Australian Government

Australian Pesticides and Veterinary Medicines Authority

Annual Report 2020–21

Australian Pesticides and Veterinary Medicines Authority 2021

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Australian Government

Australian Pesticides and Veterinary Medicines Authority

13 September 2021

The Hon David Littleproud MP
Minister for Agriculture and Northern Australia
Parliament House
Canberra ACT 2600

Dear Minister

In accordance with subsection 46(1) of the *Public Governance, Performance and Accountability Act 2013* and section 61 of the *Agricultural and Veterinary Chemicals (Administration) Act 1992,* I am pleased to approve and submit the Annual Report on the activities of the Australian Pesticides and Veterinary Medicines Authority (APVMA) for the 2020–21 reporting year.

The report has been prepared in accordance with our legislative obligations.

In accordance with the Public Governance, Performance and Accountability Rule 2014, I certify that:

(i) fraud risk assessments and fraud control plans have been prepared for the APVMA

(ii) appropriate mechanisms that meet the needs of the APVMA are in place for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud

(iii) all reasonable measures have been taken to deal appropriately with fraud relating to the APMVA.

Yours sincerely

Ms Lisa Croft
Chief Executive Officer

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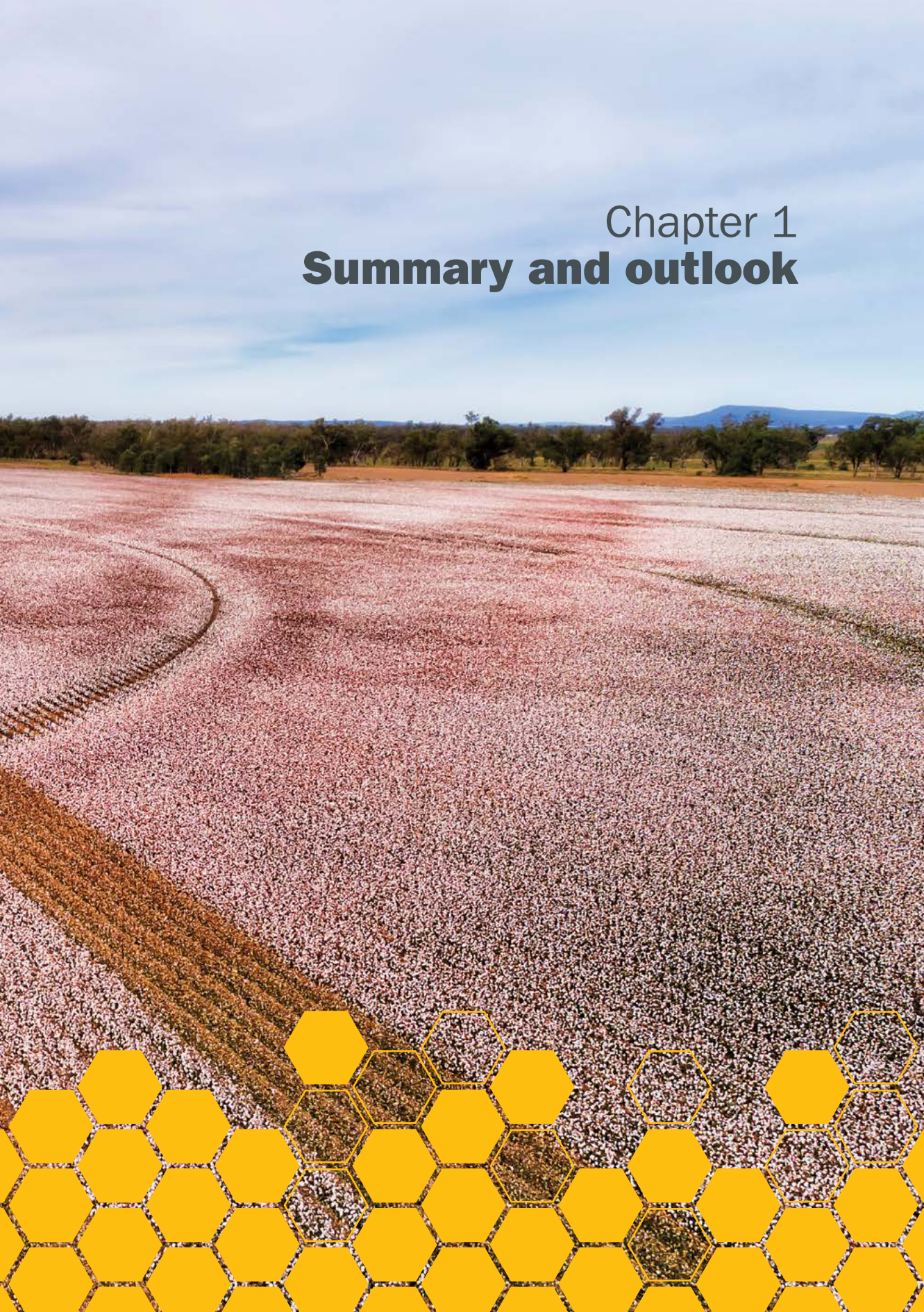
Purpose

We regulate agricultural and veterinary chemicals to manage the risks of pests and diseases for the Australian community and to protect the health and safety of animals, humans and the environment.

Vision

To be a global leader in agricultural and veterinary chemicals regulation for the benefit of Australia.



Chapter 1
Summary and outlook

Summary and outlook

In 2020–21 the Australian Pesticides and Veterinary Medicines Authority (APVMA) prioritised delivery of high-quality decision making and strengthening regulatory services and feedback systems, to achieve our vision to be a global leader in agricultural and veterinary chemicals regulation for the benefit of Australia.

Regulatory performance

This year we delivered further improvements in the on-time assessment of agricultural and veterinary chemical products, permits and active applications. We finalised 94% of applications within timeframe in 2020–21, increasing from 88% in 2019–20. This included finalising 99% of pesticides applications (up from 92% in 2019–20), and 99% of veterinary medicines applications (up from 89% in 2019–20) within timeframe.

We responded to the outbreaks of pests and diseases by prioritising the assessment of emergency permits to support Australian producers. This included the timely approval of applications in response to the mouse plague, incursions of fall armyworm and khapra beetle and the outbreak of grasshoppers, and for use in the eradication of Mediterranean and Queensland fruit fly.

Stakeholder engagement and collaboration

In September 2020 we published the APVMA Stakeholder Engagement Framework, which sets out our strategic approach to stakeholder consultation and collaboration for the 2020–23 period. We established and reinvigorated a number of stakeholder forums and working groups, including the APVMA Consultative Forum, Cost Recovery Working Group and Registration Liaison Forum, to strengthen our engagement with industry and further our engagement objectives.

We released our final tailored guidance pathway in October 2020, which marked the end of our ‘Top 20’ project to develop and improve guidance material for stakeholders and make the registration process for industry easier and more efficient.

In March 2021 we undertook our Client and Stakeholder Survey to determine current stakeholder satisfaction with our performance and services and identify opportunities for improvement. The results of the survey indicated the overall level of stakeholder satisfaction with our performance has improved significantly since the last survey was undertaken in 2018, with the proportion of respondents who were either ‘very satisfied’ or ‘satisfied’ increasing by approximately 50%.

Core business

Our revised Cost Recovery Implementation Statement (CRIS) took effect on 1 July 2020. The CRIS ensures full cost recovery of all regulatory functions we provide to industry through the efficient implementation of cost recovered activities, consistent with the Australian Government Cost Recovery Guidelines.

A key focus in 2020–21 has been to maintain operations and continue to serve the Australian community and stakeholders throughout the COVID-19 pandemic, with many facing unprecedented circumstances and challenges.

We implemented business continuity arrangements to ensure our staff were equipped to work remotely with no impact to the important services we provide.

To support holders and manufacturers of veterinary medicines, we developed guidance to allow those audited by the APVMA to demonstrate compliance with Good Manufacturing Practice while travel restrictions and other measures were in place.

Looking ahead

In the year ahead, we will continue to prioritise the timely assessment of agricultural and veterinary chemicals and reinforce the quality and consistency of our decision making processes.

We will continue to collaborate and liaise with a broad range of stakeholders to achieve our purpose and support effective implementation of Australia's National Registration Scheme.

We will continue to actively identify and implement innovations to strengthen the regulatory services we provide, and be ready to contribute to the Australian Government's response to the Independent Review of the Agvet Chemicals Framework.

I would like to thank and congratulate APVMA staff for their contributions to our continued high performance at a time when it is critical we deliver timely access to safe and effective products and continue to provide stakeholders with innovative, science-based chemical regulation.

Ms Lisa Croft
Chief Executive Officer
September 2021

Chapter 2

Organisation overview

Organisation overview

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.

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.

Responsible minister

The APVMA is within the portfolio of the Hon David Littleproud MP, who was appointed Minister for Agriculture, Drought and Emergency Management on 6 February 2020.

Enabling legislation

The APVMA is established under the *Agricultural and Veterinary Chemicals (Administration) Act 1992* (Administration Act). The Administration Act sets out our role to administer the National Registration Scheme for Agricultural and Veterinary Chemicals in partnership with state and territory governments, and the scheme's legislation.

Functions and powers are conferred on the APVMA by the Administration Act, the Agricultural and Veterinary Chemicals Code (Agvet Code) scheduled to the *Agricultural and Veterinary Chemicals Code Act 1994*, the Agricultural and Veterinary Chemicals Code Regulations 1995 (Agvet Code Regulations), and the Agvet Codes and Agvet Regulations of each state or participating territory.

We are a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). A corporate Commonwealth entity is a corporate body that is legally separate from the Commonwealth.

Functions and powers

The APVMA operates under an intergovernmental agreement between the Australian Government and all states and territories. Under this agreement we are responsible for regulating agvet chemicals up to and including the point of sale. The states and territories are responsible for regulating agvet chemicals after they are sold, a process that is known as 'control of use'.

Our key functions, which are set out in section 7 of the Administration Act, are to:

- assess the suitability for sale in Australia of active constituents for proposed or existing chemical products, registered chemical products and labels for containers for chemical products
- ensure that approvals and registrations for active constituents for chemical products, and chemical products and labels for containers for chemical products comply with the Agvet Code and the Agvet Code Regulations
- provide information to the Australian Government and its agencies, and the states and territories, about approved active constituents for proposed or existing chemical products, registered chemical products and approved labels for such products, and cooperate with the Australian Government and its agencies on matters relating to the management and control of chemical products
- collect and publish relevant information and statistics on approvals and registrations granted, and permits and licences issued under the Agvet Code
- with the Australian Government and its agencies, and the states and participating territories, facilitate a consistent approach to the assessment and control of agvet chemicals
- exchange information relating to chemical products and their use, with overseas and international bodies that have similar functions to those of the APVMA
- report to or advise the minister on matters relating to the performance of the APVMA's functions.

Organisation structure

Our organisation structure (Table 1) supports effective operation, communication and strategic understanding at all levels of the APVMA.

Table 1: APVMA organisation structure as at 30 June 2021

Chief Executive Officer	⬡ Office of the Chief Executive Officer
Deputy Chief Executive Officer	⬡ Office of the Chief Regulatory Scientist ⬡ Registration Management ⬡ Risk Assessment Capability
Chief Operating Officer	⬡ Assurance and Risk ⬡ Business Intelligence and Improvement ⬡ Finance ⬡ Human Resources ⬡ Information and Communication Technology (ICT) ⬡ Parliamentary and Communications ⬡ Procurement and Infrastructure
Executive Director, Risk Assessment Capability	⬡ Chemical Review ⬡ Chemistry and Manufacture ⬡ Efficacy and Safety ⬡ Environment ⬡ Health ⬡ Residues and Trade
Executive Director, Registration Management	⬡ Permits ⬡ Pesticides ⬡ Pre-Evaluation and Quality ⬡ Veterinary Medicines
Chief Regulatory Scientist	⬡ Adverse Experience Reporting Program ⬡ Assessment, Investigations and Monitoring ⬡ Learning and Development ⬡ Manufacturing Quality and Licensing ⬡ Science Quality
General Counsel	⬡ Legal services

Ms Lisa Croft

Chief Executive Officer

The Chief Executive Officer (CEO) is the accountable authority responsible for governance, performance and management of the APVMA, and the exercise of the authority's powers and functions. The CEO consults with key stakeholders to set the organisation's vision, objectives and strategies to meet its legislative responsibilities. The CEO approves the APVMA's Corporate and Operational Plans and budgets, monitors financial and operational performance, and oversees program performance.

Dr Jason Lutze

Deputy Chief Executive Officer (acting)

The Deputy CEO provides strategic advice to the CEO and executive oversight of the regulatory science, post-market and reform functions of the APVMA. Key responsibilities include oversight of Risk Assessment Capability, Registration Management, Compliance, and reform and stakeholder engagement.

Mr Brendan Wright

Chief Operating Officer (acting)

The Chief Operating Officer supports the delivery of the APVMA's strategic objectives through the oversight of the agency's enabling services, including corporate planning, performance and risk, information and communications technology, human resources, finance and procurement, media and communications, parliamentary services, and security.

Dr Sheila Logan

Executive Director, Risk Assessment Capability (acting)

The Executive Director, Risk Assessment Capability manages the expert assessment areas of the APVMA, including chemical review, chemistry and manufacture, efficacy and safety, environment, health, and residues and trade assessment.

Dr Rachel Chay

Executive Director, Registration Management

The Executive Director, Registration Management manages the assessment process for agricultural chemicals and veterinary medicines. Responsibilities include managing pre-application assistance, preliminary assessment and evaluation of product registration, permits, export certificates, and import consents.

Dr Maggie Hardy

Chief Regulatory Scientist

The Chief Regulatory Scientist ensures the continued high quality of the APVMA's scientific decision making through 2 functions: science quality (responsible for the Learning and Development Framework) and post-market activities (including the Adverse Experience Reporting Program, compliance and monitoring, and manufacturing quality and licensing).

Ms Susan Hynes

General Counsel

The General Counsel provides legal advice to the CEO, Executive and staff on all aspects of the APVMA's administrative and regulatory functions.

Funding

The APVMA is a cost-recovered agency with the majority of our funding received from levies and a smaller proportion from fees and charges.

Levies are collected based on the wholesale value of chemical products sold. Fees and charges include, but are not limited to:

- registration renewal fees
- application fees (product, active constituent, permits)
- Good Manufacturing Practice licensing fees.

The APVMA also receives some additional funding through government appropriations.

Financial performance

The APVMA's total income for 2020–21 was $43.423 million. This included:

- industry fees and charges of $38.829 million
- government appropriation of $4.400 million
- own-source income of $194,000.

Total industry income derived from fees and charges of $38.829 million, government appropriated funding of $1.613 million, and own-source income of $194,000 (including $54,000 of resources received free of charge and a grant of $135,000 from the Department of Agriculture, Water and the Environment for minor use) was available to fund the APVMA's business-as-usual activities. Normal business operational activities excludes specific appropriated funding of $2.787 million.

