an approved active constituent, a registered chemical product, or an approved label for a chemical product.			
Regulatory decision of active constituent applications	Items 15 to 18 pertain to active constituents. Items 15, 16 and 17 address applications for the approval of new active constituents, including new sources of active constituents. Item 18 deals with variations to an approved active constituent.	1,269,990	1,266,439	2,536,429
Regulatory decision of permit applications (excluding minor use and emergency) and issuance of permits	Item 19 - A permit, or extension of a permit, to possess or supply, other than for use in Australia, an active constituent that is not an approved active constituent or a chemical product that is not a registered chemical product, where no data of a technical nature is required. Item 20 - A permit, or extension of a permit, where a previous assessment remains valid, and no data of a technical nature is required. Item 23 is for applications seeking research permits, allowing the use of agvet chemicals in technical trials to generate information supporting potential applications for registration or permits.	1,184,883	1,196,791	2,381,674
Regulatory decision of miscellaneous applications not covered by other evaluation types	Item 24 – other applications made under section 10 (approval and registration applications) and section 27 (variations)	184,831	200,716	385,547
Regulatory decision of timeshift application	Item 27 provides for the staged submission of supporting data packages allowing assessments to commence where all information is available, while other supporting data packages (which may include efficacy and crop safety, environment and residues and trade) are being completed. The application is assessed according to a project plan which is developed	1,175,213	1,182,758	2,357,971

Outputs	Description	Total Direct costs ($)	Total Indirect costs ($)	2027–28 Estimated cost ($)
	and agreed between the applicant and the APVMA, and which can be amended by mutual agreement.			
Ingredient determinations	Item 28 - These are technical assessments made under subclause 10(1) of Schedule 3AA to make or vary an ingredient determination.	-	-	-
Interchangeable constituent determinations	Item 29 - Interchangeable Constituent Determination (ICD) allows specified non-active constituents (excipients) to be substituted by other specified excipients without assessment. These determinations can apply to a single chemical product, a range of chemical products or a class of chemical products.	-	-	-
Regulatory decision of Minor Use Permits (funded by appropriation, fee and levy)	A permit, or extension of a permit, where the proposed use is a minor use.	2,333,861	2,397,257	4,731,118
Regulatory decision of Emergency Permits (Appropriation)	A permit, or extension of a permit, in respect of a chemical product or an active constituent if the proposed use of the chemical product or active constituent is determined by the APVMA to be an emergency use.	646,810	652,527	1,299,337
Pre-application assistance and other advice	Pre-application assistance (PAA) assists applicants with preparing or making applications to the APVMA under the Agricultural and Veterinary Chemicals Code Act 1994 and associated regulations. Item 25 pertains to applications for technical assessments under regulation 8AS.	1,607,567	1,641,356	3,248,923

The transition to full cost recovery has a direct impact on individual application fees. The increase in fees reflects the following factors:

- the shift from recovering, on average, 40 per cent of assessment costs to recovering 100 per cent of efficient costs, and
- the application of approximately five years of inflation that had not previously been incorporated into fees.

Together, these changes are expected to increase APVMA revenue from fee-for-service activities by approximately $27 million per year, increasing the proportion of total funding recovered through fees from around 27 per cent to approximately 87 per cent. This increase in fee revenue will be partially offset by a reduction in sales-based levies of approximately $9 million per year.

The practical effect of this change can be illustrated through individual examples. For instance, an item 7 application previously attracted a fee of $1,632. Under full cost recovery, this fee increases to $8,005 reflecting the efficient cost of assessment. Similarly, the fee for certain variations to approvals or registrations increases from $175 to $860, aligning charges with the actual regulatory effort involved.

Other fees have been adjusted to better reflect differences in regulatory complexity and effort. For example, a single fee for Item 9 applications has been split into separate charges for agricultural chemicals and veterinary medicines to reflect differences in assessment requirements. In cases where multiple application types were historically charged the same nominal fee (for example, Items 8L, 8M and 8P), fees have been normalised using weighted averages to better reflect actual effort.

