26 September 2006

The Hon Sussan Ley MP
Parliamentary Secretary
to the Minister for Agriculture, Fisheries and Forestry
Parliament House
CANBERRA ACT 2600

Dear Ms Ley

On behalf of the Australian Pesticides and Veterinary Medicines Authority (APVMA) I am pleased to provide the Annual Report for the year ending 30 June 2006 for your approval and tabling in Parliament.


This Report is provided to you in accordance with a resolution of the APVMA Board of Directors. It highlights the work of an organisation that is strongly focussed on meeting its responsibilities in a cost-effective, timely and responsible manner.

Yours sincerely

[Signature]

Dr Kevin Sheridan AO
Chairman
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1. Report of operations
Corporate profile

Vision
To be recognised nationally and internationally as a best-practice regulator of pesticides and veterinary medicines that has the respect and confidence of governments, the community, the rural sector, chemical users and the chemicals industry.

Mission
To protect the health and safety of people and animals, the environment and trade, and support Australian agriculture, through science-based, effective and efficient regulation of pesticides and veterinary medicines.

Who we are
The Australian Pesticides and Veterinary Medicines Authority (APVMA) is the independent Australian Government statutory authority responsible for the registration of pesticides and veterinary medicines prior to sale and their regulation up to and including the point of retail sale.

Responsible Minister
The APVMA is in the portfolio of the Minister for Agriculture, Fisheries and Forestry.

The Hon Sussan Ley, MP, Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry, has direct portfolio responsibility for the APVMA. Ms Ley was appointed Parliamentary Secretary on 27 January 2006. The APVMA Chairperson reports regularly to the Parliamentary Secretary on APVMA activities. Prior to Ms Ley’s appointment, Senator the Hon Richard Colbeck was Parliamentary Secretary with responsibility for the APVMA.

What we do
The work of the APVMA protects the health and safety of people, animals, the environment and trade.

The APVMA is responsible for administering and managing the National Registration Scheme (NRS). The Scheme sets out the regulatory framework for the management of pesticides and veterinary medicines in Australia. The APVMA does this in partnership with state and territory governments and with the active involvement of other Australian Government agencies. The APVMA administers the Scheme’s legislation and is responsible for registration, quality assurance and compliance of pesticides and veterinary medicines up to and including the point of retail sale. All registered products must be shown to work, be safe for people and the environment, and not unduly jeopardise Australia’s trade with other nations. The APVMA also manages a number of programs that monitor the ongoing safety and performance of these registered products.

The states and territories are responsible for regulating and managing the use of pesticides and veterinary medicines once they are sold.
Governing legislation

The APVMA operates in accordance with its governing legislation, the *Agricultural and Veterinary Chemicals (Administration) Act 1992* (the Administration Act) and the *Agricultural and Veterinary Chemicals Code* (the Agvet Code) scheduled to the *Agricultural and Veterinary Chemicals Code Act 1994*.

The Administration Act sets out the APVMA’s role as an independent statutory authority to undertake the responsibilities conferred on it by the states and territories under the Scheme. The Agvet Code lists operational provisions for approving active constituents, registering chemical products and approving labels.

Stakeholders

In undertaking its role, the APVMA consults with a range of stakeholders including:

- the general community
- the chemicals industry
- the Australian, state and territory governments
- farmers and farm workers
- other users of agricultural and veterinary chemicals
- other national and international regulators.

Funding arrangements

APVMA activities are funded on a cost recovery basis with operational revenue being collected mainly from registrants of pesticides and veterinary medicines. Fees are paid for the registration and re-registration of products.

Levies are paid annually according to the level of sales and other disposals of registered products. In 2005–06 industry contributions were 96% of total revenue (2004–05: 96%).

The APVMA’s total revenue for 2005–06 was $24.36 million, an increase of $5.06 million (26.1%) from 2004–05. The increase in revenue is primarily due to the implementation of new cost recovery arrangements and an increase in chemical sales.
Report by Chairperson and CEO

The past year has been a year of consolidation for the APVMA as we have pursued the many reforms initiated in 2004–05, strengthened performance in some operational areas and assisted the continued development of the broad pesticides and veterinary medicines regulatory framework. It has also been a year of significant achievement by the Authority, and of challenge in response to a number of external developments.

In striving to deliver its corporate objectives, the APVMA has maintained the three key strategic themes of stakeholder confidence, operational excellence and informing policy. It is against these themes that we report on the year’s progress and achievements.

Stakeholder confidence

During 2005–06 the APVMA completed a review of its consultative committee framework. There was broad stakeholder input to this review, which found that the existing committees are generally working well. It also identified opportunities to engage better with agvet chemical users, which the APVMA will now pursue. There will be a continued focus on ensuring consultative committees work optimally for both the APVMA and members in sharing information on important issues and capturing stakeholder views.

The APVMA has continued to consult closely with industry, the rural sector, professional associations and community groups on specific issues such as chemical reviews, compliance reform, financial outcomes, labelling and minor use. Particular highlights throughout the year were good engagement with industry and the rural community on the diazinon review and the successful labelling reform workshops attended by a range of stakeholder groups. The further refinement of our relationship management program during the year will help ensure that the APVMA fully understands the views of our major stakeholders.

Our commitment to communication and transparency has been further enhanced with the introduction of the Regulatory Update, which provides chemical industry subscribers with a fortnightly email report of the APVMA’s regulatory decisions and activities. PUBCRIS, the APVMA’s public database of agvet chemicals, was also revised delivering many enhancements including extra sorting, searching and printing options as well as more efficient access to the information.

The APVMA places very high importance on developing relationships with our overseas counterparts. Through exchange of information and collaboration on technical assessments, the APVMA and its counterparts can build confidence and enhance efficiency and effectiveness of their respective activities. Accordingly, in 2005–06 the APVMA actively participated in multilateral international forums such as the Joint FAO/WHO Expert Committee on Food Additives (JECFA), the International Committee for Harmonization of Veterinary Drug Registration Requirements (VICH), the Codex Alimentarius Commission (Codex) and the OECD Working Group on Pesticides.
In addition, the APVMA built on earlier Memorandums of Understanding (MOUs) signed with Canadian regulators to establish an MOU with the United States Food and Drug Administration (USFDA) and the New Zealand Food Safety Authority (NZFSA). Tangible benefits are being achieved from our international cooperation, including participation in four work sharing projects with overseas regulators and exchange of information on compliance and product information.

**Operational excellence**

Throughout the year the APVMA again maintained a strong focus on improving registration performance. A review of current registration processes, assessments and reporting requirements identified opportunities for reform. One of these, the Timeframe and Productivity Project, involved an extensive suite of improvements to registration processes and process management. This project has led to work in progress declining and timeframe performance improving substantially. For example, 99 per cent of all applications for registration received since 1 July 2005 were completed within statutory timeframes. The APVMA remains committed to aggressively pursuing further reforms on our registration procedures, and although we will continue to be challenged by the adoption of additional requirements such as printed label requirements and data protection, our reforms are bearing results.

A significant factor in improved registration performance was the development of the APVMA’s Manual of Requirements and Guidelines (MORAG). This web-based documentation provides both registrants and APVMA staff with clear, concise and easily accessible information about registration requirements and applications. MORAG is a leading edge initiative of which we are very proud.