The specific appropriation funding of $2.787 million was assigned to relocation ($2.570 million) and Enabling Technologies ($0.217 million).

Multi-year contracts and commitments have necessitated carry-overs of $3.080 million for relocation activities and $3.420 million for Enabling Technologies. The $17.735 million for *Appropriation Act (No. 5) 2019–2020* has not been drawn down in 2020–21 but held as a receivable from government. It is likely these funds will not be fully drawn down, with the potential for a large reduction in income in subsequent years when the receivable is reversed.

The net cost of APVMA services for 2020–21 was $36.191 million. The cost of the APVMA's industry-related expenses for 2020–21 was $35.164 million, excluding expenses related to the information technology renewal and relocation, some of which were funded by the carry-forward of funds from 2019–20.

The final comprehensive income position for the APVMA was $7.038 million. The equity balance of $40.346 million is $31.346 million above the APVMA's targeted equity position of 3 months expenditure, being $9 million; however, it includes $6.499 million in carry-forward funding for the projects described above and $17.735 million of receivable from government as well as employee leave entitlements and payables.

Compliance with finance law

Section 19 of the PGPA Act requires, among other things, that entities notify their responsible minister and the Finance Minister, as soon as practicable, of any significant issue that has affected the entity.

There were no significant instances of non-compliance with the finance law in 2020–21.

Staff profile

The APVMA has offices at 2 locations within Australia: Armidale and Canberra. Details of our office locations are provided in Table 2.

Table 2: APVMA office locations

	Street address	Postal address
Armidale office	102 Taylor Street Armidale NSW 2350	GPO Box 3262 Sydney NSW 2001
Canberra office	Level 1, 11 Faulding Street Symonston ACT 2609	GPO Box 3262 Sydney NSW 2001

Table 3 provides details of Australian Public Service (APS) employees employed at the APVMA under the *Public Service Act 1999* in 2020–21.

Table 3: APVMA employee substantive positions as at 30 June 2021

Classification	Full-time (ongoing)	Part-time (ongoing)	Non-ongoing and casual	Total
Senior Executive officer	3	0	0	**3**
EL2	21	0	1	**22**
EL1	39	8	0	**47**
APS6	46	1	1	**48**
APS5	29	3	9	**41**
APS4	8	1	4	**13**
APS3	2	0	4	**6**
APS2	0	0	0	**0**
Trainee	0	0	0	**0**
Total	**148**	**13**	**19**	**180**

EL = Executive Level

Table 4 provides detail about the ongoing APS employees employed at the APVMA in 2020–21.

Table 4: Ongoing APS employees employed at the APVMA during the current reporting period

	Male			Female			Indeterminate			
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	Total
NSW	52	1	**53**	67	9	**76**	0	0	**0**	**129**
ACT	21	2	**23**	18	1	**19**	0	0	**0**	**42**
Total	**73**	**3**	**76**	**85**	**10**	**95**	**0**	**0**	**0**	**171**

Table 5 provides detail about the ongoing APS employees employed at the APVMA during the previous reporting period, 2019–20.

Table 5: Ongoing APS employees employed at the APVMA during the previous reporting period

	Male			Female			Indeterminate			
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	Total
NSW	42	0	**42**	58	11	**69**	0	0	**0**	**111**
ACT	19	2	**21**	19	2	**21**	0	0	**0**	**42**
Total	**61**	**2**	**63**	**77**	**13**	**90**	**0**	**0**	**0**	**153***

* 35 employees accepted a voluntary redundancy on 1 July 2019 due to the relocation of the APVMA from Canberra to Armidale. These employees are not included in Table 5.

Table 6 provides detail about the non-ongoing APS employees employed at the APVMA in 2020–21.

Table 6: Non-ongoing APS employees employed at the APVMA during the current reporting period

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	11	0	**11**	14	5	**19**	0	0	**0**	**30**
ACT	1	0	**1**	0	1	**1**	0	0	**0**	**2**
Total	**12**	**0**	**12**	**14**	**6**	**20**	**0**	**0**	**0**	**32**

Table 7 provides detail about the non-ongoing APS employees employed at the APVMA during the previous reporting period, 2019–20.

Table 7: Non-ongoing APS employees employed at the APVMA during the previous reporting period

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	9	0	**9**	5	2	**7**	0	0	**0**	**16**
ACT	4	0	**4**	0	1	**1**	0	0	**0**	**5**
Total	**13**	**0**	**13**	**5**	**3**	**8**	**0**	**0**	**0**	**21**

Key management personnel

During the reporting period, the APVMA had the following executives who met the definition of key management personnel (KMP). Their names and length of term as KMP are summarised in Table 8. Their remuneration is shown in Tables 9 and 10.

Table 8: Key management personnel

Name	Position	Term as key management personnel
Ms L Croft	Chief Executive Officer (CEO)	Appointed 8 October 2020
	Acting CEO	17 August 2020 to 7 October 2020
	Deputy CEO	1 July 2020 to 16 August 2020
Dr C Parker	Chief Executive Officer	Term ended 16 August 2020
Dr J Lutze	Acting Deputy CEO	21 December 2020 to 30 June 2021
	Executive Director, Risk Assessment Capability	Substantive
Mr B Wright	Acting Chief Operating Officer	15 June 2021 to 30 June 2021
	Director, Parliamentary and Communications	Substantive
Dr S Logan	Acting Executive Director, Risk Assessment Capability	13 January 2021 to 30 June 2021
Dr R Chay	Executive Director, Registration Management	Appointed 22 October 2020
	Acting Executive Director, Registration Management	1 July 2020 to 21 October 2020
Dr M Hardy	Chief Regulatory Scientist	Full year
Ms S Hynes	General Counsel	Full year
Mr K Lockyer	Acting Executive Director, Corporate Services	17 August 2020 to 15 January 2021
	Director, Corporate Services	Substantive
Mr S Harris	Acting Chief Regulatory Scientist	Short-term acting during 2020–21
Mr G Edmunds	Acting Chief Regulatory Scientist	Short-term acting during 2020–21
Ms P Oxford	Acting Chief Regulatory Scientist	Short-term acting during 2020–21
Mr P MacLeod	Acting Executive Director, Registration Management	Short-term acting during 2020–21
Ms B Battisson	Acting Executive Director, Registration Management	Short-term acting during 2020–21

Table 9: Summary of key management personnel remuneration

	2020–21 $	2019–20 $
Short-term employee benefits:		
Base salary	1 732 759	1 928 875
Bonuses	3 015	64 360
Other benefits and allowances	0	24 180
Total short-term employee benefits:	**1 735 774**	**2 017 415**
Post-employment benefits		
Superannuation	246 069	285 752
Total post-employment benefits:	**246 069**	**285 752**
Long-term employee benefits		
Long service leave accrued	46 218	44 299
Total other long-term employee benefits:	**46 218**	**44 299**
Terminations		
Terminations	0	182 047
Total terminations:	**0**	
Total key management personnel remuneration:	**2 028 061**	**2 529 513**

Senior Executive personnel

The APVMA had no Senior Executive staff earning more than $230,000 this financial year, not included in Table 10.

Other highly paid staff

The APVMA had no other highly paid staff earning more than $230,000 this financial year.

Senior Executive Remuneration Policy

Chief Executive Officer

As a statutory officer, the CEO is remunerated in accordance with determinations made by the independent Remuneration Tribunal under the *Remuneration Tribunal Act 1973*.

Senior Executive officers

The terms and conditions of employment for the APVMA's Senior Executive officers are established under subsection 24(1) of the *Public Service Act 1999* and outlined in the respective employee's determination. Factors used by the CEO to determine the relevant remuneration are experience and level of responsibility, taking comparable salaries for senior executives across the APS into consideration. The APVMA Enterprise Agreement is also considered.

Table 10: Key management personnel remuneration

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Annual leave accrued	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits	
Ms L Croft	Chief Executive Officer/ Deputy Chief Executive Officer	324 093	24 835	0	0	47 801	7 991	0	**404 720**
Dr C Parker	Chief Executive Officer	43 566	3 336	0	0	7 372	1 074	0	**55 348**
Dr J Lutze	Acting Deputy Chief Executive Officer/ Executive Director, Risk Assessment Capability	224 477	17 201	0	0	39 129	5 535	0	**286 342**
Mr B Wright	Acting Chief Operating Officer/ Director, Parliamentary and Communications	150 474	15 182	3 015	0	20 921	6 832	0	**196 424**
Dr S Logan	Acting Executive Director, Risk Assessment Capability	91 852	7 039	0	0	12 770	3 167	0	**114 828**
Dr R Chay	Executive Director, Registration Management/ Acting Executive Director, Registration Management	199 661	15 300	0	0	27 590	4 923	0	**247 474**
Dr M Hardy	Chief Regulatory Scientist	207 467	15 898	0	0	38 570	5 116	0	**267 051**
Ms S Hynes	General Counsel	162 623	12 461	0	0	24 194	4 010	0	**203 288**
Mr K Lockyer	Acting Executive Director, Corporate Services/ Director, Corporate Services	178 127	15 182	0	0	25 049	6 832	0	**225 190**
Mr S Harris	Acting Chief Regulatory Scientist	7 949	609	0	0	1 062	274	0	**9 894**
Mr G Edmunds	Acting Chief Regulatory Scientist	3 975	304	0	0	429	137	0	**4 845**
Ms P Oxford	Acting Chief Regulatory Scientist	1 699	130	0	0	263	59	0	**2 151**
Mr P MacLeod	Acting Executive Director, Registration Management	3 795	291	0	0	429	131	0	**4 646**
Ms B Battisson	Acting Executive Director, Registration Management	4 929	304	0	0	490	137	0	**5 860**
Total:		**1 604 687**	**128 072**	**3 015**	**0**	**246 069**	**46 218**	**0**	**0 2 028 061**

Ministerial directions and government policy orders

The following government policy orders made under section 22 of the PGPA Act applied to the APVMA during the reporting period:

- Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017
- Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016

There were no instances of non-compliance with ministerial directions or government policy orders in the reporting period.

Significant activities and changes

In October 2020, the Minister for Agriculture, Drought and Emergency Management, the Hon David Littleproud MP announced the appointment of Ms Lisa Croft as CEO. This announcement followed the departure of Dr Chris Parker in August 2020.

In June 2021, the APVMA began an organisational restructure with the appointment of Mr Brendan Wright to the position of acting Chief Operating Officer, and the transfer of the Chemical Review function to Risk Assessment Capability.

Chapter 3
Strategic framework and reporting

Strategic framework and reporting

The APVMA Corporate Plan 2020–21 and Operational Plan 2020–21 established 3 strategies to support us to achieve our purpose (Figure 1):

Figure 1: APVMA strategy map 2020–21

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.

Portfolio Budget Statements

Program 1.1 Australian Pesticides and Veterinary Medicines Authority

Objective: The APVMA regulates agricultural and veterinary chemicals up to and including at the point of sale to protect the health and safety of people, animals and crops, the environment and trade, and support Australian primary industries.

Key performance indicator: Registered chemicals are available for product registrations, actives and permits.

2020–21 target: 100% of applications were completed within timeframes.

Corporate strategies

1. Continue to be a world-class leader in agvet chemical regulation	2. Deliver high-quality decision making that is timely, science-based and proportionate to risk	3. Improve regulatory delivery and feedback systems

Corporate/Operational Plan

Targets:	Targets:	Targets:
• Participation in expert working groups, international and domestic activities, and training activities • Continuous engagement with regulators and relevant international organisations • Ongoing development of MoUs with international and domestic partners	• 90% of regulatory decisions completed within timeframes • 60% of emergency use permits finalised within 14 days and 95% within 28 days • No regulatory decisions are overturned by external bodies such as the Administrative Appeals Tribunal • Reconsiderations commenced, progressed, and concluded in alignment with risk-based program plans	• Fees and charges align with the efficient cost of regulation • Implementation of inspection and monitoring program as per program plan • Stakeholder engagement activities are commenced, progressed and concluded as per program plans

Measuring our performance

Each of the 3 strategies have associated activities and performance measures to ensure:

- our business continues to transform with industry, science and environmental factors
- we make evidence-based regulatory decisions to protect the health and safety of people, animals and the environment
- we maintain the quality and timeliness of our decisions, while applying our scientific expertise to align the effort of regulatory intervention with the risks being managed
- we enable our operations to deliver effective regulatory evaluation and registration of agvet chemical products.

Results against performance criterion

This chapter provides the results of our performance against the:

- APVMA Portfolio Budget Statement (PBS)
- measures listed in the APVMA Corporate Plan 2020–21
- activities listed in the APVMA Operational Plan 2020–21.

Results against these measures, including analysis of performance, are presented in this annual performance statement in tables. Achievement of each performance measure is rated using the scale in Figure 2.

Figure 2: Performance measure rating scale

Performance results

- Performance met expectations
- Performance partially met expectations
- Performance did not meet expectations

Variation from the APVMA Portfolio Budget Statement

There have been no variations from the APVMA PBS in 2020–21.

Statement of preparation by the Chief Executive Officer

I, as the accountable authority of the APVMA, present the 2020–21 annual performance statement of the APVMA, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.

Ms Lisa Croft
Chief Executive Officer
13 September 2021

Strategy 1
Continue to be a world-class leader in agvet chemical regulation

Summary of performance

Performance measure	Result
Participation in expert working groups, international and domestic activities, and training activities	✓
Continuous engagement with regulators and relevant international organisations	✓
Ongoing development of MoUs with international and domestic partners	✓

Focus areas and activities

- Ensure risk assessment procedures align where applicable with international standards
- Participate in and lead global reviews
- Deliver robust and independent compliance and monitoring activities, in line with international best practices
- Enhance collaboration with international and domestic partners

Results against corporate performance measures

Activity	Ensure there is an adequate level of capability available within the APVMA and through scientific networks to inform the regulatory assessment process
Measure	Participation in expert working groups, international and domestic activities, and training activities
Source	Operational Plan 2020–21
Result	✓ Performance met expectations

During 2020–21 we maintained high levels of capability through our continued participation and engagement in international expert groups, as well as ongoing training activities internally and externally via international seminars, workshops and conferences. Examples of these activities include:

- participation in Organisation for Economic Co-operation and Development (OECD) working groups, including the Residue Definition Working Group (both on the residues and toxicology subgroups), the Minor Use Working Group, and the Drafting Group on Pesticides Residue in Honey
- participation as monographers (expert writers) in the Joint Meeting on Pesticides Residues Toxicology and Residues groups, completing the 2020 meeting cycle with the evaluation of several compounds (both for new chemicals and periodic reviews) and contributing to the 2021 meeting cycle

- participation in parallel with the United States Environmental Protection Agency (US EPA) and the Health Canada Pest Management Regulatory Agency (PMRA) in industry-led work towards the future use of non-animal models and clarification of problem statements
- attendance at the Australasian College of Toxicology and Risk Assessment (ACTRA) webinars on risk assessment across Risk Assessment Capability and Registration Management areas
- presentation of ACTRA webinars demonstrating the leading role the APVMA plays in regulatory toxicology
- delivery of training on residues processes at international level through activities within the Asia-Pacific Economic Cooperation (APEC) group
- attendance at seminars and working groups on kinetically derived maximum dose work, as well as completion of a university course on toxicokinetics and toxicodynamics by an EL2 in Risk Assessment Capability
- participation in the International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH).