The detailed list of fees for all outputs and elements is attached to the CRIS.

Post-market activities including regulatory licensing, certification, variations and compliance activities

This activity covers the APVMA's post-market regulatory licensing and certification services, together with specific compliance-related regulatory functions. It includes the evaluation of applications for Good Manufacturing Practice (GMP) compliance, responses to Agvet Code requests, issuing Certificates of Export, consents to import, administration of the Hormonal Growth Promotant (HGP) Scheme, and delivering the Adverse Experience Reporting Program (AERP) and the Chemical Reviews.

The costs of these activities are recovered through a combination of fees, sales-based levies, appropriation and the annual registration renewal fee. This reflects the mix of direct, individual benefits and broader, market-wide public benefits delivered by these functions.

- Fees apply to activities that deliver a direct benefit to a specific individual or business, including GMP compliance, Agvet Code requests, Certificates of Export, and administration of the HGP Scheme.
- Consents to Import are funded through sales-based levies.
- Variations, including prescribed and notifiable variations, are recovered through fees where they deliver direct benefits to specific individuals or businesses. Item 13 variations are funded through application fees.
- The Adverse Experience Reporting Program (AERP) and chemical review activities are funded through a combination of sales-based levies and the annual registration renewal fee, reflecting their role in supporting ongoing product safety, efficacy and risk management across the registered product market.
- Compliance and enforcement activities are funded through a combination of sales-based levies and appropriation.

Annual registration renewal fees will continue to be set to recover the cost of maintaining existing product registrations, rather than the cost of assessing new applications. This ensures that renewal fees reflect ongoing regulatory oversight rather than pre-market assessment effort.

The estimated total costs of post-market regulatory licensing, certification, variation and compliance activities for 2027–28 are presented in Table 2. These estimates include direct, indirect and total cost components for each output and are derived from the APVMA's ABC model.

Table 2: Cost elements of post-market activities

Outputs	Description	Total Direct costs ($)	Total Indirect costs ($)	2027–28 Estimated cost ($)
Good Manufacturing Practice (GMP)	Assessment of MLS licences and imported products for GMP compliance; and management of GMP auditing.	1,033,105	1,245,468	2,278,574
Agvet Code requests	Responding to a formal request for access to specific information held by the authority regarding agricultural and veterinary chemical products. Requests are governed by the Agvet Code and	9,568	10,382	19,950

Outputs	Description	Total Direct costs ($)	Total Indirect costs ($)	2027–28 Estimated cost ($)
	are used to obtain documents related to approved active constituents or registered chemical products.			
Certificates of Export	Assessment and administrative services to Issue a certificate under section 69D setting out our findings (if any) in relation to any matters relating to the chemical product that are required to be established for the purposes of export of the product.	119,603	123,591	243,194
Consents to Import	Assessment and administrative services to provide a consent to import, to legally import unregistered veterinary chemical products in specific circumstances	77,462	77,742	155,204
Hormonal Growth Promotant Scheme	Assessment of new licences, licence renewals, licence withdrawals and HGP audits (including investigations)	150,372	162,382	312,754
Item 13 Variations	Vary particulars or conditions of registration or label approval if the variation is to allow a minor change and no data of a technical nature is required, and the variation is a change required by the APVMA.	195,693	187,943	383,636
Adverse Experience Reporting Program (AERP)	Administration and investigation mechanism for the APVMA to receive and consider stakeholder and public feedback on adverse experiences relating to the use of agvet chemicals post-registration.	662,492	707,992	1,370,484
Chemical Review	Administration and investigation associated with the reconsideration of the registration of agvet chemicals where credible safety and/or efficacy concerns have been identified. Reviews may focus on one or more areas of concern including environmental safety, worker safety, public health, residues, trade, or product efficacy.	2,411,527	2,632,454	5,043,981
Other Variations	Item 8L, 8M 8P and Notifiable Variations	322,929	308,161	631,090