The APVMA has maintained focus on the efficient use of resources. Through strong cost control during the year the APVMA was able to restore its financial reserve and, in line with commitments given at the time of the introduction of the new fees structure, to reduce levy rates by 0.1%. The APVMA remains focussed on cost control, and our expenditure has increased by only 0.78% p.a. over the last four years.

During the year the APVMA has made good progress with a number of difficult and challenging chemical reviews. Preliminary review findings were released for diazinon, sheep ectoparasiticides, methyl bromide and short chain ester forms of 2,4-D. A final review decision was also made on endosulfan. These reviews have all been characterised by rigorous scientific evaluations and extensive consultation with industry, user groups and the broader community. In order to increase the transparency of the review process during the year the chemical review team commenced a major enhancement of review information available on the APVMA website. Due to be completed in 2006–07, the enhancement will significantly increase the accessibility and usefulness of information about reviews to the public.

Important initiatives in the Quality Assurance and Compliance Program continue to build excellence in the APVMA’s post-registration roles. A new Code of Good Manufacturing Practice (GMP) for veterinary chemical products and a revised set
of Manufacturing Principles have been developed with active stakeholder support. These publications bring manufacturing requirements up to date with contemporary standards and provide greater transparency for both manufacturers and auditors. Similarly, the Overseas GMP Scheme has been developed to ensure the ongoing quality of products manufactured overseas.

The Quality Assurance Scheme for Agricultural Actives and Products (Ag QA Scheme), the new quality assurance scheme to help ensure that the quality of active constituents used in agricultural chemical products is maintained, is now fully operational and is beginning to deliver positive outcomes. Feedback from industry is that the program is already bringing about improvements in their quality assurance and manufacturing processes.

Other feedback loops such as the Adverse Experience Reporting Program (AERP) continue to provide important information on adverse impacts from agricultural and veterinary chemicals, although more needs to be done to promote the relatively new agricultural AERP. A guidance document for the interpretation of s160a and s161 of the Agvet Code, being developed in association with industry, will also assist industry to better identify information it should provide to the APVMA.

Enhancement of the APVMA’s information technology system continues to improve business effectiveness and enhance stakeholder access to information. During the year a new software application was developed to manage adverse experience reports and further progress was made on a new system to enable registrants to submit applications electronically. The new system will also allow registrants to monitor the progress of their applications securely over the Internet. In the public affairs area, too, reforms are under way to engage stakeholders better, to manage the APVMA’s many complex relationships and to communicate APVMA perspectives and decisions.

Important initiatives in the residues area were also pursued during the year. Following the preparation of a Regulatory Impact Statement, the APVMA adopted the process used by JECFA for setting maximum residue limits (MRLs) for veterinary chemicals. Adoption of this process from 1 July 2006 will bring the Australian approach into line with the JECFA process being used by other countries and enhance Australia’s ability to provide input to, and influence, international forums dealing with the regulation of veterinary medicines.

The Regulatory Science Quality program continues to improve the quality of scientific work undertaken by the APVMA. During the year our Principal Scientists finalised and implemented the APVMA Standard of Good Regulatory Science Practice, which aims to underpin and strengthen science quality and science-based decision-making in the APVMA. We are also pleased that seven eminent Australian scientists accepted our invitation and were appointed as inaugural APVMA Science Fellows. They will play an important role in the APVMA in enhancing the standards of regulatory science quality.

**Informing policy**

The APVMA is not directly involved in policy development, but plays an important role in informing the policy development process as it relates to the regulation of
pesticides and veterinary medicines. Policy development relating to the National Registration Scheme is the responsibility of the Australian, state and territory governments as represented by the Primary Industries Ministerial Council (PIMC).

During the year the APVMA contributed to the work of the Product Safety and Integrity Committee (PSIC) of the Primary Industries Ministerial Council. This included providing input to the PSIC on a proposal to review the scope of APVMA legislation and proposing improvement to the listed registration/reservation framework. We also assisted the review of the agvet chemicals component of the Trans Tasman Mutual Recognition Agreement and recommended (and implemented) a change in the Regulations to reduce the levy rate on chemicals sales. On a wider front the APVMA provided input to whole-of-government reform activities, including the Uhrig review on corporate governance and the Council of Australian Governments (COAG) and Productivity Commission projects on chemicals regulation and, with the Department of Agriculture, Fisheries and Forestry, implemented policy reforms to help address minor use needs.

The future

The APVMA is proud of its achievements over the last year and our continued focus on improving our operational performance. Looking forward, we will continue with reforms to strengthen our internal effectiveness, while also focussing on implementing the recommendations of external reviews. There are a number of these which will command our attention including the outcomes of the Australian National Audit Office (ANAO) performance audit and the recommendations of the Government’s Uhrig review under which the corporate governance arrangements of the APVMA are expected to change from being an authority under the Commonwealth Authorities and Companies Act 1997 (CAC Act) to one under the Financial Management and Accountability Act 1997 (FMA Act).

We will also positively engage with other initiatives related to national chemicals regulatory policy, especially the work being led by COAG in this area.

We look forward to moving into our new premises at Amtech Park, North Symonston in October 2006. Not only will the move save money but it will bring with it the benefits of having all APVMA staff together in one purpose-built facility.

Our achievements this year very clearly reflect the hard work and dedication of the outstanding staff of the APVMA. The year ahead will be one of significant and far-reaching change. It will present us with challenges but we look forward confident in our ability to meet them with the commitment of our high quality and motivated staff and the support of our stakeholders.

Dr Kevin Sheridan AO
Chairperson

Dr Joe Smith
Chief Executive Officer
Performance Framework 2005–06

APVMA corporate objectives

Through the development of a world-class registration scheme for pesticides and veterinary medicines, the APVMA protects the health and safety of people, animals and the environment and supports Australian primary industries.

The APVMA has developed a performance framework that links its legislative objectives to an outcome–outputs model. This framework involves a detailed planning and reporting process incorporating the Portfolio Budget Statement, Corporate Plan, Annual Operational Plan and Annual Report.

The outcome, outputs and related performance indicators identified in the APVMA component of the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF) Portfolio Budget Statements for 2005–06 reflect the APVMA’s Corporate Plan 2003–04 to 2005–06. The Corporate Plan identifies the APVMA’s corporate objectives. It presents a single outcome and a key output, as outlined in the Portfolio Budget Statement, supported by two principal goals. This information provides the basic framework for the presentation of the APVMA’s performance for 2005–06.

The APVMA’s outcome, key output, corporate objectives, strategies and performance indicators are illustrated in Figure 1.

The APVMA achieves the agreed outcome and key output through the two principal goals supported by a set of strategies. Performance indicators have been identified for each principal goal.

The performance information contained in the next section of this report is presented in line with the outcome–output performance framework reflected in the APVMA’s Corporate Plan 2003–04 to 2005–06. Progress is reported in terms of the nominated performance indicators as well as other major achievements.


Vision: To be recognised nationally and internationally as a best-practice regulator of pesticides and veterinary medicines that has the respect and confidence of governments, the community, the rural sector, chemical users and the chemical industry.