Due to COVID-19 travel restrictions the APVMA participated virtually in international activities, which afforded more staff the opportunity to take part in meetings and working groups.

Our participation in technical working groups increased awareness for our staff of current issues and challenges experienced by other regulators. This close interaction with comparable international regulators has increased the capability of our staff to undertake, or conduct peer review of international-quality assessments. Strengthening these scientific networks facilitates cooperative efforts allowing further consultation on difficult technical issues, particularly where assessments are undertaken in a similar timeframe.

Our ongoing participation in international activities, particularly through the OECD, helps ensure that technical material developed and adopted internationally reflects the requirements of the Australian regulatory environment.

Case study: Data harmonisation

The agvet chemical sector is a global industry, with products being developed for sale into multiple international markets. Each market is regulated by a different set of rules, not just for the safety of products but also the standards and guidelines used for submitting data for assessment. These differences can increase the cost of preparing data and limit the ability for international regulators to collaborate on reviews and registrations.

To help minimise these barriers and improve access to safe and effective agvet products, the APVMA actively participates in the harmonisation of data guidelines with our international counterparts through organisations such as the OECD and VICH.

We have been a contributor to the development and updating of a wide range of guidelines, including:

- internal and external parasiticides
- residues definitions and establishment of maximum residues limits
- developmental neurotoxicity
- the selection of doses in cancer studies and the application of kinetically derived maximum dose principles to dose selection.

We have aligned many areas of our guidelines with international standards (available at apvma.gov.au/node/19991), and support the submission of data generated according to many international guidelines, including:

- OECD and VICH test guidelines
- Food and Agricultural Organization of the United Nations (FAO) and World Health Organization (WHO) guidelines for data generation
- test guidelines published by the:
  - US EPA
  - PMRA
  - European Food Safety Authority for plant protection (pesticide) products
  - EU Biocidal Products Regulations, the European Medicines Agency for veterinary medicine products
  - United States Food and Drug Administration (US FDA).

Our participation in harmonisation activities on data guidelines and utilisation of international guidelines continues to benefit the Australian agvet sector by:

- ensuring a risk-based approach is incorporated where appropriate, avoiding predominance of a primarily hazard-based approach
- simplifying the assembly and submission of data packages by industry
- expanding the use of common international methodology to align with international best practice and improve the consistency of decision making
- facilitating the use of international assessments, resulting in considerable time-savings for companies that opt to utilise them
- ensuring the level of data required to satisfy our legislative requirements is proportionate to risk.

The use of harmonised data guidelines and assessment promotes Australia's ability to participate in international sharing of work and global joint reviews. The ability to use comparable data packages to overseas regulators has assisted companies in approaching Australia as the first global site of registration for a number of products, in some cases building on the Australian evaluation to facilitate overseas approvals.

Activity	Collaborate with domestic jurisdictions and international counterparts to contribute to the improvement of regulatory processes
Measure	Continuous engagement with regulators and relevant international organisations
Source	Operational Plan 2020–21
Result	Performance met expectations

The APVMA engaged with regulators and relevant international organisations throughout the reporting period. During 2020–21 we:

- verified acceptance of satisfactory application of Good Manufacturing Practice (GMP) assessment of compliance and maintained the European Union Mutual Recognition Agreement
- met regularly with counterparts at the Therapeutic Goods Administration in relation to technical and operational matters
- met regularly with comparable regulators, such as Canada's PMRA, to discuss common regulatory challenges and explore regulatory best practice
- participated in monthly meetings with regulators of veterinary medicines from New Zealand, Canada, the United Kingdom and the United States
- engaged with relevant state authorities to ensure the information held by each authority is up-to-date and applied according to law
- continued stakeholder engagement through the Manufacturers' Licensing Scheme – Industry Liaison Consultative (MLS – ILC) Forum.

The APVMA and Europol met monthly to discuss counterfeit and illicit chemical products. Where necessary, we liaised with other Commonwealth agencies and regulators and developed several Memoranda of Understanding (MoUs).

A regular monthly meeting was established with the Australian Competition and Consumer Commission to discuss and collaborate on product recalls and other regulatory matters.

The APVMA chairs quarterly meetings with Australian state and territory agvet chemical regulators. This encourages regular communication on mutual topics of interest, ensures communication channels are strong and remain open, and supports streamlining the regulatory process through the removal of duplicated processes.

The APVMA became a corporate member of the Australia and New Zealand School of Government National Regulators Community of Practice (NRCoP) in February 2021. NRCoP is an active network of public sector regulators from all 3 levels of government and from every regulatory sector. The APVMA's membership allows us to share knowledge, insights and experiences with other regulators and to participate in regular educational events featuring Australian and international thought leaders on aspects of regulatory best practice.

The regular interaction with partner international regulators has allowed issues around chemical review, legislative processes, registration and reporting to be discussed, leading to increased awareness of other regulatory practices and opportunities to improve our standard practices.

Activity	Collaborate with domestic jurisdictions and international counterparts to contribute to the improvement of regulatory processes
Measure	Ongoing development of MoUs with international and domestic partners
Source	Operational Plan 2020–21
Result	Performance met expectations

In 2020–21 we finalised MoUs between the APVMA and:

- the Office of the Gene Technology Regulator (OGTR)
- Harness Racing Victoria
- Racing New South Wales
- Racing and Wagering Western Australia
- State of New South Wales through Harness Racing New South Wales
- Canada's PMRA.

The APVMA has formal information sharing arrangements with the US FDA.

These MoUs and arrangements set out the cooperative agreements between the APVMA and relevant entities to achieve our respective organisational objectives. They provide a framework that supports high level collaboration and information exchange to facilitate safe and effective agvet chemical regulation and international trade.

Strategy 2

Deliver high-quality decision making that is timely, science-based and proportionate to risk

Summary of performance

Performance measure	Result
90% of regulatory decisions completed within timeframes	✓
100% of regulatory decisions are completed within timeframes	✗
60% of emergency permits finalised within 14 days, and 95% finalised within 28 days	✗
No regulatory decisions are overturned by external bodies such as the Administrative Appeals Tribunal	✗
Reconsiderations commenced, progressed and concluded in alignment with risk-based program plans	~

Focus areas and activities

- Deliver decisions that are based on the most up-to-date scientific evidence
- Improve the timeliness of regulatory decisions
- Support and develop our people to enhance a high-performing culture
- Embed our quality management and enterprise risk management frameworks

Results against corporate performance measures

Activity	Undertake timely and objective assessment of information provided	
Measure	90% of regulatory decisions completed within timeframes	100% of regulatory decisions are completed within timeframes
Source	Operational Plan 2020–21	Portfolio Budget Statement 2020–21
Result	✓ Performance met expectations	✗ Performance did not meet expectations

A total of 94% of regulatory decisions for products, permits and active constituents were completed within statutory timeframes between 1 July 2020 and 30 June 2021.

An ongoing focus on building capability within the APVMA, strengthening stakeholder engagement, and delivering continuous process improvements has contributed to achieving our improved timeframe performance.

Ensuring the APVMA meets its legislated timeframes creates surety for applicants with the regulatory process and facilitates the timely provision of agvet chemicals to the Australian community.

Table 11: Applications processed – 1 July 2020 to 30 June 2021

Type	Commenced	Finalised	Finalised within timeframe	2019–20 in timeframe	In progress	In progress still within timeframe
Pesticides	1 336	1 466	99%	92%	387	97%
Veterinary medicines	1 008	1 051	99%	89%	230	96%
Total products	2 344	2 517	99%	91%	617	97%
Permits	580	622	74%	81%	248	81%
Actives	263	307	96%	85%	143	94%
Total	**3 187**	**3 446**	**94%**	**88%**	**1 008**	**92%**

Figure 3: Timeframe performance by application type, per quarter in 2020–21

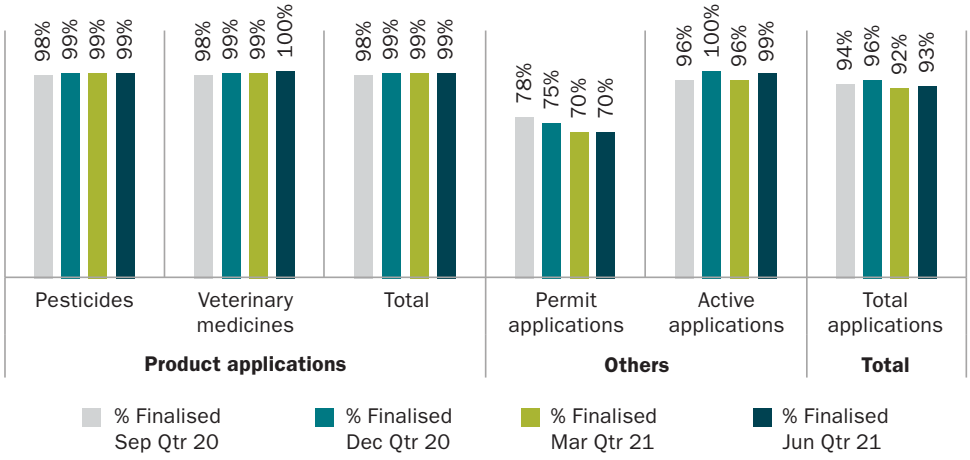


Table 12: Summary of activities related to regulatory decisions from 1 July 2020 to 30 June 2021

Type of regulatory decisions	Commenced	Finalised/issued	In progress
Pre-application assistance	244	169	39
Product registration – pesticides	1 336	1 466	387
Product registration – veterinary medicines	1 008	1 051	230
Permits	580	622	248
Actives	263	307	143
Items 8L, 8M, 8P	1 004	826	210
Technical assessment (Item 25)	12	11	9
Notifiable variations	1 011	1 011	0
Import consents	697	674	5
Certificates of export	479	492	21
Total	**6 634**	**6 629**	**1 292**

Activity	Undertake timely and objective assessment of information provided
Measure	60% of emergency permits finalised within 14 days, and 95% finalised within 28 days
Source	Operational Plan 2020–21
Result	✗ Performance did not meet expectations

We finalised 74 emergency use permits between 1 July 2020 and 30 June 2021. Of these:

- 54% were finalised within 14 days (up from 41% in 2019–20)
- 84% were finalised within 28 days (up from 50% in 2019–20).

During the reporting period, the APVMA's Permits and Minor Use Team assessed a large number of emergency permit applications to support Australian producers through several serious pest incursions and outbreaks across Australia, including mice, fall armyworm, khapra beetle and grasshoppers. These applications can be complex and require extensive consultation across a number of expert areas internally and externally.

Through the issuing of 74 emergency use permits we contributed significantly to Australia's biosecurity response and supported Australia's trade by approving permits to control the outbreaks of pests.

Activity	Make transparent and proportionate regulatory decisions in accordance with the legislation, using a risk-based approach
Measure	No regulatory decisions are overturned by external bodies such as the Administrative Appeals Tribunal
Source	Operational Plan 2020–21
Result	✗ Performance did not meet expectations

On 15 December 2020 an application was made to the Federal Court of Australia that sought judicial review of our internal review decision on 20 November 2020 to affirm our original decision under section 41 of the Agvet Code to cancel the approvals of certain swimming and spa pool sanitiser products containing hydrogen peroxide and polyhexanide hydrochloride.

In February 2021 we signed orders consenting to the setting aside of both the internal review and original decisions to cancel the relevant products on natural justice grounds.

See the *Judicial decisions and reviews by outside bodies* section of this Annual Report for more information.

Activity	Reconsiderations under Division 4 of Part 2	
Measure	Reconsiderations commenced, progressed and concluded in alignment with risk-based program plans	
Source	Operational Plan 2020–21	Agvet (Admin) Regulations, Part 1, Section 1A.3 (a), (b), (c)
Result	~ Performance partially met expectations	

We continue to progress reconsiderations under Division 4 of Part 2 of the Act and take a risk-based approach to regulatory action through the existing legislation, including label reviews under Division 5.

In September 2020 the reconsideration of 2,4-D was finalised and prior labels were cancelled.

See the *Chemical review* section of this Annual Report for more information.

Strategy 3
Improve regulatory delivery and feedback systems

Summary of performance

Performance measure	Result
Fees and charges align with the efficient cost of regulation	✓
Implementation of inspection and monitoring program as per program plan	✓
Stakeholder engagement activities are commenced, progressed and concluded as per program plans	✓

Focus areas and activities

- Engage with internal and external stakeholders and consider feedback to improve our operations
- Increase industry and community awareness of regulatory requirements
- Improve the efficiency of our operations
- Implement new enabling technologies in line with our digital strategy

Performance against corporate performance measures

Activity	Ensure the costs of regulation are measured and regulatory fees are used efficiently
Measure	Fees and charges align with the efficient cost of regulation
Source	Operational Plan 2020–21
Result	✓ Performance met expectations

Our revised Cost Recovery Implementation Statement (CRIS) came into effect on 1 July 2020 and introduced revised fees to ensure we continue to recover the full, efficient cost of regulation in accordance with the requirements of the Australian Government Charging Framework.

Activity	Monitor the compliance of approvals with the requirements of the legislation through a program of inspections and regular monitoring
Measure	Implementation of inspection and monitoring program as per program plan
Source	Operational Plan 2020–21
Result	Performance met expectations

We maintain a program of risk-based auditing and a review of audits of manufacturers against GMP standards in Australia and overseas.

With assistance from Department of Agriculture, Water and the Environment (DAWE) officers, who were re-deployed due to COVID-19, we assessed approximately 10,000 labels during an audit of marketed product labels.

Our Compliance and Monitoring function monitors the importation of agvet chemicals in collaboration with the Australian Border Force and publishes an annual compliance plan. We use proactive analysis of contraventions to shape the annual compliance plan for the next financial year.

During the reporting period we:

- published our Compliance Case Categorisation and Prioritisation Model and Enforcement Guidelines in August 2020
- published educational material for suppliers in February 2021, to support compliance with the legislation
- published an Infringement Notice Guideline under section 6A of the Agvet Code in April 2021
- issued infringement notices to 2 companies for failing to comply with an APVMA-issued notice
- attended the Primex Field Day in Casino, New South Wales from 19 to 22 May 2021
- continued audits of hormonal growth promotant suppliers in Katherine and Darwin in the Northern Territory, and Atherton, Mareeba, Malanda, Townsville, and Charters Towers in Queensland.

During 2020–21 we developed and reviewed remote auditing and hybrid audit models to ensure continued supply of ingredients and products to stakeholders during COVID-19 restrictions.

