



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



AMENDMENT TO COST RECOVERY IMPACT STATEMENT

Covering the period 1 July 2013 - 30 June 2015

THIS PAGE INTENTIONALLY LEFT BLANK

CONTENTS

1	PURPOSE	4
1.1	Background	4
2	COMMENCEMENT DATES	5
3	IMPACT TO FINANCIAL POSITION OF THE DEFERRED COMMENCEMENT	6
4	CERTIFICATION	8

1 PURPOSE

The purpose of this Cost Recovery Impact Statement (CRIS) amendment is to document changes to the 2012 CRIS as a result of the deferred implementation of the Better Regulation of Agricultural and Veterinary Chemicals reforms.

This document should be read in conjunction with the 2012 CRIS, the Cost Recovery Discussion Paper and the Supplementary Discussion Paper on Cost Recovery of Compliance with GMP.

1.1 Background

The 2012 CRIS was based on a commencement date of 1 July 2013 to coincide with the commencement date initially included in the Agricultural and Veterinary Chemicals Legislation Amendment Bill 2012. Amendments to the Bill in the House of Representatives have revised this commencement date.

The delayed commencement followed passage of amendments to the commencement provisions in the Bill by the House of Representatives. The delayed commencement will enable smoother implementation of the reforms by the APVMA and allow the APVMA to communicate appropriately with industry about implementation of the reforms.

Subject to the passage of the Bill, the reforms are now intended to commence on 1 July 2014. The delayed commencement of the reforms impacts on the following fees and charges outlined in the CRIS:

- re-registration and re-approval;
- pre application advice and subsequent advice; and
- electronic conversion of hard copy applications.

2 COMMENCEMENT DATES

Table 17 from the CRIS is amended as follows:

TABLE 17: REVISED IMPLEMENTATION DATES

REVISED ARRANGEMENTS	COMMENCEMENT
Application fees to a minimum 30% cost recovery	From 1 July 2013
Application fees to a minimum 35% cost recovery	From 1 July 2014
Application fees to a minimum 40% cost recovery	From 1 January 2015
Levy rate change	From 1 July 2013, on sales made from 1 July 2012
Other existing fees and charges	From 1 July 2013
Re-registration and re-approval fee	From 1 July 2014
Pre application advice and subsequent advice	From 1 July 2014
Electronic conversion of hard copy applications	From 1 July 2014

3 IMPACT TO FINANCIAL POSITION OF THE DEFERRED COMMENCEMENT

Table 16 of the CRIS is amended as follows:

TABLE 16: REVISED FORECAST OPERATING RESULT 2012-13 TO 2014-15

	2012-13 ¹ (\$)	2013-14 (\$)	2014-15 (\$)
Income	30 719 978	31 758 702	31 613 655
Less:			
Repayment of \$2 million to government	(500 000)	(1 500 000)	-
Total Income	30 219 978	30 258 702	31 613 655
Expense—Base	28 586 709	30 162 593	30 811 649
Add:			
Implementation of Reform Agenda	3 303 163	2 344 482	-
Increase compliance and enforcement activities	-	-	814 289
Re-registration and re-approval scheme (on-going operation)	-	-	592 821
Total expenses	31 889 872	32 507 075	32 218 759
Surplus / (deficit)	(1 669 894)	(2 248 373)	(605 104)
Equity	10 759 371	8 510 998	7 905 894

¹ Amounts for 2012-13 differ from the CRIS as they reflect updated forecasts of the actual result for the year.

Variations in volumes, revenue and expenditure are outlined in the table shown below:

ACTIVITY	2013-14 (\$)	2014-15 (\$)
Pre-application advice fee		
<u>Volume</u>		
In the CRIS	285	700
Change	(285)	(415)
Revised forecast	-	285
<u>Revenue</u>		
In the CRIS	100 000	245 000
Change	(100 000)	(145 000)
Revised forecast	-	100 000
<u>Expenditure – N/A</u>		
	-	-
Re-registration and re-approval		
<u>Volume</u>		
In the CRIS	-	500
Change	-	(500)
Revised forecast	-	-
<u>Revenue</u>		
In the CRIS	-	350 000
Change	-	(350 000)
Revised forecast	-	-
<u>Expenditure</u>		
In the CRIS	574 555	1 230 734
Change	(574 555)	(637 913)
Revised forecast	-	592 821
Increase compliance and enforcement activities		
<u>Volume – N/A</u>		
<u>Revenue – N/A</u>		
<u>Expenditure</u>		
In the CRIS	771 338	814 289
Change	(771 338)	-
Revised forecast	-	814 289

4 CERTIFICATION

I certify that this CRIS Amendment complies with the Australian Government Cost Recovery Guidelines.

Ms Kareena Arthy
Chief Executive Officer
APVMA

17 June 2013