Mission: To protect the health and safety of people and animals, the environment and trade and support Australian agriculture through science-based, effective and efficient regulation of pesticides and veterinary medicines.
Figure 1 APVMA corporate objectives, strategies and performance indicators

<table>
<thead>
<tr>
<th>Principal goal 1: Product registration</th>
<th>Strategies</th>
<th>Performance indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder confidence that independent product assessment protects public health, environment and trade</td>
<td>Conduct independent risk-based assessments of pesticides and veterinary medicines that are both efficient and effective</td>
<td>Registered products in the marketplace meet legislative requirements for performance, safety and trade as a result of sound decision making</td>
</tr>
<tr>
<td>Provide targeted information and develop key links with stakeholders to enhance system outcome and build stakeholder confidence</td>
<td>Decisions within statutory timeframes</td>
<td></td>
</tr>
<tr>
<td>Support development of relevant government policy</td>
<td>Information provided assists informed public debate and development of robust government policy</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Principal goal 2: Quality assurance and compliance</th>
<th>Strategies</th>
<th>Performance indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing product quality supported by effective intelligence, quality assurance and compliance and enforcement programs</td>
<td>Achieve system excellence through enhanced intelligence, feedback loops, monitoring and reporting</td>
<td>Improvements to the regulatory system made as a result of new information, feedback and process enhancements</td>
</tr>
<tr>
<td>Review chemical safety, quality and performance against contemporary standards</td>
<td>Chemicals of concern are assessed and decisions made in a timely manner</td>
<td></td>
</tr>
<tr>
<td>Ensure product quality through risk-based compliance strategies</td>
<td>Quality of products in the marketplace meets acceptable standards</td>
<td></td>
</tr>
</tbody>
</table>

**Key output:** A world-class national registration scheme for pesticides and veterinary medicine products.

**Outcome:** Given the need to use pesticides and veterinary medicines for pest and disease control, the work of the APVMA protects the health and safety of people, animals and the environment. In respect of food and fibre production, APVMA activities support Australian agricultural and livestock industries.
APVMA corporate achievements 2005–06

Principal Goal 1: Registration

Stakeholder confidence that independent product assessment protects public health, environment and trade

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Performance</th>
</tr>
</thead>
</table>
| Conduct independent risk based assessments of pesticides and veterinary medicines that are both efficient and effective | • Finalised 1461 applications for registration, variation to registration or label approval for pesticides (87% within timeframe)  
• Completed 99% of applications to register products received since 1 July 2005 within timeframe  
• Finalised 656 permit applications for pesticides (81% within timeframe)  
• Finalised 799 applications for registration, variation to registration or label approval for veterinary medicines (96% within timeframe)  
• Finalised 199 permit applications for veterinary medicines (97% within timeframe)  
• Completed 98% of applications for pesticide permits and 96% of applications for veterinary medicines received since 1 July 2005 within timeframe  
• Continued progress with a major reform agenda for minor use including increased international engagement  
• Led by APVMA Principal Scientists, strengthened regulatory science quality at the APVMA including the development of a Standard for Good Regulatory Science Practice and commenced Science Fellows Program  
• Published two editions of the Manual of Requirements and Guidelines (MORAG)  
• Implemented extensive process reforms under a Timeframe and Productivity project  
• Implemented new application categories in line with the new cost-recovery framework  
• Established multi-stakeholder Labelling Code Working Group to revise codes of practice for labelling of pesticides and veterinary medicines  
• Established Label Approval Process Working Group to develop and implement reforms for label approval processes  
• Maintained ISO quality systems accreditation covering all APVMA processes |
<table>
<thead>
<tr>
<th>Strategy</th>
<th>Performance</th>
</tr>
</thead>
</table>
| Provide targeted information and develop key links with stakeholders to enhance system outcomes and build stakeholder confidence | • Gave 53 presentations at targeted conferences and seminars on a range of topics related to the National Registration Scheme  
• Finalised MOUs with the United States Food and Drug Administration (FDA) and the Agricultural Compounds and Veterinary Medicines Group (ACVM) of the New Zealand Food Safety Authority (NZFSA) to underpin information sharing and cooperation  
• Participated in key international forums including those of the Organisation for Economic Co-operation and Development (OECD), the Codex Alimentarius Commission (Codex) and the International Committee for Harmonisation of Veterinary Drug Registration Requirements (VICH)  
• Launched the new electronic *Regulatory Update* to provide registrants with up-to-date information on a fortnightly basis  
• Completed review of the APVMA consultative framework  
• Hosted regular meetings of the APVMA Community Consultative Committee (CCC), the Registration Liaison Committee (RLC), the Industry Liaison Committee (ILC) and the Industry Technical Committee (ITC)  
• Commenced work sharing projects with other international regulators to jointly assess new chemicals to reduce regulatory process burden on multinational companies  
• Appropriately managed all media interest  
• Hosted several issues-focussed meetings and seminars for APVMA stakeholders including labelling reform  
• Provided information materials to key national and international stakeholders  
• Implemented strategy of using the APVMA website better for consultation on policies, processes and reviews |
<table>
<thead>
<tr>
<th>Strategy</th>
<th>Performance</th>
</tr>
</thead>
</table>
| Support development of relevant government policy | • Provided input to policy and legislative activities of DAFF and the Product Safety and Integrity Committee (PSIC) of the Primary Industries Ministerial Council including:  
  – proposing review of scope of APVMA regulation  
  – assisting development of Class C data protection legislation and post-Galbally Review reforms  
  – proposing improvement to listed registration/reservation framework  
  – assisting review of agvet chemicals component of Trans Tasman Mutual Recognition Agreement  
• Recommended and implemented a change in the Regulations to reduce the levy rate on chemicals sales  
• Provided input to whole-of-government reform activities, including Uhrig review of corporate governance, COAG and Productivity Commission projects on chemicals regulation  
• With DAFF, implemented policy reforms to help address minor use needs  
• Provided input on Globally Harmonised System for Classification Labelling (GHS) |
**Principal Goal 2: Quality assurance and compliance**

Ongoing product quality supported by effective intelligence, quality assurance and compliance and enforcement programs

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Performance</th>
</tr>
</thead>
</table>
| Achieve system excellence through enhanced intelligence, feedback loops, monitoring and reporting | • Effectively conducted the Adverse Experience Reporting Programs (AERP) for agricultural and veterinary chemicals  
• Raised awareness of AERP Ag |
| Review chemical safety, quality and performance against contemporary standards | • Progressed 31 reviews of agvet chemicals  
• Published review findings for two chemicals (and all products containing them) and preliminary review findings for a further seven chemicals and their products |
| Ensure product quality through risk-based compliance strategies | • Monitored the quality of agricultural active constituents and products through inspection of records for 132 products under the Ag QA Scheme  
• Finalised 213 reports of non-compliance during the year, 137 through warnings and negotiated compliance  
• Managed 15 recalls of products not complying with requirements  
• Assessed 319 applications for consents to import unregistered products/unapproved chemicals, granting 258  
• Developed revised Manufacturing Principles and Australian Code of Good Manufacturing Practice for Veterinary Chemical Products  
• Assessed 226 overseas manufacturing sites for compliance with Australian manufacturing standards and checked evidence for post-registration compliance of another 35 sites  
• Issued 92 Export Certificates of compliance with the GMP Code for companies wishing to export veterinary medicines  
• Managed the National HGP Monitoring and Control Program |
Financial performance

Revenue

The APVMA’s operations are funded on a cost recovery basis with operational revenue being collected mainly from registrants of pesticides and veterinary medicines. Application fees are paid for registration and re-registration of products. Levies are paid annually according to the level of disposals of registered products. In 2005–06 industry contributions were 96% of total revenue (2004–05: 96%).