We strengthened our stakeholder engagement and worked towards an agreed approach to auditing during the pandemic, which contributed positively to achieving this activity.

Case study: Introducing remote and hybrid auditing models

An audit against a GMP standard is required to provide sufficient evidence for the APVMA to assess whether the legislative requirements in relation to GMP have been satisfied.

The GMP compliance assessment for manufacturers of veterinary chemical products was extended by up to 12 months as a result of COVID-19 restrictions. In response to this, we developed and implemented remote and hybrid auditing models that complied with the APVMA GMP Audit Procedure, which enabled the safe conduct of GMP compliance audits and ensured manufacturers and manufacturing sites remained compliant with legislative requirements.

To support the assessment of these sites, we:

- conducted workshops to work with auditors and manufacturers to identify the best ways to move forward with audits
- developed risk-based audit options (in-person, remote or hybrid) for manufacturers
- streamlined the acceptable evidence manufacturers could produce to demonstrate compliance with GMP, further increasing our use of international assessments and documentation in support of compliance assessments
- conducted desk assessments of all licenced manufacturers to prolong the inter-audit interval where appropriate, to support the Australian biosecurity initiatives to prevent the spread of COVID-19
- finalised training of new auditors, including witness audits, to ensure sufficient auditors to manage workload.

The parameters we developed for conducting remote or hybrid audit ensured the appropriate options were made available to domestic and international audits throughout the pandemic.

By the end of the reporting period we had initiated 93 new audits and completed 60 audits, including domestic and international manufacturing sites.

The remote and hybrid auditing models contributed to:

- the Australian industry retaining supply chains that otherwise might have been disrupted, and increased the number of supply chains available while maintaining confidence in the assessments of these sites in supplying Australian manufacturers and holders
- enabling the assessment of overseas manufacturers of veterinary chemicals and ingredients for the production of veterinary chemicals in Australia
- maintaining trade with existing and new overseas suppliers, thereby ensuring sufficient ingredients for the production and supply of veterinary chemicals in Australia
- enabling the audit of low-risk domestic manufacturers to ensure business continuity and confidence in the Australian GMP program.

Activity	Promote compliance with regulatory requirements educating holders and stakeholders about legislation
Measure	Stakeholder engagement activities are commenced, progressed and concluded as per program plans
Source	Operational Plan 2020–21
Result	Performance met expectations

We continued our engagement with stakeholders to promote compliance with regulatory requirements and education about the legislation.

We conducted the following stakeholder engagement activities during the 2020–21 reporting period:

- The APVMA Consultative Forum with representatives from key industry groups, including Accord, Animal Medicines Australia (AMA), CropLife, the National Farmers' Federation (NFF), and the Veterinary Manufacturers and Distributors Association (VMDA).
- The APVMA Cost Recovery Working group with representatives from key industry groups, including Accord, AMA, CropLife, the NFF, the VMDA and DAWE.
- The MLS – ILC Forum with representatives from key industry groups, including AMA, the Feed Ingredients and Additives Association of Australia and the VMDA.
- The quarterly Interagency Regulators Forum with state and territory entities, including chemical coordinators, environmental protection agencies and departments of primary industry and health, to promote compliance with regulatory requirements and uphold the intent of the Intergovernmental Agreement.
- The Registration Liaison Forum with state and territory chemical coordinators.
- The APVMA Users Forum with key industry user groups, including the Aerial Application Association of Australia, Australian Meat Industry Council, Ausveg, Cattle Council of Australia, Grain Producers Australia (GPA), Grain Trade Australia, Growcom and Hort Innovation.
- Participation in agricultural field days continued to highlight the importance of compliance with regulatory requirements and to educate stakeholders about the legislation. This year we attended a COVID-safe field day hosted by Primex with 30,000 attendees.

See the *Consultation and collaboration* section of this Annual Report for more information.

Chapter 4

Corporate governance and management

Corporate governance and management

Corporate and operational plans

The APVMA's planning and reporting requirements are set out in the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Agricultural and Veterinary Chemicals (Administration) Act 1992* (Administration Act).

Our primary planning document is the APVMA Corporate Plan, which defines the principal objectives of the APVMA and outlines the strategies to achieve these objectives.

In addition, each year we develop an Operational Plan that sets out the actions needed to achieve the objectives in the Corporate Plan. We measure our operational effectiveness annually through the performance indicators in the Operational Plan and the PBS.

Governance

As a corporate Commonwealth entity under the PGPA Act, the APVMA is a body corporate with a separate legal personality from the Commonwealth and can act in its own right exercising certain legal rights, such as entering into contracts and owning property. The CEO is the accountable authority for purposes of the PGPA Act and is appointed by the minister.

Details of the accountable authority during the reporting period are provided in Table 14.

Table 13: Accountable authority

		Period as the accountable authority	
Name	Position held	Date of commencement	Date of cessation
Dr C Parker	Chief Executive Officer	13 November 2017	16 August 2020
Ms L Croft	Acting Chief Executive Officer	17 August 2020	7 October 2020
Ms L Croft	Chief Executive Officer	8 October 2020	8 October 2025
Dr J Lutze	Acting Chief Executive Officer	11 January 2021	26 January 2021

Table 14: Details of the APVMA's accountable authority in 2020–21

Name	Ms Lisa Croft
Qualifications	Bachelor of Communications (Public Relations), University of Canberra
Experience	Ms Lisa Croft was appointed Chief Executive Officer of the Australian Pesticides and Veterinary Medicines Authority on 8 October 2020. Prior to her appointment as Chief Executive Officer, Ms Croft served as the APVMA's Deputy Chief Executive Officer from February 2018. Before joining the APVMA, Ms Croft held senior positions within the Department of the Prime Minister and Cabinet and the Department of Families, Community Services and Indigenous Affairs working in areas of grant and project management, service delivery, Commonwealth state relations, policy design and stakeholder engagement. Ms Croft spent almost a decade working in Indigenous Affairs and remote service delivery and was awarded the Institute of Chartered Accountants Leadership in Government Award for her work on the National Partnership Agreement on Remote Indigenous Housing. Prior to this Ms Croft held a number of Executive-level roles with the Australian Greenhouse Office, including strategic communications and media relations, international liaison and policy design.

The CEO is responsible for the governance and management of the APVMA, with the support of the Executive (see Chapter 2) and the Audit Committee (see Table 15). The CEO is also responsible for delivering against the performance measures listed in our planning documents.

Our governance structure aligns accountabilities to ensure decision making delivers best-practice scientific assessment and operational effectiveness.

Governance committees

Our governance committees adhere to the principles of public sector governance to provide accountability, transparency, integrity, stewardship, efficiency and leadership and are listed in Table 15.

Table 15: APVMA governance committees

Committee	Description
Executive Committee	The Executive Committee (EC) supports the CEO to lead, govern and set the strategic direction for the APVMA. The EC provides advice to the CEO on the appropriateness of the APVMA's decision-making processes and oversight and reporting arrangements, and helps to ensure the agency delivers efficient and effective regulation while complying with the law, regulations, published standards and community expectations of probity, accountability and openness. Previously known as the Executive Leadership Team (ELT), the Senior Leadership Team and Change Management and Science Quality Committee's reported to ELT before it underwent a restructure in September 2020. On 8 September 2020, the Change Management and Science Quality Committee's were disestablished and the responsibilities subsumed by the EC.
Audit Committee	The Audit Committee reports to the CEO and assists the agency to discharge its responsibilities under the PGPA Act and the Administration Act regarding financial reporting, performance reporting, risk oversight and management, internal control and compliance with relevant laws and policies.
Staff Consultative Committee	The Staff Consultative Committee provides a framework to allow employees to be consulted on significant decisions that affect their working lives and thereby contribute to a more efficient and productive organisation while enhancing the quality of the working life of individual employees.
Work Health and Safety Committee	The Work Health and Safety Committee provides a framework to allow workers to be consulted on significant work, health and safety decisions that affect their working lives. Consultation contributes to a safe and healthy workplace while enhancing the quality of the working life of individual workers.

Staff guidance

We develop and publish guidance material to support operational effectiveness and help our staff adhere to the public sector values to be impartial, committed to service, respectful, accountable and ethical.

Guidance material includes policies relating to security, appropriate management of confidential information, financial and procurement practices, use of social media, conflicts of interest, travel, performance management and workplace safety. These policies operate in line with, and in addition to requirements under the APS Code of Conduct and legislative framework governing the conduct of APS employees.

In addition to our guidance material, the APVMA Core Training Policy requires all staff to complete training covering topics such as the APS ethical and legal framework, risk management, security, workplace diversity, and APS values and principles. This training ensures we fulfill our legislative obligations and that staff comply with the APS Code of Conduct and Values set out in the *Public Service Act 1999*.

Audit Committee

The Audit Committee provides independent assurance and advice to the CEO on our accountability and control framework – particularly those aspects concerning performance and financial reporting and systems relating to risk and control.

The Audit Committee Charter is available on our website at apvma.gov.au/node/9526.

The Audit Committee met 4 times in 2020–21.

In 2020–21 the Audit Committee had 3 external members (including the independent Chair). Committee observers and advisers can include representatives from the Australian National Audit Office (ANAO), the internal auditor, and APVMA management representatives.

Table 16 provides detail about Audit Committee members during the 2020–21 reporting period.

Table 16: 2020–21 Audit Committee membership and attendance

Member name	Qualifications, knowledge, skills or experience (including formal and informal as relevant)	Number of meetings attended/ total number of meetings	Total annual remuneration (incl GST) ($)

Peter Hoefer (Chair, independent member)	• Masters in Business Systems and Fellow with the following bodies:
	  ◦ CPA Australia
	  ◦ Australian Institute of Company Directors and the Australian Computer Society
	• Management consulting experience across regulatory agencies and cost recovery, financial management, risk management, ICT and corporate and business systems
		4	10 000.00

Narelle Sheppard (independent member)	• Certified Internal Auditor • Certified Government Auditing Professional • Certification in Risk Management Assurance • Certified Practicing Accountant, Bachelor of Financial Administration • Fellow of the Institute of Internal Auditors ◦ Australia and of CPA Australia • Over 12 years' private sector experience and 17 years' federal government experience in external audit, financial accounting, internal audit and consulting. Experience includes working within other regulatory bodies, including the Levies Revenue Service at the Department of Agriculture, Water and the Environment	4	13 727.80

Member name	Qualifications, knowledge, skills or experience (including formal and informal as relevant)	Number of meetings attended/ total number of meetings	Total annual remuneration (incl GST) ($)
Darren Schaeffer (independent member)	• Graduate of the Australian Institute of Company Directors • Fellow Certified Practicing Accountant (FCPA) • ACT CPA Divisional Council (2016–18) • Professional Doctorate in Business Administration (Research) – current • MBA (Public Sector Administration) • BBus (Accounting), DipFinPlan • Institute of Internal Auditors ◦ Certified Government Auditing Professional • Director, Curijo Pty Ltd • CFO, Department of Agriculture, Fisheries and Forestry (2008–13) • Public Sector Management Boards • CFO, Department of Environment and Water Resources (2005–08)	4	6 600.00

Related entity transactions

The APVMA procured goods and services from the related entities listed in Table 17 during 2020–21.

See *Chapter 5 – Consultancies* for further details on the APVMA's decision making processes.

Table 17: Related entity transactions

Related entity	No. of transactions	Total amount ($)
Department of Agriculture, Water and the Environment	6	174 518.40
Comcare	1	104 529.50
Comcover	2	88 926.30
Australian Government Solicitor	9	61 727.05
Department of Defence	13	42 693.02
Department of Finance	4	33 525.58
Australian Public Service Commission	9	31 414.00
Comsuper	1	19 322.00

Related entity	No. of transactions	Total amount ($)
Department of Foreign Affairs and Trade	27	18 999.00
Department of Employment, Skills, Small and Family Business	1	9 437.97
Australia Post	12	5 177.05
Attorney-General's Department	1	3 899.28
Australian Federal Police	11	1 344.00
Department of Infrastructure, Transport and Regional Development and Communications	1	1 214.04
Total	**98**	**596 727.19**

Consultation and collaboration

Effective consultation with our stakeholders is an essential component in supporting us to achieve our purpose and corporate objectives.

Stakeholder consultation is also a mandatory requirement for cost recovered agencies and guides our work to support Australia's National Registration Scheme and ensure the safety of people, animals and the environment. We collaborate with stakeholders from the agvet industry, government and the community and encourage transparent and timely consultation to facilitate their feedback in our decision-making processes.

In September 2020 we published our Stakeholder Engagement Framework that sets out our strategic approach to stakeholder consultation and collaboration for the 2020–23 period.

In March 2021 we conducted our Client and Stakeholder Survey to seek feedback from stakeholders about their level of satisfaction with our performance and service delivery. The results of the survey provided us with an updated benchmark to assist with measuring performance, provided insights into what is working well and identified opportunities for improvement. A summary of the results from the 2021 survey, which indicated the overall level of stakeholder satisfaction with our performance has significantly improved, is available on our website at apvma.gov.au/node/82776.

At the conclusion of the 2020–21 reporting period we had conducted 27 public consultations on a range of topics, including Trade Advice Notices and Public Release Summaries.

In addition to ongoing informal engagements, the APVMA continued to engage with stakeholders in key forums throughout the reporting period (see Table 18).

Table 18: APVMA participation in stakeholder engagement forums

Meeting	Purpose	Date	Participants
Agvet Chemical Minor Use Prioritisation Forum	To develop a priority list of agvet chemical needs to inform DAWE's assistance grants program	• 16 Nov 2020	• DAWE (Convenor) • Representatives from industry
APVMA Consultative Forum	To consult with and involve stakeholders to ensure their issues and concerns are understood and considered, and educate stakeholders on our regulatory activities	• 18 Aug 2020 • 9 Feb 2021	• Representatives from peak industry bodies
APVMA User Forum	Liaison and high-level discussion with agvet product user groups	• 24 May 2021	• Representatives from user groups
Cost Recovery Working Group	To seek feedback and input from industry stakeholders on our cost recovery framework	• 26 Aug 2020 • 17 Dec 2020	• DAWE • Representatives from peak industry bodies
Harmonised Agvet Chemicals Control of Use Task Group	To consult with state and territory regulators to ensure their issues and concerns are understood and considered, and to share APVMA activities	• 18 Jun 2021	• DAWE (Convenor) • Representatives from state and territory regulators
Jurisdictional Spray Drift Working Group	To develop and implement spray drift policies	• 17 Nov 2020	• DAWE • Representatives from state and territory regulators
Manufacturers' Licensing Scheme – Industry Liaison Forum	To seek feedback and input from veterinary chemical product manufacturers on issues such as remote auditing during COVID-19	• 21 Sep 2020 • 26 Nov 2020 • 7 Dec 2020 • 21 Jun 2021	• Representatives from veterinary chemical product manufacturers
Manufacturing Quality and Licensing Auditor Updates	To improve audit process, outcomes and opportunities for remote and hybrid audits	• Commenced Mar 2021	• APVMA Auditors

Meeting	Purpose	Date	Participants
Registration Liaison Forum	To discuss common issues across the Commonwealth and the jurisdictions	• 4 Nov 2020 • 3 Feb 2021 • 5 May 2021	• DAWE • Representatives from state and territory regulators
Regulatory Science Network	To discuss regulatory science issues and improve interagency cooperation Presentation on antimicrobial resistance and pesticide registration	• Ongoing participation • 4 Nov 2020	• Representatives from Commonwealth chemical regulators
Veterinary Immunobiologicals Working Group	To discuss updated guidelines for autogenous vaccines	• 2 Sep 2020	• Representatives from industry
Veterinary Labelling Code presentation and workshop	To build a shared awareness and understanding of labelling issues	• 27 May 2021	• Representatives from peak industry bodies

International engagement

We continued our program of international engagement in 2020–21, participating in key international scientific and regulatory forums (see Table 19) and hosting international visitors to the APVMA (see Table 20).