Outputs	Description	Total Direct costs ($)	Total Indirect costs ($)	2027–28 Estimated cost ($)
Compliance and enforcement - Levies	Management associated with monitoring and investigating claims that agvet chemicals may not be compliant with Australia's agvet chemicals legislation. This may include audits, market authorisations, conducts surveillance, and monitors chemical production in Australia	3,508,607	3,432,257	6,940,864
Compliance and enforcement - Appropriation		601,040	587,961	1,189,000

Exclusion of minor use and emergency permits

In line with Australian Government policy and stakeholder feedback, the revised cost recovery approach shifts from partial fee recovery to full cost recovery for most fee-for-service regulatory activities, with four defined exceptions:

- minor use permits,
- emergency permits,
- low-value manufacture licence renewals, and
- state and territory permit fee waivers.

These exceptions reflect circumstances where full cost recovery would be inconsistent with the Cost Recovery Policy, either because the regulatory activity delivers a significant public benefit or because charging would create a disproportionate barrier to access.

Minor use permits will continue to attract a nominal application fee, with the remaining assessment costs shared between government appropriation and sales-based levies. Emergency use permits will continue to be fully funded through appropriation due to the clear public benefit provided by rapid regulatory approvals and timely access to critical products during emergency responses.

The existing fee reductions for low-value manufacture licence renewals and permit fee waivers for state and territory governments will be maintained.

Minor use permits (Items 20 and 21)

Minor use permits provide lawful access to agricultural and veterinary chemicals where full product registration is not commercially viable, and no suitable registered alternative is available. They play a critical role in supporting small, emerging and low-volume agricultural industries and deliver significant public-good benefits. Independent analysis has demonstrated that minor use permits generate substantial economic returns, with a 2020 assessment by ABARES estimating that every dollar invested in supporting minor use permits returned an average of $117 in benefits.

In practice, the effort required to develop and coordinate minor use permit applications is typically borne by farming groups and representative organisations, rather than product registrants. Charging full cost-recovery

application fees would therefore create a significant barrier for these groups and could undermine access to essential pest-management tools for small and emerging industries.

At the same time, many minor use permits relate to additional uses of already registered products, meaning registrants may benefit indirectly through increased product sales. These sales contribute to sales-based levies, supporting a shared-benefit approach to funding minor use permit activities.

Recognising the public benefits provided by minor use permits, and consistent with the Cost Recovery Policy, a nominal application fee of $490 will apply from 1 July 2027. The remaining assessment costs will be shared evenly between sales-based levies and government appropriation. Ongoing appropriation funding of approximately $1.9 million per year from 2027–28 will support this approach.

Emergency use permits (Item 22)

Emergency use permits enable unregistered agricultural and veterinary chemicals to be used lawfully in genuine emergency situations, such as exotic pest incursions, severe pest outbreaks or other extraordinary events requiring urgent regulatory action.

Emergency use permits deliver clear public benefits by enabling governments, industry and other stakeholders to respond quickly to emerging threats, thereby reducing the risk of widespread impacts on agricultural production, biosecurity and food security.

Under the revised cost recovery policy, emergency use permit applications will continue to attract no application fee. Instead, the cost of assessment will continue to be met through government appropriation.

Ongoing appropriation funding of approximately $1.3 million per year will support the assessment of emergency use permits and ensure the APVMA can continue to deliver timely and effective regulatory responses when emergencies arise.

Low-value manufacture license renewals

The annual GMP license fee for low-value manufacturers will continue to be reduced by 50%. GMP licenses fees are currently reduced by 50% for license holders who provide the APVMA with evidence that they produced less than $50,000 wholesale value of goods under their license in the previous financial year. APVMA analysis has identified a significant risk to the continued viability of low manufacturers if this is not maintained.

States and territories' permit fee waivers

The Agvet Code Regulations provide an exemption for permit application fees if the applicant is the Commonwealth, or a state and territory government, where the permit is in support of that government's core activities and the permitted use does not have a commercial benefit.

This exemption will be maintained.