The APVMA’s total revenue for 2005–06 was $24.36 million, an increase of $5.06 million (26.1%) from 2004–05 (see Table 1 and Figure 2). The increase in revenue is due primarily to the implementation of new cost recovery arrangements that will allow the APVMA to balance income and expenditure better. As part of the implementation of the new arrangements, the levy sales declaration period was realigned from calendar year to financial year. This resulted in 18 months of levies being collected in 2005–06 (refer to page 101 in the financial statements section for more information).

Levy income can fluctuate from year to year as a result of variations in agvet chemical sales. The APVMA actively monitors sales forecasts and seeks to adjust the levy rates where necessary.

Table 1 APVMA revenue 2005–06

<table>
<thead>
<tr>
<th>Revenue</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from industry:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application fees</td>
<td>2 939 493</td>
<td>12</td>
</tr>
<tr>
<td>Levies</td>
<td>16 693 877</td>
<td>69</td>
</tr>
<tr>
<td>Annual fees (renewal fees)</td>
<td>3 145 612</td>
<td>13</td>
</tr>
<tr>
<td>Other receipts from industry</td>
<td>606 523</td>
<td>2</td>
</tr>
<tr>
<td>Interest</td>
<td>580 895</td>
<td>2</td>
</tr>
<tr>
<td>Parliamentary appropriation</td>
<td>259 000</td>
<td>1</td>
</tr>
<tr>
<td>Other revenue</td>
<td>137 215</td>
<td>1</td>
</tr>
<tr>
<td>Total income</td>
<td>24 362 615</td>
<td>100</td>
</tr>
</tbody>
</table>
Expenditure

Total operating expenses for the year ended 30 June 2006 were $21.23 million (see Table 2 and Figure 3), an increase of $0.69 million (3.4%) from 2004–05.

Over the last four years the APVMA’s expenditure has increased by a total of 3.1% (an average of 0.78% per annum). This reflects the APVMA’s continuing strong focus on cost control and efficiency.

The net operating profit of $3.10 million for the 2005–06 financial year resulted in equity increasing to $6.21 million. As noted below a levy rate reduction will apply to chemical sales from 1 July 2006, which will lower the APVMA’s income from 1 July 2007.

Table 2 APVMA expenditure 2005–06

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee expenses</td>
<td>12 323 885</td>
<td>58</td>
</tr>
<tr>
<td>Scientific assessment services — agencies</td>
<td>4 276 695</td>
<td>20</td>
</tr>
<tr>
<td>Asset depreciation, write down and impairment</td>
<td>513 186</td>
<td>2</td>
</tr>
<tr>
<td>Rent</td>
<td>722 771</td>
<td>3</td>
</tr>
<tr>
<td>State compliance services</td>
<td>210 919</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>3 179 853</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>21 227 309</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Table 3 APVMA expenditure by principal goal 2005–06

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal goal 1: Product registration</td>
<td>18 472 823</td>
<td>87</td>
</tr>
<tr>
<td>Principal goal 2: Quality assurance and compliance</td>
<td>2 754 486</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>21 227 309</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4 APVMA expenditure by principal goal 2005–06
The APVMA financial reserve

Unlike most other Commonwealth agencies that are budget-funded, the APVMA’s revenue streams are not guaranteed and revenue can vary significantly from year to year according to fluctuations in agricultural and veterinary chemical product sales. In particular, agricultural and veterinary chemical product sales will decline during periods of below average rainfall. When this occurs there is a corresponding drop in levy revenue. For this reason, the APVMA maintains a financial reserve that allows revenue fluctuations to be managed. Without the financial reserve the APVMA would risk periods where its liabilities would exceed its assets (negative equity).

The financial reserve provides a responsible and prudent form of protection against fluctuations in sales and variations in revenue.

The financial reserve is currently set at $4.5 million, which represents approximately three months operating expenses. The levy rate is adjusted periodically to ensure that the Authority’s equity remains at appropriate levels.

The introduction of the new international accounting standards

The financial statements included in this annual report (pages 87 to 122) are the first to be prepared under the new international accounting standards. These standards require that, as well as the current financial year figures, the previous comparative year figures are adjusted to reflect all changes required as a result of the introduction of the new standards. This is required of all organisations preparing financial statements and is not specific to the APVMA.

This has resulted in the operating loss shown in the 2005 column of this year’s financial statement not being equal to the operating loss reported in the APVMA’s 2004–05 Annual Report. The difference of $31,322 is explained in Note 2 on page 107.
Levy rate reduction from 1 July 2006

On 1 July 2005 the APVMA introduced a new fee structure, which included a new tiered system for the payment of levies.

When the APVMA levy rate was set in mid-2005 it was positioned to allow the APVMA’s financial reserve to be reconstituted following its depletion during the drought.

The financial reserve has now been restored allowing the levy rate to be lowered.

An amendment to the Agricultural and Veterinary Chemical Products (Collection of Levy) Regulations 1995 to reduce the levy rate for 2006–07 and beyond has been approved. The rate reduction applies to chemical sales made after 1 July 2006.

The new levy rates are 0.10% less than before for each tier for product sales, and are now:

- 0.80% levy rate up to $1,000,000 product sales
- 0.45% levy rate for additional sales from $1,000,001 to $5,000,000
- 0.30% levy rate for additional sales above $5,000,000
2. Performance against outputs
Principal goal 1: Product registration

Stakeholder confidence that independent product assessment protects public health, environment and trade

Overview

All manufacturers of pesticides and veterinary medicines must apply for registration of their products and approval of their labels with the APVMA before they can be supplied, sold, distributed or used in Australia.

Companies or individuals who hold a registration for a pesticide or veterinary medicine must also seek approval for any variation made to the product, additional claims made about the product or other changes to its label.

Registration is based on a rigorous and independent assessment of scientific information concerning the safety and efficacy of a product. Registration is granted provided the assessment of that information has concluded that the use of the product is unlikely to be harmful to the target crops or animals, to the users, the consumers and the environment; that the product is efficacious and suitably formulated; and that its label contains adequate instructions. The APVMA must also assess whether use of the product may unduly prejudice trade.

Through this process of careful evaluation, users of pesticides and veterinary medicines and the general community can be confident that the products are safe and effective when used according to label instructions.

The APVMA employs three key strategies in its efforts to build stakeholder confidence in the assessment of pesticides and veterinary medicines.

Strategy 1: Conduct independent risk based assessments of pesticides and veterinary medicines that are both efficient and effective

Throughout 2005–06 there has been a particular emphasis on meeting timeframes for all applications and finalising applications received before July 2005. The APVMA introduced better monitoring and reporting tools, which give evaluators and managers much better information on the timeframe status of applications so that, if necessary, applications that are approaching the timeframe limit can be given extra attention.