Table 19: APVMA participation in international forums

Meeting	Contribution	Date
Asia Pacific Association for Regulatory Science Steering Committee	Participant	• Monthly from 12 Oct 2020
Asia-Pacific Economic Cooperation Workshop on Enforcement of Pesticide Maximum Residue Limits	Participant	• 16 to 17 Dec 2020
Bayer Operator Standards Workshop	Participant	• 22 to 23 Apr 2021
Center of Excellence in Regulatory Science in Agriculture Unmanned Application Systems Spray Drift Workshop	Participant	• 2 to 4 Dec 2020
Codex Committee on Pesticide Residues electronic working groups	Australian Representatives	• Ongoing participation
Codex Committee on Residues of Veterinary Drugs in Foods electronic working groups	Australian Representatives	• Ongoing participation

Meeting	Contribution	Date
Discussion of cannabidiol and hemp use with the Canadian Veterinary Drugs Directorate	Participant	• 14 May 2021
FAO/WHO Joint Meeting on Pesticide Specifications	Participant	• 12 to 16 Oct 2020 • 24 to 29 Jun 2021
FAO Meeting on Highly Hazardous Pesticides Information	Participant	• 15 Jan 2021
Good Manufacturing and Distribution Practice International Working Group Meeting	Member	• 11 Sep 2020 • 24 Nov 2020 • 2 to 5 Mar 2021 • 22 to 25 Jun 2021
Government-Industry Global Joint Review meeting (convened by Health Canada Pest Management Regulatory Agency)	Participant	• 29 Jun 2021
Health and Environmental Sciences Institute (HESI)	Expert	• Ongoing
HESI Risk21 Scientific Advisory Board Meetings	Member	• 22 Sep 2020 • 5 May 2021
HESI Transforming the Evaluation of Agrochemicals Committee Meeting	Member	• 2 Feb 2021
Health Canada Pest Management Regulatory Agency Cooperation	Participant	• Ongoing participation
International Regulator Forum	Chair	• Ongoing participation
Introductory meeting on the World Organization for Animal Health-International Criminal Police Organization Emergency Management Exchange Programme	Participant	• 10 Feb 2021
Joint FAO/WHO Meeting of the Working Party of Chemicals, Pesticides and Biotechnology and the Chemicals Committee/Chemicals and Biotechnology Committee	Member	• 5 to 6 Nov 2020 • 8 to 10 Jun 2021
Joint FAO/WHO Meeting on Pesticides Residues – Residues	Expert	• Ongoing participation
Joint FAO/WHO Meeting on Pesticides Residues – Toxicology	Expert	• Ongoing participation
OECD Ad Hoc Expert Group on RNAi-based Pesticides Expert Working Group	Member	• Ongoing participation
OECD Expert Group on BioPesticides	Member	• 28 to 30 Jun 2021
OECD Expert Group on Electronic Exchange of Pesticide Data	Participant	• Ongoing participation

Meeting	Contribution	Date
OECD Expert Group on Integrated Pest Management	Member	• Ongoing participation
OECD Expert Group on Minor Uses	Chair	• Ongoing participation
OECD International Uniform Chemical Information Database User Group Expert Panel	Member	• 2 Oct 2020 • 30 Mar 2021
OECD Drafting Group on Pesticides Residue in Honey	Member	• Ongoing participation
OECD Network on Illegal Trade of Pesticides	Australian Representatives	• Ongoing participation
OECD Residues Chemistry Expert Group (RCEG)	Chair	• Ongoing participation
OECD RCEG Drafting Group on Definition of Residues	Member	• Ongoing participation
OECD Working Group of National Coordinators of the Test Guidelines Programme (WNT)	Participant	• 20 to 23 April 2021
OECD WNT Expert Group on Developmental Neurotoxicity	Member	• Ongoing participation
OECD Working Group on Pesticides - Drones Sub Group	Member	• Ongoing participation
OECD Working Party on Biocides	Member	• 14 to 15 Sep 2020 • 26 May 2021
OECD Working Party on Exposure Assessment	Member	• Ongoing participation
Operation Silver Axe Briefing	Participant	• 20 Jan 2021
Veterinary Medicines International Regulators Meeting	Participant	• Ongoing participation
Veterinary Registration Meetings with New Zealand	Participant	• 20 Aug 2020 • 19 Oct 2020 • 13 May 2021 • 25 May 2021
VICH Anthelmintic Working Group	Member	• Ongoing participation
VICH Australia/New Zealand	Participant	• 2 Nov 2020
VICH Biologicals Expert Working Group	Expert	• Ongoing participation
VICH Combination Products Guidelines Expert Working Group	Expert	• Ongoing participation
VICH Coordinators Meeting	Participant	• 10 Feb 2021
VICH Extraneous Virus Testing Subgroup Initiation Meeting	Participant	• 19 Apr 2021

Meeting	Contribution	Date
VICH Medicated Premixes Taskforce	Expert	• Ongoing participation
VICH Pharmacovigilance Expert Working Group	Expert	• Ongoing participation
VICH Safety Expert Working Group	Expert	• Ongoing participation
VICH Steering Committee	Observer	• 16 to 19 Nov 2020 • 25 Feb 2021 • 21 Jun 2021

FAO = Food and Agriculture Organization of the United Nations; OECD = Organisation for Economic Co-operation and Development; VICH = International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products; WHO = World Health Organization

Table 20: APVMA engagement with visiting international delegations

Meeting	Date
Visit from a representative of the Government of the People's Republic of Bangladesh	16 Feb 2021

Advertising and market research

We did not undertake any advertising or market research in 2020–21.

Obtaining information from subsidiaries

We have no subsidiaries.

Accountability

Corporate risk management

The APVMA Risk Management Framework and Policy details how we engage with and manage risk to support our role as the regulator of agvet chemicals in Australia.

The Risk Management Framework and Policy has been developed to meet the requirements of section 16(a) of the PGPA Act and the Commonwealth Risk Management Policy issued by the Department of Finance. It follows the international standard on Risk Management — ISO 31000:2018 and articulates our:

- policy for the management of risk
- methodology used in the assessment of risk across the APVMA
- operation of risk registers and the integration of risk management through the APVMA
- strategies to develop a risk-aware organisational culture where proactive risk management is at the forefront of the decision making process.

The APVMA Risk Appetite and Tolerance Statement describes our attitude towards risk taking and details the level of risk we are willing to accept per individual risk. In conjunction with the Risk Management Framework and Policy, this statement supports the effective engagement with risk and ensures all staff understand what constitutes acceptable risk taking in both our day-to-day work and in achieving our strategic priorities.

In February 2021, BellchambersBarrett conducted an internal audit to assess the design adequacy and operating effectiveness of the APVMA's Risk Management Framework. The audit identified we have a strong risk management approach, which is fit-for-purpose for an agency of our size and complexity, and confirmed we are managing risks associated with COVID-19 in a manner consistent with our documented risk management approach.

Fraud control

We have a fraud control plan that complies with the Commonwealth Fraud Control Guidelines. The plan includes fraud prevention, detection, investigation, reporting and data collection procedures. The appropriateness of the fraud control plan and risk register are considered by our Audit Committee. We conduct regular fraud risk assessments as required under the fraud control plan.

Reporting

The APVMA Gazette lists all notices and decisions required under the Agvet Code, including registrations, reviews and changes to registration status. The Gazette is published fortnightly and is available on our website at apvma.gov.au/news-and-publications/publications/gazette.

We publish regular reports that assess our performance in meeting regulatory timeframes and present a range of statistics, including:

- registration of chemical products
- approval of active ingredients
- issuance of permits
- licensing and audit of veterinary manufacturers
- preliminary assessment and pre-application assistance.

The reports include:

- the number of applications started and finalised
- the proportion of applications finalised within legislative timeframes
- work in progress at the end of the period.

Our performance reports can be accessed on our website at apvma.gov.au/node/26876.

Table 21 provides an overview of activities related to our regulatory decisions within the reporting period.

Table 21: Activities related to APVMA regulatory decisions

Type of regulatory decisions	Commenced	Finalised/issued	In progress
Pre-application assistance	244	169	39
Product registration – pesticides	1 336	1 466	387
Product registration – veterinary medicines	1 008	1 051	230
Permits	580	622	248
Actives	263	307	143
Items 8L, 8M, 8P	1 004	826	210
Technical assessment (Item 25)	12	11	9
Notifiable variations	1 011	1 011	0
Import consents	697	674	5
Certificates of export	479	492	21
Total	**6 634**	**6 629**	**1 292**

A description of these regulatory decisions (application types) is available on our website at apvma.gov.au/node/89926.

Chemical review

The APVMA has powers under Part 2, Division 4 of the *Agricultural and Veterinary Chemicals Code Act 1994* (the Agvet Code) to conduct reviews of registered chemicals.

In September 2020, the reconsideration of 2,4-D was finalised and prior labels cancelled.

Our review of chlorpyrifos was progressed during 2020–21. Following a one-year suspension period, action was taken in July 2020 to cancel chlorpyrifos product registrations with combined agricultural and home garden or domestic uses on product labels, if applications had not been made to remove cancelled uses.

Public consultation was undertaken to seek information from interested stakeholders about use patterns for anticoagulant rodenticide products. This consultation closed in July 2020 and the summary of submissions was published in September 2020.

Technical work was completed for 3 reconsiderations (molinate, procymidone and malathion), with proposed regulatory decisions intended to be published in the first half of the 2021–22 financial year.

No reconsiderations were commenced during the 2020–21.

No actions were taken under section 99 of the Schedule to the Agvet Code during the reporting period.

Adverse Experience Reporting Program

The Adverse Experience Reporting Program (AERP) is a post-registration program that assesses reports of adverse experiences associated with the use of a registered agvet chemical product.

We record, assess and classify adverse experiences to detect uncommon events not evident during the initial registration process of a product. The program provides a means of facilitating regulatory action that may be necessary to ensure the continued safety, quality and effectiveness of registered products.

Anyone can report an adverse experience to the AERP – for example, farmers, pet owners, gardeners, veterinarians or the general public. One adverse incident may be reported multiple times – for example, the vet, pet owner and registrant may all report the same incident.

In 2020–21 we processed 7,366 adverse experience reports. The total number of reports received includes duplicate reports, reports classified as unrelated to the registered product, and non-serious reports.

Table 22: Summary of adverse experience reports received by the APVMA in 2020–21

Type of reports	Number of reports received	Percentage of total reports
Duplicate, unrelated, and non-serious reports	6 357	86%
Serious incidences related to registered products	1 009	14%
Total reports	**7 366**	**100%**

Table 23: Summary of serious adverse experience reports received in 2020–21 by classification

Classification	Number of reports	Percentage of total
Animal health	543	54%
Crop health	3	<1%
Efficacy	360	36%
Environment	31	3%
Human	72	7%
Total serious reports	**1 009**	**100%**

AERP data was used to inform registration and permit applications, compliance matters and chemical review processes.

Standards

During the 2020–21 reporting period there were no standards made or varied by the APVMA under section 6E of the Schedule to the Agvet Code.

Ecologically sustainable development and environmental performance

In 2020–21 the APVMA's ECONet group, a voluntary network of staff who encourage and promote environmentally friendly office practices, diverted further waste from landfill by implementing a 10 cent 'return and earn' recycling program for cans and bottles in the Canberra office (already implemented in the Armidale office) and composting in the Armidale office through Armidale Regional Council's City to Soil program.

We strive to be a 'paperless office' and use an electronic document and records management system to reduce the amount of paper and printer consumables used within our offices.

Our office buildings are also installed with low-power LED motion-activated lighting to improve our energy efficiency, and meeting rooms are equipped with videoconferencing capabilities to minimise travel.

Privacy

We adhere to the *Privacy Act 1988* and the Australian Government Agencies Privacy Code (the Code). Our Privacy Policy is published on our website at apvma.gov.au/node/59876.

One Privacy Impact Assessment was conducted in 2020–21 and an audit of our privacy processes against the agency's obligations under the Code did not identify any compliance gaps.

Our operations were not subject to any report or determinations by the Privacy Commissioner in 2020–21.

Indemnities and insurance premiums

The APVMA's insurance with Comcover includes liability cover up to $150 million for general liability, professional indemnity, and directors' and officers' liability. The insurance premium paid to cover the 2020–21 financial year was $88,926.30 (including GST).

Judicial decisions and reviews by outside bodies

Parliamentary committees and other reviews

In September 2020 we appeared before the House of Representatives Standing Committee on the Environment and Energy public hearing inquiry into the problem of feral and domestic cats in Australia.

We appeared before the Senate Estimates Rural and Regional Affairs and Transport Legislation Committee hearings on 22 October 2020 (budget) and 27 May 2021 (budget).

In November 2020 we appeared before the Senate Standing Committee on Community Affairs public hearing inquiry into the investigation of a possible cancer cluster in the Bellarine Peninsula, Victoria.

Auditor General's reports

The ANAO did not publish any Auditor General's reports on our operations in 2020–21.

Administrative Appeals Tribunal

We were named as the respondent in 3 applications before the Administrative Appeals Tribunal lodged during the 2020–21 reporting period.

Two of these applications sought review of our decisions to issue recall notices pursuant to sections 101 and 103 of the Schedule to the Agvet Code.

The third application sought review of our decision to refuse an application for extension of an emergency use permit pursuant to section 115 (3B) of the Agvet Code.

Each of these matters remained in progress at 30 June 2021.

Federal Court

On 15 December 2020 an application was made to the Federal Court of Australia, which sought judicial review of our internal review decision on 20 November 2020 to affirm our original decision under section 41 of the Agvet Code to cancel the approvals of certain swimming and spa pool sanitiser products containing hydrogen peroxide and polyhexanide hydrochloride.

In February 2021 we signed orders consenting to the setting aside of both the internal review and original decisions to cancel the relevant products on natural justice grounds.

Chapter 5
Financial performance

Financial performance

Summary of financial performance

Tables 24 to 27 provide an overview of our financial performance for 2020–21. Full details are in the audited financial statements on the following pages.