Sales-based levies

Sales-based levies refer to the levies imposed on the disposal of registered chemical products. These levies are used to fund regulatory activities not otherwise recovered through fees and payable under the *Agricultural and Veterinary Chemical Products (Collection of Levy) Act 1994.*

As a greater share of the APVMA's regulatory costs is recovered directly through fees for service, sales-based levies will be reduced. This change improves alignment between charges and beneficiaries while ensuring the APVMA remains appropriately resourced to undertake its statutory post-market regulatory functions.

Moving to full cost recovery for fee-for-service activities significantly reduces reliance on sales-based levies to subsidise pre-market assessments. As a result, it is proposed that each of the three tiers of the sales-based levy be reduced by approximately 40 per cent initially, bringing levy rates to around 60 per cent of their previous levels.

A staged approach to levy reduction is intended to balance fairness with financial sustainability. While increased fee recovery improves transparency and reduces cross-subsidisation, sales-based levies continue to play an important role in funding post-market activities that deliver broad market-wide benefits. These activities include compliance monitoring, surveillance and chemical review programs.

Further reductions to sales-based levies will be considered once the revised funding model is established. A formal review is proposed two years after commencement to assess revenue stability, regulatory performance and market impacts, and to determine whether additional levy reductions are appropriate.

Stakeholder feedback has highlighted concerns about the level of reliance on sales-based levies, their visibility, and their use to fund activities that are more appropriately recovered through application fees. At the same time, stakeholders have emphasised the importance of maintaining levies to support ongoing regulatory oversight and activities that are not linked to individual applications. The proposed levy reductions respond directly to these concerns by lowering the overall levy burden on industry while retaining levies as a targeted mechanism for funding post-market regulatory activities.

The APVMA will continue to monitor the balance between fees and levies to ensure the funding model remains transparent, proportionate and financially sustainable. As part of the annual CRIS process, adjustments will be made where necessary to maintain alignment between costs, activity levels and the policy intent of each funding stream.

Other services

The following services have historically been offered at a substantially discounted rate.

Pre-application assistance and technical assessments

Pre-application assistance (PAA) provides applicants with tailored guidance on application pathways, item selection and data requirements. Technical assessments undertaken under Item 25 of the Agvet Code Regulations provide applicants with an assessment prior to a full application being made.

PAA fees are structured across three tiers that reflect the complexity and level of scientific and regulatory advice provided. Where an application has received PAA advice, application fees are reduced by a prescribed amount.

Current PAA fees recover only a small proportion of the cost of delivering this service, with a nominal fee of $175 per unit (excluding GST) compared to an estimated cost of $2,788 per unit (excluding GST). This has resulted in significant under-recovery over time.

Fees for technical assessments will continue to mirror the relevant modular assessment fees. A table of comparative costs and fees is provided at Table 3.

Table 3: Pre-application assistance fees for services

Service	Description	Cost estimate prior to 30-Jun-27 ($ including GST)	Cost estimate from 1-Jul-27 ($)	Variance in cost (%)	Fee prior to 30-Jun-27 ($ including GST)	Fee from 1-Jul-27 ($ including GST)	Variance in fees (%)
PAA Tier 1							
Administration fee	1-unit fee	1,727	3,067	78	192.50	**3,067**	1,493
Written response, including research	2-unit fee	3,454	6,134	78	385.00	**6,134**	1,493
PAA Tier 2							
Administration fee	1-unit fee	1,727	3,067	78	192.50	**3,067**	1,493
Written response, including research	4-unit fee	6,908	12,267	78	770.00	**12,267**	1,493
Meeting with applicant	2-unit fee	3,454	6,134	78	385.00	**6,134**	1,493
PAA Tier 3							
Administration fee	1-unit fee	1,727	3,067	78	192.50	**3,067**	1,493
Written response, including analysis	6-unit fee	10,362	18,401	78	1,155.00	**18,401**	1,493
Meeting with applicant	2-unit fee	3,454	6,134	78	385.00	**6,134**	1,493

Good Manufacturing Practice (GMP)

Veterinary chemical products manufactured in Australia are required to be produced in facilities that comply with the Code of Good Manufacturing Practice. Compliance is assessed through the Manufacturers' Licensing Scheme (MLS) for Australian manufacturers and the overseas GMP scheme for imported products, ensuring that veterinary medicines are manufactured to approved quality standards.