Strategy 2: Provide targeted information and develop key links with stakeholders to enhance system outcomes and build stakeholder confidence

Strategy 3: Support development of relevant Government policy
However, two developments during 2005–06 placed pressure on timeframes:

- Amendments to the Agvet Code, which came into force on 1 January 2005, provide for data protection and transparency of applications. These amendments substantially increase the effort that must be applied to finalising applications.

- On 1 July 2005 a new structure for application categories was implemented. Associated with a revision of the APVMA’s fee structure, the 50 application categories that had existed since 1993 were revised into 25 categories with a greater scope for modular application types. The new application category structure provides greater certainty for applicants and APVMA evaluators; however, implementation of the new categories required considerable APVMA resources early in the financial year.

**Pesticides applications**

The Pesticides Program began the year with a small reduction in the number of applications in process carried over from the previous year. While a similar number of applications were submitted this year compared to last year, slightly more applications were finalised, resulting in a reduction in the number carried over to next year. These are detailed in Table 4 and include applications granted for product registrations and/or label approval, refusals of applications and withdrawals of applications.

The registration statistics for applications submitted to the APVMA before and after 1 July 2005 are provided in Table 5 and for applications submitted after 1 July 2005 in Table 6. Timeframe performance for applications received after 1 July 2005 is 99%. For all applications, including those received before 1 July 2005, timeframe performance is 87%. Many of those applications had complex issues that needed to be resolved. As these older applications are cleared and further reforms to the registration processes are implemented the APVMA is looking forward to sustained improvement in its timeframe performance.
Table 4 Pesticide product applications

<table>
<thead>
<tr>
<th>Applications</th>
<th>2005–06</th>
<th>Change from 2004–05 (%)</th>
<th>2004–05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commencing number of applications in progress</td>
<td>1087</td>
<td>– 3</td>
<td>1118</td>
</tr>
<tr>
<td>Applications received</td>
<td>1398</td>
<td>0</td>
<td>1398</td>
</tr>
<tr>
<td>Applications finalised</td>
<td>1461</td>
<td>+ 2</td>
<td>1429</td>
</tr>
<tr>
<td>Closing number of applications in progress</td>
<td>1024</td>
<td>– 6</td>
<td>1085</td>
</tr>
</tbody>
</table>

Table 5 Pesticide product applications and finalisations in 2005–06

<table>
<thead>
<tr>
<th>Class of application</th>
<th>Total no. registered or approved</th>
<th>No. finalised or approved</th>
<th>Average clock time to finalise (months)</th>
<th>Average elapsed time to finalise (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>vs statutory timeframe</td>
<td>&lt;100%</td>
<td>100–120%</td>
</tr>
<tr>
<td>15 month</td>
<td>8</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>13 month</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>12 month</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>8 month</td>
<td>51</td>
<td>25</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>6 month</td>
<td>9</td>
<td>5</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>5 month</td>
<td>122</td>
<td>78</td>
<td>10</td>
<td>34</td>
</tr>
<tr>
<td>3 month</td>
<td>1084</td>
<td>998</td>
<td>21</td>
<td>65</td>
</tr>
</tbody>
</table>

Note: The difference between the 1461 applications finalised in Table 4 and the 1281 applications registered or approved in Table 5 is accounted for by applications which have been withdrawn by the applicant, rejected by the APVMA, refused by the APVMA, or are Category 25 applications for assessment of a trial protocol.
### Table 6 Pesticide product finalisations for applications received after 1 July 2005

<table>
<thead>
<tr>
<th>Class of application</th>
<th>Total no. registered or approved</th>
<th>No. finalised or approved vs statutory timeframe</th>
<th>Average clock time to finalise (months)</th>
<th>Average elapsed time to finalise (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Within timeframe</td>
<td>Up to 20% above timeframe</td>
<td>More than 20% above timeframe</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------------------</td>
<td>------------------</td>
<td>--------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>8 month</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>6 month</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5 month</td>
<td>32</td>
<td>30</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>3 month</td>
<td>579</td>
<td>576</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>616</td>
<td>610</td>
<td>6</td>
<td>0</td>
</tr>
</tbody>
</table>

### Veterinary medicines applications

Table 7 shows that the number of applications received during 2005–06 was 18% less than the number received during 2004–05.

Table 8 shows that of all applications received during 2005–06, 96% were finalised within the statutory timeframe. In 2004–05, 99% of applications were finalised within the statutory timeframe.

Table 9 shows that for applications finalised during 2005–06, 98% of applications received after 1 July 2005 were completed within the statutory timeframe. This reflects the very significant process improvements the APVMA has made during 2005–06.

### Table 7 Veterinary medicines applications for 2005–06

<table>
<thead>
<tr>
<th></th>
<th>2005–06</th>
<th>Change from 2004–05 (%)</th>
<th>2004–05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commencing number of applications in progress</td>
<td>687</td>
<td>+ 19</td>
<td>579</td>
</tr>
<tr>
<td>Applications received</td>
<td>804</td>
<td>− 18</td>
<td>979</td>
</tr>
<tr>
<td>Applications finalised</td>
<td>799</td>
<td>− 9</td>
<td>871</td>
</tr>
<tr>
<td>Closing number of applications in progress</td>
<td>692</td>
<td>+ 1</td>
<td>687</td>
</tr>
</tbody>
</table>
Table 8 Veterinary medicines applications for registration or approval for 2005–06

<table>
<thead>
<tr>
<th>Class of application</th>
<th>Total no. registered or approved</th>
<th>No. registered or approved &lt;100%</th>
<th>100–120%</th>
<th>&gt;120%</th>
<th>Average clock time to finalise (months)</th>
<th>Average elapsed time to finalise (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 month</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>8.6</td>
<td>21.3</td>
</tr>
<tr>
<td>12 month</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>11.6</td>
<td>19.9</td>
</tr>
<tr>
<td>8 month</td>
<td>35</td>
<td>33</td>
<td>0</td>
<td>2</td>
<td>5.2</td>
<td>16.2</td>
</tr>
<tr>
<td>6 month</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5 month</td>
<td>181</td>
<td>166</td>
<td>7</td>
<td>8</td>
<td>3.6</td>
<td>10.1</td>
</tr>
<tr>
<td>3 month</td>
<td>465</td>
<td>453</td>
<td>3</td>
<td>9</td>
<td>1.3</td>
<td>5.3</td>
</tr>
<tr>
<td>Total</td>
<td>688</td>
<td>659</td>
<td>10</td>
<td>19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The difference between the 799 applications finalised in Table 7 and the 688 applications registered or approved in Table 8 is accounted for by applications which have been withdrawn by the applicant, rejected by the APVMA, refused by the APVMA, or are Category 25 applications for assessment of a trial protocol.