Income

The APVMA's total income for 2020–21 was $43.423 million (Table 24) and incorporates relocation and Enabling Technologies funding.

Table 24: APVMA income, 2020–21

Income source	Income ($'000)	%
Receipts from industry		
Levies	20 089	46.26%
Application fees	8 449	19.46%
Annual fees (renewal fees)	7 311	16.84%
Other receipts from industry	2 980	6.86%
Parliamentary appropriation	4 400	10.13%
Other revenue	194	0.45%
Total income	**43 423**	**100.00%**

Table 25: Agency Resourcing Statement, 2020–21

Resourcing description	Actual available appropriation for 2020–21 ($'000)	Payments made in 2020–21 ($'000)	Balance remaining in 2020–21 ($'000)
Ordinary annual service department expenses			
Previous year unspent ordinary appropriations	19 471	19 471	–
Departmental appropriations	4 400	(14 452)	18 852
Revenue from independent sources	194	194	–
Total departmental appropriations	**24 065**	**5 213**	**18 852**
Special appropriations			
Unspent special appropriations from previous years	12 229	12 229	–
Special appropriations collected	38 829	16 467	22 362
Total special appropriations	**51 058**	**28 696**	**22 362**
Total resourcing and payments	**75 123**	**33 909**	**41 214**

Expenditure

Total operating expenses for 2020–21 were $36.385 million (Tables 26 and 27).

Table 26: APVMA expenditure, 2020–21 (including comparison with PBS)

Individual lines of expenditure	2020–21 actual expenditure ($'000)	% of expenditure	2020–21 budget (per PBS) ($'000)
Employee benefits	23 894	65.67%	23 753
Supplier expenses	9 471	26.03%	13 432
Depreciation, amortisation and impairment of assets	2 829	7.78%	3 537
Other	191	0.52%	201
Total expenditure	**36 385**	**100.00%**	**40 923**

Table 27: 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	2020–21 Budget ($'000)	2020–21 Actual ($'000)	2020–21 Variance ($'000)	2019–20 Actual ($'000)
Program 1.1 (APVMA) Department expenses				
Ordinary annual service (Appropriation Bill 1)	4 400	4 400	-	23 430
Revenue from independent sources	509	194	315	226
Special appropriation	36 014	31 791	4 223	17 498
Total expenses for Outcome 1	**40 923**	**36 385**	**4 538**	**41 154**

Equity

The APVMA recorded a net operating surplus of $7.038 million for 2020–21, resulting in an equity balance at 30 June 2021 of $40.346 million.

Audit results

The APVMA achieved an unqualified audit result and there were no adverse findings.

Financial reserve

The APVMA's revenue is primarily received as levy payments in December and June and registration payments in May. Subsequently, the APVMA receives the majority of its revenue at 3 times during the year. Unrestricted cash holdings can exceed $9 million at various stages through the financial year.

To manage this, the APVMA monitors daily cash balances to ensure cash is available to pay creditor expenses, particularly during times when the cash balances are reducing in the months when income is not anticipated.

The APVMA operates to keep the unrestricted cash level above $9 million as an operating reserve (an equity position of $9 million is equivalent to 3 months' operating expenses).

Consultancies

In 2020–21 the APVMA entered in to 4 new consultancy contracts totalling $0.454 million (including GST), of which $0.118 million was expended. The consultancies related to information services and the Enabling Technologies program.

In addition, 2 ongoing consultancy contracts from previous years were active, involving expenditure of $0.057 million (incl GST).

Selection processes are described in terms drawn from the Commonwealth procurement guidelines. 'Direct sourcing' refers to a selection process in which neither a tender nor a panel was used. In these situations the APVMA obtained multiple quotes, the number of which was determined by the value of the procurement.

APVMA procedures outline the number of quotes required (see Table 28). Exemptions to these requirements may be approved in some circumstances.

This Annual Report contains information about actual expenditure on contracts for consultancies (see Table 17). Information on the value of contracts and consultancies is available on the AusTender website.

Table 28: Purchasing – number of quotes required

Purchase limit for goods/services	Quotes required
to $2 000	1 quote
$2 001 to $10 000	2 written quotes
$10 001 to $100 000	3 written quotes
$100 001 to $400 000	High-value procurement procedures
$400 000 and over	Tender

ANAO Letter

INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture and Northern Australia

Opinion

In my opinion, the financial statements of the Australian Pesticides and Veterinary Medicines Authority ('the Entity') for the year ended 30 June 2021:

(a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2021 and for the year then ended:

- Statement by the Accountable Authority and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising an Overview, Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707 CANBERRA ACT 2601
38 Sydney Avenue FORREST ACT 2603
Phone (02) 6203 7300 Fax (02) 6203 7777

Auditor's responsibilities for the audit of the financial statements

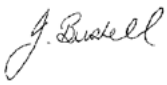
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Josephine Bushell
Senior Director

Delegate of the Auditor-General

Canberra
6 September 2021

Statement by the accountable authority and the Chief Financial Officer

Australian Government
Australian Pesticides and Veterinary Medicines Authority

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND THE CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Pesticides and Veterinary Medicines Authority (APVMA) will be able to pay its debts as and when they fall due.

Signed .....

Lisa Croft
Chief Executive Officer

6 September 2021

Signed .....

Keith A Lockyer
Chief Finance Officer

6 September 2021

Financial statements

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2021

	Notes	2021 $'000	2020 $'000	Original Budget 2021 $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	**23 894**	23 352	23 753
Suppliers	1.1B	**9 471**	14 075	13 432
Depreciation and amortisation	2.2A	**2 829**	3 520	3 537
Finance costs	1.1C	**191**	207	201
Total expenses		**36 385**	41 154	40 923
Own-Source Income				
Own-source revenue				
Other revenue	1.2A	**194**	217	509
Total own-source revenue		**194**	217	509
Gains				
Gains from sale of assets		**-**	9	-
Total gains		**-**	9	-
Total own-source income		**194**	226	509
Net cost of services		**36 191**	40 928	40 414
Revenue from government	1.2B	**43 229**	57 239	40 113
Surplus/(Deficit)		**7 038**	16 311	(301)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to profit and loss				
Change in asset revaluation surplus		**-**	(557)	-
Total other comprehensive income		**-**	(557)	-
Total Comprehensive income/(loss)		**7 038**	15 754	(301)

The above statement is to be read in conjunction with the accompanying notes.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2021

Budget Variance Commentary:

Commentary is provided for major variances between the actual amounts and the original budget. Variances are considered to be 'major' (or significant) where:
(a) for items in the Statement of Financial Position, the variance between budget and actual is greater than +/-10% of the budget and greater than $250,000 for the line item
(b) for items in the Statement of Comprehensive Income, the variance between budget and actual is greater than +/-2% of expenses.

Variance explanations are also provided where major changes to business activities may not be numerically material, but by their very nature will assist users in understanding underlying business changes that have occurred since the original budget was released.

Statement of Comprehensive Income

Supplier expenses are $3.961 million (29.49%) under budget as reported in the Portfolio Budget Statements. The variation is mainly due to the expenditure for the Enabling Technologies Program, to stabilise and transform our ICT environment. Delays in the project has resulted in this variance.

Depreciation and amortisation reflects the change in accounting estimate, resulting in the decelerated amortisation of the software assets that will be replaced by the outcomes of the Enabling Technologies funded project.

Other revenue was less than originally budgeted due to a decrease in interest received and other revenues.

Revenue from government was $3.116 million (7.77%) over budget, due to higher than budgeted fees and levies collected.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF FINANCIAL POSITION
as at 30 June 2021

	Notes	2021 $'000	2020 $'000	Original Budget 2021 $'000
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	**1 117**	1 736	1 696
Trade and other receivables	2.1B	**40 218**	30 498	31 213
Total financial assets		**41 335**	32 234	32 909
Non-financial assets				
Leasehold improvements[1]	2.2A	**16 764**	18 333	16 862
Property, plant and equipment	2.2A	**692**	1 089	1 931
Intangibles	2.2A	**2 289**	3 177	1 569
Other non-financial assets	2.2B	**624**	419	419
Total non-financial assets		**20 369**	23 018	20 781
Total assets		**61 704**	55 252	53 690
LIABILITIES				
Payables				
Suppliers	2.3A	**1 351**	1 653	460
Other payables	2.3B	**522**	527	910
Total payables		**1 873**	2 180	1 370
Interest bearing liabilities				
Leases	2.4A	**14 289**	15 466	14 466
Total interest bearing liabilities		**14 289**	15 466	14 466
Provisions				
Employee provisions	4.1A	**5 196**	4 298	4 847
Total provisions		**5 196**	4 298	4 847
Total liabilities		**21 358**	21 944	20 683
Net assets		**40 346**	33 308	33 007
EQUITY				
Contributed equity		**6 675**	6 675	6 675
Retained surplus		**33 390**	26 352	26 051
Reserves		**281**	281	281
Total equity		**40 346**	33 308	33 007

The above statement is to be read in conjunction with the accompanying notes.

1. Right-of-use assets are included in Leasehold Improvements.

Budget Variance Commentary:

Statement of Financial Position

Cash and cash equivalents are below budget due to the timing of payments to creditors and drawdown of special appropriation leading up to 30 June 2021.

Trade and other receivables are above budget due to the timing in expenditure for the Enabling Technologies projects and the higher than anticipated industry income. As a result less funds have been drawn down from the special appropriation receivable than planned.

Property, plant and equipment are lower than originally budgeted with lower capital replacements.

The value of intangibles are more than budgeted due to the change in accounting estimate, resulting in the decelerated amortisation of the software assets that will be replaced by the outcomes of the Enabling Technologies Program.

Suppliers and other payables are over budget due to the receipt of a large number of invoices at the end of the financial year.

Employee provisions are above budget due to applying the new shorthand method used for calculating long service leave developed by the Department of Finance. Assumptions around the employee profile were more detailed in the new model which in turn increased the provision.

Retained surplus is higher than anticipated due to expenditure for the Enabling Technologies projects carried over to the 2021-22 financial year and the higher than anticipated industry income.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2021

				Original Budget
		2021	2020	2021
CONTRIBUTED EQUITY	**Notes**	**$'000**	$'000	$'000
Opening balance				
Balance brought forward from previous period		**6 675**	6 675	6 675
Opening balance		**6 675**	6 675	6 675
Closing balance as at 30 June		**6 675**	6 675	6 675
RETAINED SURPLUS				
Opening balance				
Balance brought forward from previous period		**26 352**	8 888	26 352
Adjustment on initial application of AASB 16		**-**	315	-
Adjusted opening balance		**26 352**	9 203	26 352
Comprehensive income				
Surplus/(Deficit) for the period		**7 038**	16 311	(301)
Asset revaluation reserve - no longer required		**-**	838	-
Total comprehensive income		**7 038**	17 149	(301)
Closing balance as at 30 June		**33 390**	26 352	26 051
ASSET REVALUATION RESERVE				
Opening balance				
Balance brought forward from previous period		**281**	838	281
Opening balance		**281**	838	281
Comprehensive income				
Other comprehensive income		**-**	(557)	-
Total comprehensive income		**-**	(557)	-
Closing balance as at 30 June	2.2A	**281**	281	281
TOTAL EQUITY				
Opening balance				
Balance brought forward from previous period		**33 308**	16 401	33 308
Adjustment on initial application of AASB 16		**-**	315	-
Adjusted opening balance		**33 308**	16 716	33 308
Comprehensive income				
Surplus/(Deficit) for the period		**7 038**	16 311	(301)
Other comprehensive income		**-**	281	-
Total comprehensive income		**7 038**	16 592	(301)
Closing balance as at 30 June		**40 346**	33 308	33 007

The above statement is to be read in conjunction with the accompanying notes.

Australian Pesticides and Veterinary Medicines Authority

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2021

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a particular year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Other Distributions to Owners

The Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) requires that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

Budget Variance Commentary:

Statement of Change in Equity

The surplus for the period is higher than anticipated due to expenditure for the Enabling Technologies projects carried over to the 2021-22 financial year and the higher than anticipated industry income.

Australian Pesticides and Veterinary Medicines Authority

CASH FLOW STATEMENT

for the year ended 30 June 2021

	Notes	2021 $'000	2020 $'000	Original Budget 2021 $'000
OPERATING ACTIVITIES				
Cash received				
Agricultural and Veterinary Chemicals (Administration) Act 1992 contribution		**28 696**	32 708	35 137
Corporate Commonwealth entity payment item		**4 400**	5 695	4 400
Net GST received		**1 310**	1 963	1 578
Interest received		**1**	21	50
Other cash received		**165**	196	264
Total cash received		**34 572**	40 583	41 429
Cash used				
Employees		**23 010**	27 635	23 731
Suppliers		**10 083**	18 569	15 237
Interest on lease liabilities		**191**	202	201
Total cash used		**33 284**	46 406	39 169
Net cash flows from operating activities		**1 288**	(5 823)	2 260
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		**191**	604	1 300
Total cash used		**191**	604	1 300
Net cash flows from or (used by) investing activities		**(191)**	(604)	(1 300)
FINANCING ACTIVITIES				
Cash used				
Principal payments of lease liabilities		**1 716**	755	1 000
Total cash used		**1 716**	755	1 000
`		**(1 716)**	(755)	(1 000)
Net increase or (decrease) in cash held		**(619)**	(7 182)	(40)
Cash and cash equivalents at the beginning of the reporting period		**1 736**	8 918	1 736
Cash and cash equivalents at the end of the reporting period	2.1A	**1 117**	1 736	1 696

The above statement is to be read in conjunction with the accompanying notes.

Australian Pesticides and Veterinary Medicines Authority

CASH FLOW STATEMENT
for the year ended 30 June 2021

Budget Variance Commentary:

There was less cash received as there was less drawn down from the special appropriation as a result of a decrease in supplier expenses compared with budget.

The variation in cash used for suppliers is mainly due to the Enabling Technologies Program. The delay in payments for the program has resulted in this variance.

Investment activities have been restricted mainly to the completion of the new fit-out for the new Canberra office.

Australian Pesticides and Veterinary Medicines Authority

OVERVIEW

Objectives of the Australian Pesticides and Veterinary Medicines Authority

The Australian Pesticides and Veterinary Medicines Authority (APVMA) is an Australian Government controlled not-for-profit corporate entity. The APVMA is responsible for the assessment and registration of pesticides and veterinary medicines and for their regulation up to the point of retail sale. The APVMA administers the National Registration Scheme for Agricultural and Veterinary Chemicals (NRS) in partnership with the states and territories along with the active involvement of other Australian Government agencies. Its role is to independently evaluate the safety and performance of chemical products intended for sale, ensuring that the health and safety of people, animals, the environment and trade are protected.

The APVMA was established under the *Agricultural and Veterinary Chemicals (Administration) Act 1992*. Following the introduction of the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014, the APVMA was reclassified as a corporate Commonwealth entity.