For manufacturers with low wholesale values, the APVMA has historically applied a 50 per cent reduction to GMP fees to mitigate potential adverse impacts on small or low-volume producers. This reduction will be maintained under the revised cost recovery arrangements.

A table of comparative costs and fees is provided at Table 4.

Table 4: Cost and fee elements of post-market activities

Service	Cost estimate prior to 30-Jun-27 ($ including GST)	Cost estimate from 1-Jul-27 ($)	Variance in cost (%)	Fee prior to 30-Jun-27 ($)	Fee from 1-Jul-27 ($)	Variance in fees (%)
Licence application fee	2,250	2,298	2	900	2,298	155
Category1 licences	18,750	8,603	-54	7,500	8,603	15
Category 2,3 or 4 licences	12,500	6,760	-46	5,000	6,760	35
Category6 licence	4,500	3,687	-18	1,800	3,687	105
Multi-category licences	18,750	8,603	-54	7,500	8,603	15
Low value manufacturers – Category 1	18,750	8,603	-54	3,750	4,302	15
Low value manufacturers – Categories 2,3 or 4	12,500	6,760	-46	2,500	3,380	35
Low value manufacturers – Category 6	4,500	3,687	-18	900	1,844	105
Low value manufacturers – Multi-category	18,750	8,603	-54	3,750	4,302	15
GMP Audit fee (if required)	4,500	4,302	-4	1,800	4,302	139

Service	Cost estimate prior to 30-Jun-27 ($ including GST)	Cost estimate from 1-Jul-27 ($)	Variance in cost (%)	Fee prior to 30-Jun-27 ($)	Fee from 1-Jul-27 ($)	Variance in fees (%)
Annual overseas GMP compliance assessment fee	2,500	2,544	2	1,000	2,544	154

Agvet Code Requests

Agvet Code requests provide a mechanism for individuals to access documents relating to approved active constituents or registered agricultural and veterinary chemical products. This includes access to records and registers held by the APVMA, as well as other documents that are not publicly available.

These requests are currently charged at an hourly rate that does not fully recover the costs incurred by the APVMA. Agvet Code request fees are set at $95 per hour, while the estimated cost to the APVMA is approximately $190 per hour.

While this represents under-recovery, the APVMA has considered the potential behavioural impacts of significant fee increases in this area. In particular, there is a risk that materially higher fees could divert demand toward Freedom of Information (FOI) processes, as applicants seek alternative pathways to access information.

A table of comparative costs and fees is provided at Table 5.

Table 5: Agvet Code requests costs and fees

Service	Cost estimate prior to 30-Jun-27 ($ including GST)	Cost estimate from 1-Jul-27 ($)	Variance in cost (%)	Fee prior to 30-Jun-27 ($)	Fee from 1-Jul-27 ($)	Variance in fees (%)
Includes all requests under sub-regulation 73(1) of the Agvet Code Regulations. The hourly fee applies to the rates set out in paragraph 73(2)(a) and (b) of the Agvet Code Regulations. There are no changes to the copy and transcript rates set out in out in paragraph 73(2)(c)-(e) of the Agvet Code Regulations. Fee per hour	238	675	184	95	675	610
Late application fee for renewal of registration	Not determined	175	-	50	175	250
Fee for converting information and documents into electronic form (per hour)	238	175	-26	90	175	94

Certificates of export

Before exporting an agvet chemical product from Australia, many countries require assurance from the APVMA that the product is suitable for supply and use. The APVMA has legislative authority under section 69D of the Administration Act to issue Certificates of Export for agvet chemical products.

Certificates of Export are provided on a direct fee-for-service basis. A table of comparative costs and fees is provided at Table 6.