Table 9 Veterinary medicines finalisations during 2005–06 for applications received after 1 July 2005

<table>
<thead>
<tr>
<th>Class of application</th>
<th>Total no. registered or approved</th>
<th>No. finalised or approved within statutory timeframe</th>
<th>Up to 20% above timeframe</th>
<th>More than 20% above timeframe</th>
<th>Average clock time to finalise (months)</th>
<th>Average elapsed time to finalise (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 month</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>12 month</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>8 month</td>
<td>7</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>5.4</td>
<td>7.5</td>
</tr>
<tr>
<td>6 month</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5 month</td>
<td>44</td>
<td>40</td>
<td>4</td>
<td>0</td>
<td>3.9</td>
<td>6.3</td>
</tr>
<tr>
<td>3 month</td>
<td>230</td>
<td>229</td>
<td>0</td>
<td>1</td>
<td>0.7</td>
<td>2.8</td>
</tr>
<tr>
<td>Total</td>
<td>281</td>
<td>276</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(98.2%)
**Standards and conditions for registration**

During 2005–06 the APVMA finalised the text of two Standards for listed registration and one set of Conditions for reservation from registration. The Standards for listed registration are for certain swimming pool chemicals and products that contain chondroitin and/or glucosamine to improve joint health in dogs and horses. The Conditions for reservation are for a range of disinfectants.

The finalised text is now in the process of being incorporated into the Regulations of the Agvet Code.

The process for listed registration and reservation from registration came into force in October 2003 with amendments to the Agvet Code. Experience has shown this process to be very complex and a barrier to further implementation of listed registration and reservation from registration. Through the PSIC, the APVMA is seeking to make the process more efficient.

**Chemistry and residues**

In evaluating applications for product registration and approval of permits, the APVMA must be satisfied that the constituents of, and manufacturing process for, a product are appropriate, and that products can be used safely without concern about potential residues in food. A dietary intake evaluation is conducted to establish if the use of a product on food animals or crops will satisfy the relevant health standards, namely the Acceptable Daily Intake and the Acute Reference Dose. No product is registered unless food safety standards are satisfied. A key objective of trade evaluations is to ensure that Australian trade to other countries will not be unduly prejudiced as a result of product registration.

**Scope of regulation**

The APVMA evaluates and registers agricultural and veterinary chemical products. The Agvet Code provides a definition of an agricultural or veterinary chemical product and also declares that certain products are, or are not, agricultural or veterinary chemical products.

As part of its role to inform policy, the APVMA is working with the PSIC to undertake a systematic review of the Agvet Code definitions and declarations. The aim is to refine and clarify the scope of products that the APVMA regulates so that its resources and attention are more effectively focussed.

The outcome of this review will be a public consultation document that will canvass opinions on whether the current scope of products that the APVMA regulates should be changed.

**Contacts with the Middle East**

The last year has seen considerable interest in the APVMA and Australia’s regulatory framework from regulators in the Middle East. In March 2006 we hosted a delegation of senior officers from the Abu Dhabi Food Control Authority, United Arab Emirates (UAE). The visitors were interested in regulation and quality control of veterinary medicines in Australia. APVMA Senior Evaluator, Dr Adil Hussain, gave a presentation on regulation of veterinary medicines in Australia, and the visitors met with other APVMA registration and GMP staff.

The visitors were impressed with the APVMA’s regulation of veterinary medicines and will be looking to further cooperation with us in their endeavours to establish a national regulatory authority for veterinary medicines in the UAE.

In May 2006, Dr Hussain travelled to an international conference in Riyadh, at the paid invitation of the Saudi Food and Drug Authority (SFDA), to give a paper on Australian veterinary medicines regulation. This invitation followed a visit by the SFDA to the APVMA in July 2004, at which they also expressed a desire to cooperate more closely with the APVMA.
Communication of trade advice

Trade advice on labels is an essential part of the whole-of-food-chain quality assurance process, enabling the livestock producer to accurately complete the National Vendor Declaration under Meat and Livestock Australia’s Livestock Production Assurance Scheme. Export slaughter intervals (ESIs) are set by the APVMA in collaboration with the registrant and the relevant producer industry. In 2005–06 the APVMA continued its initiatives to enhance communication of trade risk advice.

The APVMA now provides monthly updates on its website for ESIs for cattle and sheep products. ESIs are also routinely set for agricultural chemicals used on crops that are fed to livestock.

Adoption of the JECFA approach to setting MRLs for veterinary chemicals

Following an external review of the APVMA’s residue processes in 2004, the APVMA in 2005–06 prepared a Regulation Impact Statement for Australia to adopt the process used by the United Nations Food and Agriculture Organisation/World Health Organisation (FAO/WHO) Joint Expert Committee on Food Additives (JECFA) for setting MRLs for veterinary chemicals. Implementation of the proposal will bring the Australian approach into line with the JECFA process being used by other countries. It will build additional statistical rigour and transparency into the current residues evaluation process. It will also enhance Australia’s ability to provide input to, and influence, international forums dealing with the use and regulation of veterinary medicines. The new requirements will commence on 1 July 2006.

Active constituents

During 2005–06, 180 applications for active constituent approval were finalised, 97% within legislative timeframes. As part of the agricultural quality assurance scheme the APVMA determined 24 new or amended Standards for active constituents in 2005–06.

Maximum residue limits

During 2005–06 the APVMA evaluated residue data for 44 applications for product registration, 114 applications for permits and 8 chemical reviews, producing 434 amendments to the MRL Standard.

Permits and minor uses

Pesticides

The Pesticides Program commenced the year with 508 permit applications in process. During this period 549 applications were received, of which 454 (83%) were for minor or emergency use and 95 (17%) for research purposes.

For this period, the APVMA finalised 656 applications, with 401 applications unfinalised at the end of the year.
Of the permit applications finalised, 499 permits were issued, 81 applications were withdrawn, 8 applications were refused and a permit was not required on 68 occasions.

A total of 80 emergency use applications were finalised in the period including permits for citrus canker, electric ant, yellow crazy ant and plague locusts.

Approximately 75% of applications were finalised within their statutory timeframe. The average time taken to finalise applications for minor use permits requiring a non-technical assessment was 89 days and for applications requiring a major technical assessment, 210 days.

**Veterinary medicines**

At 1 July 2005 the Veterinary Medicines Program had 69 permit applications in process. During the year 193 applications were received and 199 applications were finalised. Of the permit applications finalised, 178 permits were issued and 21 applications were withdrawn. Ninety-seven per cent of permits were issued within statutory timeframes.

The majority (67%) of permits issued were for minor uses (including off-label use of registered veterinary medicines, autogenous vaccines and shelf-life extensions). Eighteen per cent of permits issued were for the generation of safety and efficacy data to support applications for registration. 14% of permits were to allow export of unregistered veterinary chemicals and 1% was for emergency uses.

**Minor use reform**

During the year the DAFF and the APVMA announced a joint initiative to appoint two Minor Use Liaison Officers during 2006–07. Operating externally to the APVMA, they will act as a focal point for sharing information and prioritising research to help meet the minor use needs of grower industries. Their activities will complement existing minor use activities currently managed by Horticulture Australia Limited (HAL) and Grains Research and Development Corporation (GRDC). They will also continue to develop a proposal for a longer term strategic framework for minor use reforms.

The Minor Use Taskforce Operational Issues Working Group, chaired by the APVMA, initiated further reforms including consolidating permits and pilot label reviews. Minor use permits were consolidated to reduce the administrative burden of otherwise maintaining a large number of individual permits. Consolidated permits for boscalid, bifenthrin and pymetrozine, for example, were issued in 2006 and the APVMA continues to work with permit holders in progressing others.

Pilot label reviews for pirimicarb and metolachlor also progressed. These reviews aim to determine if label changes to include additional crop groups can be supported by existing minor use permits, international data and extrapolations from existing registered use patterns. If successful, it will see a larger number of minor crops approved on label. For example, the pirimicarb proposal could see the label expanded from approximately 40 individual crops currently registered to over 120.