Basis of Preparation of the Financial Report

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013.*

The financial statements and notes have been prepared in accordance with:

a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)* ; and

b) Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements, issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The APVMA financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New Australian Accounting Standards

All other new standards, revised standards, interpretations or amending standards that have been issued by the Australian Accounting Standards Board prior to the sign-off date and are applicable to the current reporting period did not have a material impact on the APVMA's financial statements.

Taxation

The APVMA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events After the Reporting Period

There were no subsequent events between balance date and signing of the financial statements that had the potential to significantly affect the ongoing structure and financial activities of the APVMA.

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2021

1.1: Expenses

	2021 $'000	2020 $'000
1.1A: Employee benefits		
Wages and salaries	**17 902**	17 691
Superannuation:		
Defined contribution plans	**2 498**	2 241
Defined benefit plans	**437**	606
Leave and other entitlements	**2 605**	2 044
Separation and redundancies	**-**	326
Other employee benefits	**452**	444
Total employee benefits	**23 894**	23 352

Accounting Policy
Accounting policies for employee related expenses is contained in the people and relationships section.

Note
There were four staff separations expensed in the 2019-20 financial year and recorded under "Separations and redundancies".

Major expenses comprising "Other employee benefits" included costs associated with staff relocation and learning and development costs.

Comparative information
An adjustment has been made in the split of the superannuation expense in the prior year. This has no impact on the net result reported in the comparative figures and has been done to correctly align the actual cost with the budget.

1.1B: Suppliers		
Goods and services supplied or rendered		
Consultants	**845**	781
Contractors	**4 600**	8 606
Travel	**88**	349
IT services	**2 115**	2 456
Other	**1 690**	2 350
Total goods and services supplied or rendered	**9 338**	14 542

Note
"Other" supplier expenses included costs associated with the digitisation of paper files and general office running expenses.

Comparative information
In the current year, the APVMA has re-classified recruitment costs from "Other employee benefits" reported under "Employee benefits" to "Other" reported under Suppliers. This has resulted in a $0.339 million transfer from employee benefits to supplier expenses in the Statement of Comprehensive Income in the prior year. This has no impact on the net result reported in the comparative figures and has been done to correctly align the actual cost with the budget.

Goods supplied	**90**	359
Services rendered	**9 248**	14 183
Total goods and services supplied or rendered	**9 338**	14 542

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2021

1.1: Expenses

	2021 $'000	2020 $'000
Other supplier expenses		
Operating lease rentals	**49**	(575)
Workers compensation premiums	**84**	108
Total other supplier expenses	**133**	(467)
Total supplier expenses	**9 471**	14 075

1.1C: Finance Costs

Interest on lease liabilities	**191**	202
Unwinding of discount	**-**	5
Total finance costs	**191**	207

Accounting Policy
All borrowing costs are expensed as incurred.

Leasing Commitments

The lease at 18 Wormald Street, Symonston, Canberra, was terminated early, in March 2020. The reduced occupancy from 3 June 2019 resulted in a provision for onerous property lease payments of $1.355 million being created which due to the classification as a short term lease under AASB 16 has been written back against rent expense.

Commitment for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	**1 191**	1 202
Between 1 to 5 years	**4 778**	3 848
Over 5 years	**9 631**	11 933
Total operating lease commitments	**15 600**	16 983

Accounting Policy
Where an asset is acquired under a finance lease, the asset is capitalised at either the lease property's fair value or, if lower, the present value of minimum lease payments at the inception of the contract. A liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the lease period. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2021

1.2: Own-Source Revenue, Gains and Revenue from Government

	2021	2020
	$'000	$'000
OWN-SOURCE REVENUE		
1.2A: Other revenue		
Resources received free of charge		
Remuneration of auditors	**54**	54
Other revenue	**140**	163
Total other revenue	**194**	217

Accounting Policy

Resources Received Free of Charge
Resources received free of charge are recognised as revenue when fair value can be reliably determined and the donated services would have been purchased. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Other Revenue
Revenue relating to services to the portfolio department is recognised as income under AASB 1058 when APVMA obtains controls of the cash.

Revenue from the sale of goods is recognised when control has been transferred to the buyer.

Interest revenue is recognised using the effective interest method.

"Other revenue" is predominantly made up of specific services to the portfolio department throughout the 2020-21 financial year.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL PERFORMANCE - This section analyses the financial performance of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2021

1.2: Own-Source Revenue, Gains and Revenue from Government

	2021	2020
	$'000	$'000
REVENUE FROM GOVERNMENT		
1.2B: Revenue from government		
Corporate Commonwealth entity payment item[1]	**4 400**	23 430
Department of Agriculture contribution *Agricultural and Veterinary Chemicals (Administration) Act 1992* (refer below)	**38 829**	33 809
Total revenue from government	**43 229**	57 239

Note

1. $17.735 million of administered funds under Appropriation Bill No. 5 2019-20 was not drawn down but brought to account as revenue and a receivable from government in June 2020.

Department of Agriculture, Water and the Environment contribution is equal to the following fees and charges paid by industry:

Levies	**20 089**	18 553
Annual renewal fee	**7 311**	6 009
Product application fees	**8 449**	6 489
Good manufacturing practice (GMP) licence fees	**901**	1 123
Permits, actives and other fees	**2 039**	1 566
Penalties	**40**	69
Total industry contributions	**38 829**	33 809

Note

Infringement income does not form part of the Department of Agriculture, Water and the Environment (DAWE) contribution, but is returned to the Consolidated Revenue Fund (CRF). Infringement income of $126,000 was not included above for the 2020-21 financial year and is being returned through DAWE to the CRF.

Infringement revenue from prior years totalling $270,200 was recorded previously as Department of Agriculture, Water and the Environment (DAWE) contributions. The APVMA has agreed with DAWE to reduce the Special Appropriation account in the 2021-22 financial year by $270,200 to return the infringements to the CRF.

Accounting Policy

Revenue from government

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment) is recognised as revenue from government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

Fees and Levies

Fees and levies are recognised as income when they are received.

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.1: Financial Assets

	2021 $'000	2020 $'000
2.1A: Cash and cash equivalents		
Cash at bank	**1 117**	1 736
Total cash and cash equivalents	**1 117**	1 736

Accounting Policy

Cash is recognised at its nominal amount.

2.1B: Trade and other receivables

Contribution receivable		
Department of Agriculture, Water and the Environment	**22 362**	12 229
Total contribution receivable	**22 362**	12 229
Other receivable		
Receivable from the Australian Taxation Office	**106**	320
Undrawn appropriation	**17 735**	17 735
Other	**15**	214
Total other receivables	**17 856**	18 269
Total trade and other receivables (gross)	**40 218**	30 498
Less impairment allowance account:		
Goods and services	**-**	-
Total impairment allowance account	**-**	-
Total trade and other receivables (net)	**40 218**	30 498

Credit terms for goods and services were within 30 days.

Accounting Policy

Trade and Other Receivables
Trade and other receivables that have fixed or determinable payments, and are not quoted in an active market, are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method less impairment.

Impairment
Trade and Other Receivables are assessed for impairment at the end of each reporting period.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances for 2021

	Leasehold Improvements[1]	Other P P & E	Computer Software[2]	Total
	$'000	$'000	$'000	$'000
As at 1 July 2020				
Gross book value	**19 412**	**1 089**	**9 441**	**29 942**
Accumulated depreciation and impairment	**(1 079)**	**-**	**(6 264)**	**(7 343)**
Total as at 1 July 2020	**18 333**	**1 089**	**3 177**	**22 599**
Additions:				
Purchase	**173**	**18**	**-**	**191**
Right-of-use assets	**-**	**-**	**-**	**-**
Revaluation recognised in other comprehensive income	**-**	**-**	**-**	**-**
Depreciation and amortisation expense	**(1 526)**	**(415)**	**(888)**	**(2 829)**
Other movements	**(216)**	**-**	**-**	**(216)**
Disposals:				
Disposal	**-**	**-**	**-**	**-**
Accumulated depreciation of disposed assets	**-**	**-**	**-**	**-**
Total as at 30 June 2021	**16 764**	**692**	**2 289**	**19 745**
Total as of 30 June 2021 represented by:				
Gross book value	**19 369**	**1 107**	**9 441**	**29 917**
Accumulated depreciation and impairment	**(2 605)**	**(415)**	**(7 152)**	**(10 172)**
Total as of 30 June 2021 represented by:	**16 764**	**692**	**2 289**	**19 745**
Carrying amount of right-of-use assets	**13 743**	**-**	**-**	**13 743**

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

Notes

1. The carrying amount of right-of-use assets included in leasehold improvements is $13.743 million. The depreciation expense on right-of-use assets during the 2020-21 year was $1.255 million.

The right of use asset was adjusted by $0.216 million as a result of a modification of the lease at Faulding St, Canberra.

2. The carrying amount of computer software includes $0.124 million purchased software and $2.165 million internally generated software.

Revaluations of Non-Financial Assets

On 30 June 2020, an independent valuer conducted the revaluation of non-financial assets. Revaluation increments were credited to equity under the heading of revaluation reserve and decrements were recognised directly through the operating result. The previous revaluation reserve was reversed as the assets relating to the reserve were disposed of during the 2019-20 financial year.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in an exchange and any liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of a restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than $5 000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the APVMA where there exists an obligation to restore the property to its original condition. These costs are included in the value of the APVMA's leasehold improvements with a corresponding provision for 'make good'.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the APVMA has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, GGS and whole of government financial statements.

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

Non-Financial Asset Revaluations

All non-financial assets are initially recognised at cost. Property, plant and equipment are then carried at fair value once they have been revalued in accordance with policy. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. Assets are presently revalued on a three year cycle.

All assets (except for intangibles) were revalued as at 30 June 2020 by an independent valuer.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the operating result. Revaluation decrements for a class of assets are recognised directly through the operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the APVMA using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2021	2020
Leasehold improvements	**Shorter of lease term or useful life**	Shorter of lease term or useful life
Property, plant and equipment	**3 to 15 years**	3 to 15 years

Impairment

Where indications for impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the APVMA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

APVMA commenced work from its new Canberra office in March 2020. Assets from the old Canberra office have been disposed of due to obsolescence or disrepair.

All assets were assessed for impairment at 30 June 2021.

Australian Pesticides and Veterinary Medicines Authority

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Dependent on the outcome of management's assessment of Canberra office space, some items of property, plant and equipment may be sold or disposed of within the next 12 months, but are not material in value.

Intangibles

The APVMA's intangibles comprise internally developed and externally acquired software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the APVMA's software are 3 to 10 years (2019-20: 3 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2021.

The APVMA currently has a project underway to replace its internally developed software with a cloud-based solution. The existing software is expected to be in use until 30 June 2024 which has resulted in a change to the accounting estimate.

FINANCIAL POSITION - This section analyses Australian Pesticides and Veterinary Medicines Authority's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.2: Non-Financial Assets

	2021 $'000	2020 $'000
2.2B: Other non-financial assets		
Prepayments	**624**	419
Total other non-financial assets	**624**	419

No indicators of impairment were found for other non-financial assets.

2.3: Payables

	2021 $'000	2020 $'000
2.3A: Suppliers		
Trade creditors and accruals	**1 351**	1 653
Total supplier payables	**1 351**	1 653

Settlement is usually made within 30 days.

Accounting Policy

Suppliers
Supplier payables are measured at their nominal amounts.

2.3B: Other payables		
Salaries and wages	**515**	518
Superannuation	**7**	9
Total other payables	**522**	527

2.4: Interest Bearing Liabilities

	2021 $'000	2020 $'000
2.4A: Leases		
Lease liabilities	**14 289**	15 466
Total leases	**14 289**	15 466

Total cash outflow for leases for the year ended 30 June 2021 was $1.202 million. There was a modification of the Faulding St, Canberra lease which resulted in a decrease in lease liabilities as at 1 July 2021 of $0.216 million.

Accounting Policy

Refer Overview section for accounting policy on leases.

Australian Pesticides and Veterinary Medicines Authority

FUNDING - This section identifies the Australian Pesticides and Veterinary Medicine's funding structure

3.1: Regulatory Charging Summary

3.1A: Regulatory Charging Summary

The APVMA does not generally receive material funding from the government, but is funded through fees, levies and other charges imposed under various sections of legislation.

The only change to this is when the government funds specific projects to improve and/or enhance the APVMA's ability to perform its legislated functions such as the relocation to Armidale, NSW and the information technology environment refresh.

These fees, levies and charges are credited to a special appropriation created under s 58 (6) of the *Agricultural and Veterinary Chemicals (Administration) Act 1992,* (Agvet Admin Act), which is held and managed by the Department of Agriculture, Water and the Environment (DAWE) for and on behalf of the APVMA.

The purpose of this special appropriation is:

(a) to pay or discharge the costs, expenses or other obligations incurred by the APVMA in the performance of its functions
(b) to make payment of any remuneration and allowances payable to any person under this Act
(c) to make any other payments that the APVMA is authorised or required to make by or under this Act or any other law of the Commonwealth or any law of a state or territory that is expressed to confer functions or powers on the APVMA.

Under s 58 of the Agvet Admin Act, monies received by the APVMA from infringement notices is not to be credited to the special appropriation account. Infringement revenue from prior years totalling $270,200 was recorded previously as DAWE contributions. The APVMA has agreed with DAWE to reduce the Special Appropriation in the 2021-22 financial year by 270,200 to return the infringements to the Consolidated Revenue Fund.

The balance on this account is recorded as a receivable from the Department at Note 2.1B: Trade and other receivables - Contributions receivable.

	2021	2020
	$'000	$'000
Balance carried from previous period	**12 229**	11 128
External revenue:		
Levies, fees and charges	**39 333**	34 401
Available for payments:	**51 562**	45 529
Amounts applied (Drawn down)	**(29 200)**	(33 300)
Balance carried to next period and represented by:	**22 362**	12 229

Documentation (Cost Recovery Implementation Statement) for the above activities is available at: apvma.gov.au/node/4161

The APVMA has implemented a new Cost Recovery Implementation Statement effective 1 July 2020.

PEOPLE AND RELATIONSHIPS - This section describes a range of employment and post employment benefits provided to our people and our relationship with key people.

4.1: Employee Provisions

	2021	2020
	$'000	$'000
4.1A: Employee provisions		
Annual leave	**2 074**	1 690
Long service leave	**3 122**	2 608
Total employee provisions	**5 196**	4 298
Employee provisions are expected to be settled in:		
No more than 12 months	**1 821**	1 624
More than 12 months	**3 375**	2 674
Total employee provisions	**5 196**	4 298

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of the reporting period are measured at their nominal amounts, and reported in Note 2.3B Other payables.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.
The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the 'short-hand method' as outlined in the Resource Management Guide No. 125 - Commonwealth Entities Financial Statements Guide as at 30 June 2021. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation and is discounted using the 10 year bond rate at 30 June 2021.