Table 6: Certificates of export costs and fees

Service	Cost estimate prior to 30-Jun-27 ($ including GST)	Cost estimate from 1-Jul-27 ($)	Variance in cost (%)	Fee prior to 30-Jun-27 ($)	Fee from 1-Jul-27 ($)	Variance in fees (%)
No technical assessment	313	633	103	125	633	406
Requires technical assessment	558	747	34	230	747	225

Consent to import

A person must not import an unregistered agvet chemical product or unapproved active constituent into Australia unless the product is exempt from the importation provisions or the importer has obtained written consent from the APVMA.[1] Consents to import are issued under limited circumstances, for example to veterinarians for the treatment of animals under their care where no suitably registered product exists in Australia, or where an APVMA permit authorises the supply or use of the product.

The cost of issuing consents to import is not recovered through fees, as there is currently no legislative authority to impose a charge for this service.

[1] Section 69(B) of the *Agricultural and Veterinary (Administration) Act 1992*.

Introduction of indexation to APVMA charges

What is changing

As part of this CRIS, the APVMA is proposing the introduction of indexation to regulatory charges. Indexation is intended to support the ongoing alignment of fees with the efficient cost of delivering regulatory services, consistent with the Commonwealth Cost Recovery Guidelines.

The introduction of indexation is consistent with the Australian Government's longstanding policy position that government charges are indexed by default, and the CRIS proposes an indexation methodology based on published ABS indexes. The APVMA welcomes feedback on the proposed indexes, weightings and overall approach.

Why indexation is being introduced

The cost base underpinning this CRIS reflects the results of a detailed activity-based costing exercise expressed in 2024–25 prices. However, the costs incurred by the APVMA in delivering regulatory activities change over time due to movements in wages and supplier prices.

In the absence of indexation, regulatory charges can progressively move out of alignment with efficient costs, resulting in cost under-recovery or over-recovery. Relying solely on periodic full cost recovery reviews to address this misalignment can lead to larger step changes in charges and reduced predictability.

Indexation provides a transparent and predictable mechanism to maintain alignment between regulatory charges and efficient costs between full CRIS reviews.

How indexation will work

Indexation would be applied to the APVMA cost base using a weighted composite of Australian Bureau of Statistics (ABS) indexes that reflect the major drivers of APVMA expenditure, including labour and supplier inputs.

Rather than relying on a single headline inflation measure, expenditure categories are weighted based on their share of total costs. This approach is intended to ensure that changes in regulatory charges more closely reflect movements in the underlying costs of delivering regulatory activities.

The expenditure structure and weights used for indexation are proposed to remain fixed between full costing exercises, providing stability and predictability in indexation outcomes over time.

Timing and implementation

Under the proposed approach:

- Indexation would be applied to the fees in the draft CRIS, following the completion of the 2025–26 financial year, using final published ABS data (normally ready 6 to 8 weeks after the end of the financial year).
- Updated indexed costs, and resulting changes to fees, would be published via the CRIS, early in 2027, in advance of their commencement.

- The final indexed fees will be updated in the regulations
- Indexed charges would take effect from 1 July 2027, subject to government agreement.

This approach ensures indexation is applied using final, objective data and provides advance notice for stakeholders.

Relationship to future CRIS reviews

Indexation does not replace the need for periodic full cost recovery reviews or a future CRIS.

Full CRIS reviews remain the mechanism through which APVMA activities, expenditure structures, cost drivers and cost recovery arrangements are comprehensively reassessed. The indexation methodology, including expenditure categories, weights and the choice of indexes, would be reviewed and, if necessary, updated as part of a future CRIS.

Impact on charges

Indexation updates the underlying cost base used to inform regulatory charges. It does not introduce new regulatory activities or expand APVMA's functions.

Regulatory charges encompass both fee-for-service activities and levy-funded activities. Where charges are set on a nominal basis, or where activities are partially funded through appropriation, indexation updates the underlying cost position only.

Other changes

In addition to the funding and pricing reforms, several structural and presentation changes have been made to improve transparency, usability and confidence in the cost-recovery framework.