The APVMA’s Minor Use Officer met with the Community Consultative Committee during the period to discuss minor use reform initiatives and, in particular, the move toward more new, reduced risk chemistry. During 2006–07 the APVMA will
be developing criteria and guidelines for reduced risk chemistry.

The existing *Guidelines for Determining Minor Use* were reviewed, resulting in the reclassification of some major crops to minor use status. These new guidelines will be published during 2006–07.

The APVMA has also been developing guidelines for efficacy and crop safety for minor uses. During 2006–07 the APVMA will publish a document providing applicants with guidance on extrapolated and/or reduced data requirements for minor uses involving existing registered products.

The APVMA continued pursuing initiatives for minor uses at the international level. It proposed initiatives to the OECD Working Group on Pesticides and conducted a survey of member countries to document existing regulatory requirements and approaches to addressing minor use issues. The APVMA continued its active participation in the International Crop Grouping Consulting Committee convened by the United States Department of Agriculture (USDA) Interregional Research Project No. 4 (IR-4), including attendance at the first meeting of the committee in September 2005.

**Regulatory science quality**

The objectives of the Principal Scientists Program are to:

- improve the quality of scientific work within the APVMA
- increase domestic and international awareness and scientific credibility
- effectively manage science-related projects and issues in the APVMA.

The Principal Scientists significantly progressed each of these areas during 2005–06.
First, several measures which focussed on science-based decision-making and science communication aimed to improve the quality of scientific work undertaken by the APVMA. Seven eminent scientists were appointed as APVMA Science Fellows during the year (see feature box). The Principal Scientists finalised and implemented the APVMA Standard of Good Regulatory Science Practice, which supports science quality and science-based decision making, and audited the regulatory science quality of evaluation reports prepared by staff. Based on the findings of these audits, the training needs of staff were identified, training programs were developed to meet those needs, and training was delivered via the APVMA Science Fellows Program (see feature box). Improvements in the quality of regulatory science in the APVMA were also achieved in the area of science communication.

Second, various initiatives enhanced the national and international credibility of the APVMA. At a national level, the Principal Scientist for Residues and Veterinary Medicines presented at an APVMA workshop on the development of methodology for setting ESIs; served on the Board of Examiners of the Australian College of Veterinary Scientists; mentored APVMA staff preparing to sit the membership examinations of the College; and delivered invited university lectures. At an international level, the Principal Scientist for Residues and Veterinary Medicines participated in the 66th session of JECFA (Veterinary Drugs) as an FAO consultant; in a meeting of the VICH Expert Working Group on metabolism and residue kinetics as the Australia–New Zealand representative; and served on two editorial boards. The Principal Scientist for Agricultural Chemicals made presentations to an OECD conference in New Zealand as well as delivering invited presentations at five other national conferences in Australia.

Third, the Principal Scientists effectively managed several science-related projects and numerous science-related issues during 2005–06. The Principal Scientist for Residues and Veterinary Medicines managed a review of the agricultural and veterinary substances in Appendix J of the Standard for the Uniform Scheduling of Drugs and Poisons with an evaluation of products containing these substances for Restricted Chemical Product status. The Principal Scientist for Residues and Veterinary Medicines also managed two new projects: one to develop a risk management framework for regulatory science, and the other to develop methodology for setting ESIs for veterinary medicines used in food-producing animals. The Principal Scientist for Agricultural Chemicals completed a major project that monitored possible exposure to 32 different pesticides in the air of small rural communities surrounded by intensive agriculture. Results were reassuring, and the report is currently being peer reviewed before public release. In addition, the spray drift management discussion paper Operating Principles and Proposed Registration Requirements in Relation to Spray Drift Risk was released for public comment, and that issue has progressed significantly through the year.
Science Fellows

Dr Margaret Doherty: Pharmaceutical Sciences
Margaret Doherty BPharm, PhD is the principal of her own consultancy practice in Melbourne, specialising in providing independent, value-added expert opinion, evaluation and training in the pharmaceutical and biotechnology sectors. Dr Doherty has significant research and development experience in the pharmaceutical sector, having worked in a major multinational pharmaceutical company as a development pharmacist, in biopharmaceutical research nationally and internationally, and in academia. She has published widely in high-impact journals and has collaborated with and consulted for government regulatory agencies, research institutes and private industry. As a pharmacist, Dr Doherty has worked in both community and hospital pharmacy.

Dr Des Hennessy: Veterinary Parasitology and Residues of Veterinary Drugs in Foods
Dr Des Hennessy MSc (Hons), PhD was a Senior Principal Research Scientist at CSIRO before joining Veterinary Health Research in 2001 to establish a laboratory for analysing veterinary parasitic compounds. He is the recipient of the Australian Society for Parasitology 1987 Sprent Prize, the 1996 Bancroft Mackerras Medal and the 1999 WAAVP–Pfizer prize, all for outstanding research in parasitology. Dr Hennessy was Visiting Professor at the Danish Centre for Experimental Parasitology in Copenhagen, Denmark, between 1993 and 1999. He is Vice President of the World Association for the Advancement of Veterinary Parasitology, co-editor of Veterinary Parasitology and serves on the editorial board of the Journal for Veterinary Pharmacology and Therapeutics.

Professor Jock McLean: Toxicology of Veterinary Drugs
Jock McLean BVSc, PhD, HDA (Hons) is a Professor Emeritus of Swinburne University of Technology and Chairperson of Racing Analytical Services Ltd. He has been a member of the Victorian Stock Medicines Board, the NH&MRC Pesticides and Agricultural Chemicals Committee, the NH&MRC Committee on Toxicity and the Advisory Committee on Pesticides and Health, and presently serves on the Advisory Group on Chemical Safety. Professor McLean has served on the Joint Food and Agriculture Organization/World Health Organization Expert Committee on Food Additives (Vetinary Drugs) since its inception in 1987, including a long period as Chairman. Professor McLean was a Director of the APVMA Board between 2000 and 2005.

Professor Terry O’Neill: Statistics
Terry O’Neill BS, MS, PhD, AStat is Professor of Applied Statistics and Head of the School of Finance and Applied Statistics at the Australian National University. He is a Fellow of the American Statistical Association, a Fellow of the Institute of Mathematical Statistics, a Fulbright Fellow and a member of the International Statistical Institute. He has consulted widely to private enterprise and the public sector. His research is wide ranging, from theoretical work on classification to applied work on cancer screening, behavioural finance and disability.
Dr Peter Young: Veterinary Vaccinology and Biotechnology
Dr Peter Young BSc, BVSc (Hons), PhD, FACVSc, FASM is currently Director of Q-Vax Pty Ltd in Brisbane. Dr Young has held numerous senior research positions in government in both Australia and Indonesia including Director of the Queensland Agricultural Biotechnology Centre. He currently serves on the Gene Technology Technical Advisory Committee of the Office of the Gene Technology Regulator and, until recently, was a member of the Biotechnology Scientific Advisory Board of the Office International des Epizooties (Paris).