Superannuation

The APVMA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The entity makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the government. The entity accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2021 represents outstanding contributions.

Australian Pesticides and Veterinary Medicines Authority

PEOPLE AND RELATIONSHIPS - This section describes a range of employment and post employment benefits provided to our people and our relationship with key people.

4.2: Key Management Personnel Remuneration

Key management personnel (KMP) are those persons who comprise the Executive Committee (EC) at anytime throughout the year in either a permanent or acting capacity. The KMP group has the authority and responsibility for planning, directing and controlling the activities of the APVMA, recognising that ultimate responsibility resides with the CEO who is in turn responsible for the APVMA's performance to the relevant Portfolio Minister.

Key management personnel remuneration for the reporting period	**2021**	2020
	$	**$**
Short-term employee benefits	**1 735 774**	2 017 415
Post-employment benefits	**246 069**	285 752
Other long-term employee benefits:	**46 218**	44 299
Terminations	**-**	388 084
Total key management personnel remuneration expenses[1]	**2 028 061**	2 735 550

The total number of key management personnel included in the above table is 14 (2019-20: 12 staff members).
Of these 14 staff, seven individuals held positions for only part of the year (2019-20: five individuals were in this category).

The Chief Executive Officer's remuneration and other benefits are determined by the Remuneration Tribunal, and paid by the APVMA.

The balance of the KMP remuneration and other benefits are determined by the CEO, under s24 of the *Public Service Act 1999* .

Comparative information
Termination benefits have been revised in the comparative amounts for 2019-20 as a result of recognising accrued termination payments. This adjustment is for KMP disclosure only, and does not impact on the net result reported in the Statement of Comprehensive Income.

Note

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

PEOPLE AND RELATIONSHIPS - This section describes a range of employment and post employment benefits provided to our people and our relationship with key people.

4.3: Related Party Disclosures

The APVMA is an Australian Government controlled entity, and is part of the Department of Agriculture, Water and the Environment portfolio. Related parties to this entity are relevant Federal Government Ministers including the Portfolio Minister, the Executive Committee, comprising the Chief Executive Officer, the Deputy Chief Executive Officer, three Executive Directors, the Chief Regulatory Scientist, General Counsel, and other Commonwealth Government entities.

Transactions with related parties:
Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

All transactions with other Commonwealth Government entities have been made under normal terms and conditions and, therefore have not been disclosed separately.

There have been no transactions with related parties this year. All APVMA staff, including the Executive Committee, are required to sign an annual conflict of interest declaration.

Australian Pesticides and Veterinary Medicines Authority

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.1: Contingent Assets and Liabilities

Quantifiable contingencies

The APVMA has no quantifiable contingent liabilities relating to litigation costs. (2019-20: nil)

Unquantifiable contingencies

The APVMA had no unquantifiable contingencies. (2019-20: nil)

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.2: Financial Instruments

	2021 $'000	2020 $'000
5.2A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	**1 117**	1 736
Other sundry debtors	**-**	214
Total Financial assets at amortised cost	**1 117**	1 950
Total Financial assets	**1 117**	1 950
Financial liabilities		
Financial liabilities measured at amortised cost		
Other liabilities		
Trade creditors and accruals	**1 351**	1 653
Other payables	**522**	527
Lease liabilities	**14 289**	15 466
Total financial liabilities measured at amortised cost	**16 162**	17 646
Total financial liabilities	**16 162**	17 646
5.2B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Interest revenue	**1**	21
Net gain/(loss) from financial assets	**1**	21
5.2C: Net gains and losses on financial liabilities		
Financial liabilities measured at amortised cost		
Interest expense	**191**	202
Net gain/(loss) from financial assets	**191**	202

Australian Pesticides and Veterinary Medicines Authority

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.2: Financial Instruments

5.2D: Fair value of financial instruments

The net fair values of cash and cash equivalents, trade receivables and other receivables approximate their carrying amounts.

The net fair values for trade creditors and other liabilities are approximated by their carrying amounts.

AASB 9 contains the requirement for interest revenue to be calculated using the effective interest rate method. Interest revenue recognised by the APVMA is interest received on its bank account. The change in relevant standards and definitions do not have an impact on interest revenue recognised by the APVMA.

Accounting Policy

Financial Assets
With the implementation of AASB 9 Financial Instruments for the first time in 2019, the entity classifies its financial assets in the following categories:
a) financial assets at fair value through profit or loss;
b) financial assets at fair value through other comprehensive income; and
c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost
Financial assets included in this category need to meet two criteria:
1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest(SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method
Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets
Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write off directly reduces the gross carrying amount of the financial asset.

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.2: Financial Instruments

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Australian Pesticides and Veterinary Medicines Authority

MANAGING UNCERTAINTIES - This section analyses how the Australian Pesticides and Veterinary Medicines Authority manages financial risks within its operating environment

5.3: Fair Value Measurements

Accounting Policy

Non-financial assets

Initial recognition

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in an exchange and any liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of a restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Revaluations

Property, plant and equipment are then carried at fair value once they have been revalued in accordance with policy. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. Assets are presently revalued on a three year cycle. If there are any major impacts on any asset group, the effect is assessed and the asset's valuation will be adjusted. As the asset groups are quite stable, any impacts are minimal.

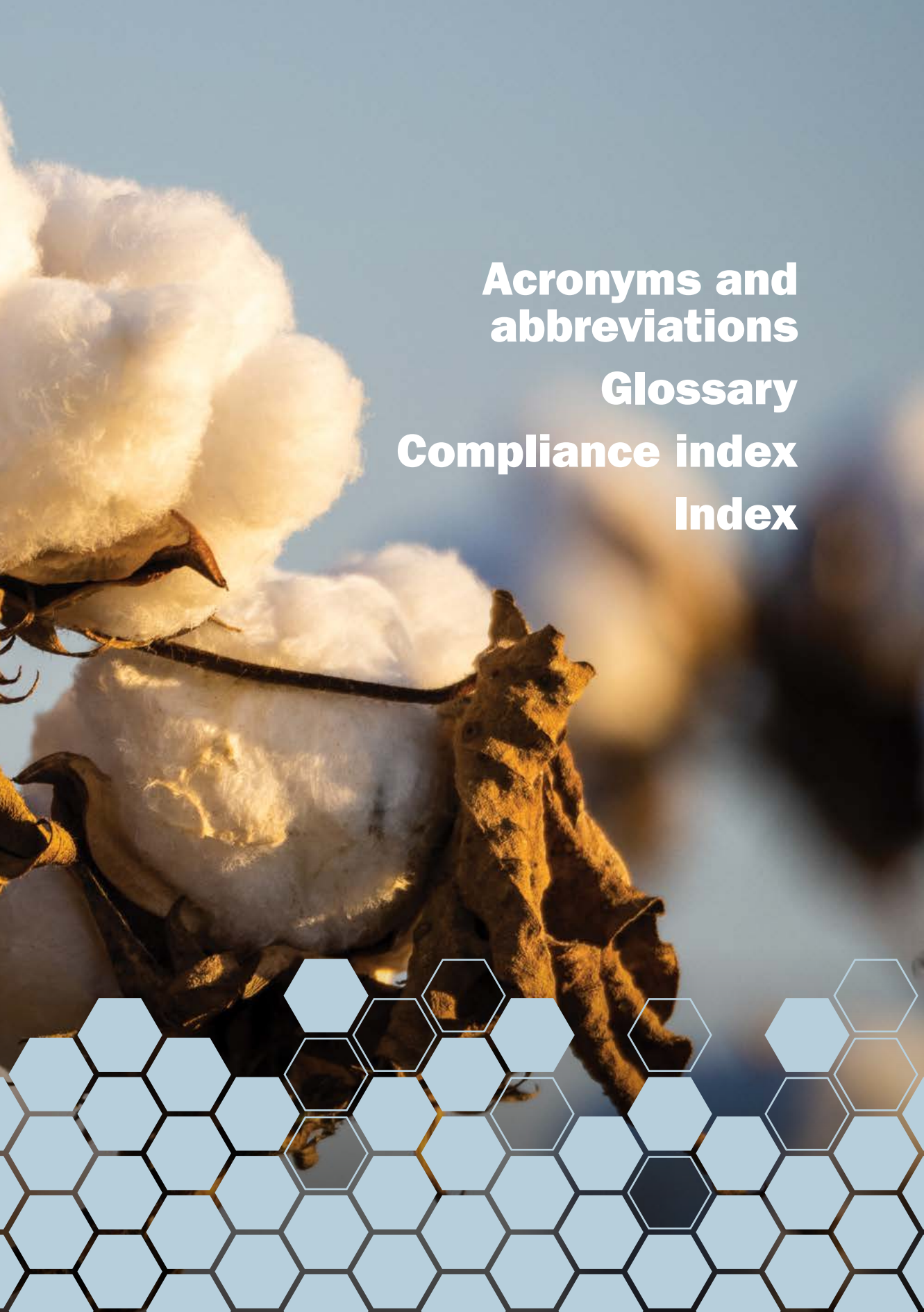
All assets (except for intangibles) were revalued as at 30 June 2020 by an independent valuer.

	Valuation method	**2021 $'000**	2020 $'000
Non-financial assets			
Leasehold improvements	Depreciated replacement cost adjusted for impairment	**3 021**	3 119
Property, plant and equipment	Depreciated replacement cost adjusted for impairment	**692**	1 089
		3 713	4 208

OTHER INFORMATION

6.1 Current/non-current distinction for assets and liabilities

	2021 $'000	2020 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**1 117**	1 736
Trade and other receivables	**40 218**	30 498
Other non-financial assets	**624**	419
Total no more than 12 months	**41 959**	32 653
More than 12 months		
Leasehold Improvements	**16 764**	18 333
Property, plant and equipment	**692**	1 089
Intangibles	**2 289**	3 177
Total more than 12 months	**19 745**	22 599
Total assets	**61 704**	55 252
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	**1 351**	1 653
Other payables	**522**	202
Leases	**1 004**	1 001
Employee provisions	**1 821**	1 624
Total no more than 12 months	**4 698**	4 480
More than 12 months		
Other payables	**-**	325
Leases	**13 285**	14 465
Employee provisions	**3 375**	2 674
Total more than 12 months	**16 660**	17 464
Total liabilities	**21 358**	21 944



Acronyms and abbreviations

Glossary

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Acronyms and abbreviations

Term	Description
ACTRA	Australasian College of Toxicology and Risk Assessment
Administration Act	*Agricultural and Veterinary Chemicals (Administration) Act 1992*
AERP	Adverse Experience Reporting Program
Agvet	Agricultural and veterinary
Agvet Code	Agricultural and Veterinary Chemicals Code scheduled to the *Agricultural and Veterinary Chemicals Code Act 1994*
Agvet Code Regulations	Agricultural and Veterinary Chemicals Code Regulations 1995
AMA	Animal Medicines Australia
ANAO	Australian National Audit Officer
APEC	Asia-Pacific Economic Cooperation group
APS	Australian Public Service
APVMA	Australian Pesticides and Veterinary Medicines Authority
CEO	Chief Executive Officer
CRIS	Cost Recovery Implementation Statement
DAWE	Department of Agriculture, Water and the Environment
EC	Executive Committee
EL	Executive Level
ELT	Executive Leadership Team
FAO	Food and Agricultural Organization of the United Nations
GMP	Good Manufacturing Practice
GPA	Grain Producers Australia

Term	Description
HESI	Health and Environmental Sciences Institute
ICT	Information and Communications Technology
KMP	Key management personnel
MLS-ILC	Manufacturers' Licensing Scheme – Industry Liaison Consultative Forum
MoUs	Memoranda of Understanding
NFF	National Farmers' Federation
OECD	Organisation for Economic Co-operation and Development
OGTR	Office of the Gene Technology Regulator
PBS	Portfolio Budget Statement
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PMRA	Health Canada Pest Management Regulatory Agency
RCEG	Residues Chemistry Expert Group
US EPA	United States Environmental Protection Agency
US FDA	United States Food and Drug Administration
VICH	International Cooperation on Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products
VMDA	Veterinary Manufacturers and Distributors Association
WHO	World Health Organization
WNT	Working Group of National Coordinators of the Test Guidelines Programme

Glossary

Term	Description
active constituent	The component of a pesticide or veterinary medicine product that is responsible for its physiological or pharmacological action.
adverse experience	Any undesirable experience arising from the use of a chemical; adverse experiences may affect human or animal health, the environment or other factors.
applicant	A person or company who applies to the APVMA to register a pesticide or veterinary chemical for use in Australia.
approved label	The market product label that carries text approved and published by the APVMA.
compliance	Compliance with any applicable agvet law. See also non-compliance.
cost recovery	Fees and charges relating to the provision of government goods and services (including regulation) to the private and other nongovernment sectors of the economy.
good manufacturing practice	Standards that ensure products are consistently manufactured to the quality standards appropriate for their intended use and in accord with their registration specifications.
licence	Authority to manufacture pesticides or veterinary medicines according to s 123 of the Agvet Code.
minor use	A use that would not produce sufficient economic return to an applicant to meet the cost of registering the product for that use.
non-compliance	Non-compliance with any applicable agvet law. Non-compliance may include the sale and use of unregistered products, supply of restricted products to unauthorised users, unapproved labels, unfounded claims in advertising or other media, or active constituents that do not conform to APVMA standards.

Term	Description
pesticides	Substances or mixtures of substances intended for preventing, destroying, repelling or mitigating any pest; also known as agricultural chemical products.
registrant	A person or company who registers a pesticide or veterinary medicine product for use in Australia.
registration	Official recognition that a pesticide or veterinary medicine is safe and will work when used according to the label. Before an agricultural or veterinary chemical product can be legally supplied, sold or used in Australia, it must be registered by the APVMA.
statutory timeframe	The legislatively prescribed timeframe in which the APVMA must process applications for registration.
this year; 2020–21	1 July 2020 to 30 June 2021.
veterinary medicines	Substances or mixtures of substances intended for treating diseases or conditions in animals.

Compliance index

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17BE(a)	Details of the legislation establishing the body	8
17BE(b)(i)	A summary of the objects and functions of the entity as set out in legislation	9
17BE(b)(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period	1
17BE(c)	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	8
17BE(d)	Directions given to the entity by the Minister under an Act or instrument during the reporting period	N/A
17BE(e)	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	20
17BE(f)	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	20
17BE(g)	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	24–39
17BE(h), 17BE(i)	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	14
17BE(j)	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	43
17BE(k)	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	10–12, 52
17BE(ka)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	14–16
17BE(l)	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	14

PGPA Rule Reference	Description	Page
17BE(m)	Information relating to the main corporate governance practices used by the entity during the reporting period	42–46, 52–53
17BE(n), 17BE(o)	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than $10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	46–47
17BE(p)	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	20
17BE(q)	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	57
17BE(r)	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	57
17BE(s)	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	N/A
17BE(t)	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	N/A
17BE(taa)	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	45–46
17BE(ta)	Information about executive remuneration	18–19

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