Fee categories have been refined to better reflect different types of regulatory work. The refined categories differentiate between activities related to agricultural chemicals, veterinary medicines, active constituents, permits and holders. This responds directly to stakeholder feedback and improves cost transparency by reducing the risk of cross-subsidisation between sectors.

The underlying cost-recovery framework has also been clarified. Definitions of functions, activities, outputs and cost elements have been restructured to more clearly align regulatory functions with the services delivered and the way costs are recovered. A consolidated schedule of fees has been introduced as an attachment to improve accessibility and ease of use.

Several technical costing issues have been addressed. For example, the APVMA has improved the accuracy of calculating the hourly rate for Agvet Code requests by aligning this activity with broader averages for effort and hourly cost. This change has significantly reduced the risk of these fees becoming distorted.

Based on stakeholder feedback, the APVMA has expanded its costing dataset to include all available operational, financial, application and time-recording data from 2019 to 2025, reviewed outliers and variations in effort, strengthened activity-based costing methods, and recalibrated business rules to validate efficient cost levels. Together, these changes materially improve the accuracy, consistency and transparency of cost estimates.

The expanded costing dataset and improved model has enabled the APVMA to calculate distinct costs based on which category applies to each module or application. This has enabled the APVMA to more closely align fees module and service costs.

The 2027–28 CRIS simplifies how information is presented by adopting a more intuitive structure across activities and fee categories. Separate fee tables are provided for agricultural chemicals, veterinary medicines, permits, actives and holders, allowing stakeholders to quickly locate relevant information without unnecessary complexity.

The APVMA will continue to refine its approach through:

- annual updates to the CRIS,
- monitoring improvements to operational efficiency, and
- engaging with government and other stakeholders to ensure the CRIS remains transparent, accurate and fit for purpose.

Implementation

The APVMA will seek approval for the 2027–28 CRIS from the Minister for Agriculture, Fisheries and Forestry after considering insights received during the public consultation process and applying indexation.

Once the minister has approved the proposed CRIS and associated regulations amended, changes will take effect from 1 July 2027.

The following minor and technical amendments will be brought forward at the same time to:

- change the amount of fee applicants are required to pay when they lodge their applications, and
- remove the option of a meeting during the provision of tier 1 pre-application assessments.

Minimum fees when lodging an application

Most applicants are only required to pay part of their application fee at the time the application is made. This amount is currently set at $710. If the total application fee is less than this, applicants are required to pay the total fee when they lodge their application. It is proposed that minimum upfront fees will now:

- match how much it costs to conduct a preliminary assessment for that category,
- cost $844, if a preliminary assessment is not required for that application type and the total application fee is more than this, or
- the total fee, for application types which cost less than $844.

Preliminary assessments ensure that applications are complete and meet the APVMA's minimum standards technical assessments begin. These are required for applications to:

- approve active constituents and labels, and register chemical products,
- hold a permit, or
- vary relevant particulars or conditions associated with approved active constituents, registered chemical products and their associated labels.

Applicants will still have the option to choose to pay the total fee when they lodge their application if they prefer.

Table 6: Proposed minimum upfront fees when lodging an application

Application for registrations, approvals, and variations of veterinary chemical products and labels, with or without approval of an active constituent	$2,480
Application for registration, approvals, and variations of agricultural chemical products, with or without approval of an active constituent	$2,435
Applications for permits	$1,750
Applications for approvals, and variations of active constituents	$844
Applications that do not undergo preliminary assessment and where the total fee is more than $844	$844
Applications that do not undergo preliminary assessment and where the total fee is less than $844	Total fee

Update provision of tier 1 pre-application assistance

Pre-application assistance is provided in 3 tiers. Tier 1 pre-application assistance is the least complex and assists applicants by clarifying the types of regulatory assessments likely to be required for their submission. Applicants may apply for tier 2 or 3 advice if they have more complex questions or wish to meet with the APVMA.

Review

The implementation of the CRIS will be assessed based on:

- the adequacy of resourcing for the APVMA to undertake its full suite of regulatory responsibilities in line with the Agriculture Minister's expectations,
- the APVMA's capacity to fund necessary process improvements,
- timeframe performance for agvet chemical registrations and reviews, and
- the number of new applications for innovative products received.

Frequently asked questions

Why did the Australian Government change the APVMA's cost recovery policy?

The current system means that some businesses pay more than their share, while others contribute little or nothing. The new model is more accurate and reduces long-term sales levies for businesses that actively sell products in Australia.

The APVMA is updating its cost recovery charges because of this policy change. The changes ensure the APVMA's cost recovery charges are fair, transparent and sustainable.

Will higher application fees discourage new products from coming to Australia?

No. Independent economic analysis shows that application fees are only a small part of the total cost of bringing an agricultural or veterinary chemical product to market. Other factors—such as market size, research and development costs, and regulatory certainty—play a much bigger role.

The proposed reduction in ongoing sales levies will also make it more attractive to sell products in the Australian market. Overall, the changes are not expected to reduce the number of new products intended for sale in Australia.

How do Australia's fees compare internationally?

After the changes, Australia's regulatory fees will be broadly consistent with comparable regulators in countries such as Canada, New Zealand and the United Kingdom.

Will higher fees reduce the availability of generic products?

No. Generic products typically require fewer complex assessments and attract much lower fees than registering innovative products. As a result, moving to full cost recovery will have a small impact on generic applications.

In addition, reduced sales levies will lower the ongoing cost of selling generic products in Australia, helping to maintain competition and choice in the market.

Will small businesses be disadvantaged by these changes?

Evidence suggests that application fees are not the main barrier for small businesses. Market size and development costs are far more significant. Smaller businesses also tend to apply for generic products, which have lower fees.

The new model removes cross-subsidies that currently require businesses selling in Australia to cover the some of the costs of assessing products that never enter the market. Over time, lower levies will benefit all businesses that actively operate in Australia, including smaller ones.

Why is the sales levy being reduced?

Under the current system, sales levies are doing too much of the work—since they don't just fund post-market activities but also subsidise application costs. As more costs are recovered directly through fees, the sales levy can be reduced.

This means businesses that sell products in Australia will pay less over time, improving fairness and transparency.

Will relying more on application fees make APVMA funding unstable?

There may be some year-to-year variation in fee revenue, depending on application volumes. However, this is no more unstable than relying on sales levies, which fluctuate with seasonal conditions and market performance.

To manage this risk, the APVMA will continue to maintain reserves to smooth revenue over time.

Invitation to comment

The APVMA invites submissions on this consultation paper and the Draft 2027 CRIS.

To obtain broader feedback from the industry, the APVMA encourages all stakeholders to provide their comments on the proposed fees and charges, preferably through their relevant peak body.

The APVMA will consider any feedback before seeking approval of the proposed fees and charges for 2027–28 from the Minister for Agriculture, Fisheries and Forestry.

The CRIS 2027-28 will be published on the APVMA website before the revised fees and charges take effect.

Making a submission

Please lodge your submission via the public consultation page on the APVMA website with a public submission coversheet, which provides options for how your submission will be published.

Electronic submissions to the APVMA are preferred.

The closing date for submissions is **5 pm, 4 September 2026**.

Submissions or requests for further information can be sent to:

Chief Financial Officer
Australian Pesticides and Veterinary Medicines Authority
GPO Box 574
Canberra ACT 2601

Email: costrecovery@apvma.gov.au
Telephone: +61 2 6770 2400

Publication of submissions

Submissions will be published on the APVMA website unless you have asked for the submission to remain confidential (see public submission coversheet).

Note that all APVMA documents are subject to the access provisions of the *Freedom of Information Act 1982* and may be required to be released under that Act should a request for access be made.

Privacy

Note that all submissions received are subject to legislative requirements, including *the Freedom of Information Act 1982*, the *Privacy Act 1988*, and the *Agricultural and Veterinary Chemicals Code Act 1994*.