Professor Brian Priestly: Toxicology of Pesticides
Brian Priestly, BPharm, PhD is a Professorial Fellow in the Department of Epidemiology & Preventive Medicine and Director of the Australian Centre for Human Health Risk Assessment (ACHHRA). Prior to this, Professor Priestly was Director of the Laboratories Branch in the Therapeutic Goods Administration (TGA) and Scientific Director of the chemicals toxicology and chemicals risk management programs of the Commonwealth Health portfolio. Professor Priestly has served on the National Drugs & Poisons Scheduling Committee, chaired the Advisory Committee for Pesticides & Health, and has been active on several NHMRC technical committees and working groups over the past 20 years.

Dr. Andrew Hewitt: Spray Drift Risk Assessment
Dr Hewitt, BS, MS, PhD is the Director of the Centre for Pesticide Application and Safety at the University of Queensland and Chairman of the international ISO working group for the establishment of an international droplet spectrum standard for spray drift risk assessment. He served as the project manager for the Spray Drift Task Force (SDTF) in the US where his major responsibilities included atomization studies and data analysis in conjunction with co-ordination of SDTF Technical Committee activities. Dr Hewitt was Chairman of the Institute for Liquid Atomization and Spray Systems (LASS) Agricultural Sprays Committee and served on the Board of Directors of ILASS-Americas. Dr Hewitt serves on the editorial board of the journal Atomization and Sprays, and leads the American Society for Testing and Materials (ASTM) sub-group on laser diffraction techniques.
Label quality

The APVMA has identified label content and approval processes as a reform priority. To this end, a one-day forum was held in September 2005 to seek stakeholders’ perspectives (including chemical users, the community, chemical manufacturers and Commonwealth, state and territory agencies) on issues relating to label content and approval processes.

Following the forum a Labelling Code Working Group with representatives from all stakeholders was formed. This Working Group is developing revised codes of practice for labelling agricultural and veterinary chemical products based on agreed principles. The Working Group will identify shortcomings with existing practices and analyse the impact of options for change for users, industry and regulators.

A parallel Label Approval Process Working Group comprising regulators and the chemical industry was also formed. The task of this Working Group is to reform and refine parameters for improvement to the label approval process. Achievements to date include developing a process to allow applicants to submit labels for approval by the APVMA in electronic format, broadening the scope of a permit to allow registrants to make minor administrative label changes without submitting individual applications for approval, and issuing a permit allowing additional label components such as tags and stickers to be placed on containers.

As a separate project the APVMA also reached agreement with manufacturers of aluminium phosphide products used for generation of phosphine for fumigation of stored grains, and with industry users and advisors on significant improvements to labelling and use of this chemical.

Service Level Agreements

In evaluating applications for registration, the APVMA receives advice from various Australian...
Government and state and territory government agencies on human toxicology, occupational health and safety, the environment, efficacy, target animal and crop safety, and genetically modified products and organisms. Formal Service Level Agreements (SLAs) are in place between the APVMA and the agencies concerned to ensure that advice is provided in a framework that is cost-effective, accountable and has relevant performance measures.

Throughout 2005–06 the APVMA maintained and revised its SLAs with the Department of the Environment and Heritage (DEH) and the Office of Chemical Safety (OCS) in the Department of Health and Ageing for scientific assessment services. Services include assessments for registration and permit applications, assessments of chemicals under review and other professional advice. The APVMA achieved a 6.5% reduction in agency timeframes for 2005–06. The DEH delivered 80.5% of application assessments within timeframes and the OCS 97.3%.

The APVMA revised its MOU with the Office of the Gene Technology Regulator (OGTR) in 2005–06. The OGTR advises the APVMA on the impact of pesticides and veterinary medicines on genetically modified organisms and on genetically modified organisms that are part of pesticide and veterinary medicine products. The APVMA also provides comment on relevant draft risk assessments prepared by the OGTR.

The APVMA published the *Efficacy and Target Animal/Crop Safety Reviewer's Manual* to assist reviewers and applicants in their understanding of assessment of efficacy and target animal/crop safety.

### Strategy 2: Provide targeted information and develop key links with stakeholders to enhance system outcomes and build stakeholder confidence

#### Public affairs strategy

In 2005–06 the APVMA reviewed its public affairs strategy to seek better alignment between the public affairs function and the organisation’s corporate objectives. The APVMA vision statement identifies the importance of the APVMA having the recognition, confidence and respect of its key stakeholders. While previous public affairs activities had indirectly addressed these issues, a more direct approach was needed and, as a consequence, a three part strategy was developed.

The first part seeks to build recognition of the APVMA as an authoritative source of information on chemical issues. Activities that have been pursued to position the APVMA in this light have included proactive media engagement, support for profile-raising activities and inclusion of APVMA stories in user group publications.

The second part of the strategy has been to support strong, predictable internal processes that are easy to use and access. Several activities have taken place in pursuit of this objective. The APVMA has continued to build the on-line Right Now information system and projects have been initiated to enhance the functionality of the APVMA website and the quality of APVMA communications.
The third part of the public affairs strategy has been to assist APVMA staff to build more effective relationships with external stakeholders. Media training has been conducted for senior staff and a number of public issues managed effectively. The Account Manager Scheme has been reviewed to make it more flexible and targeted. Branding for the APVMA’s new Canberra offices, to be occupied during 2006–07, has also been developed.

**Stakeholder interaction**

A range of activities was undertaken across the organisation during 2005–06 to strengthen relationships and communication with key stakeholders.

Throughout the year the APVMA continued to engage stakeholder groups through its four major consultative groups: the Community Consultative Committee, the Registration Liaison Committee, the Industry Liaison Committee and the Industry Technical Committee. A review conducted on the way the APVMA consults with its stakeholders endorsed the ongoing value of these forums and found more ways to engage with the diverse group of people and organisations that have an interest in agvet chemicals.

Formal engagement through committees is but one of the means the APVMA uses to interact with stakeholders. The Board specifically invites a range of stakeholders to meet with it when it holds meetings in regional Australia, and the CEO and senior staff regularly meet with personnel from a range of organisations to increase understanding of such organisations in relation to agvet chemical regulation.

The APVMA also hosted a number of issues-focussed meetings and seminars tailored to specific stakeholder groups. As an example, seminars were held on the possible diazinon review outcomes.

Direct interactions took place on the numerous occasions when APVMA staff attend and give presentations at stakeholder meetings, field days, conferences and seminars. These activities increase awareness of the APVMA and its requirements and improve stakeholder awareness of the regulatory system. A summary of these activities is provided in Table 10.

**Table 10 APVMA presentations in 2005–06**

<table>
<thead>
<tr>
<th>Month</th>
<th>Conference or seminar name</th>
<th>Topic of presentation</th>
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<tbody>
<tr>
<td>July 2005</td>
<td>RACI Connect 2005</td>
<td>Regulation of agvet chemicals</td>
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<td>July 2005</td>
<td>Burdekin Productivity Services AGM</td>
<td>APVMA registration and review programs</td>
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<tr>
<td>July 2005</td>
<td>Nursery and Garden Industry Conference 2005</td>
<td>Agvet chemicals regulation and import</td>
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<tr>
<td>September 2005</td>
<td>Invited lectures, University of Sydney</td>
<td>Food safety — chemical residues</td>
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<tr>
<td>September 2005</td>
<td>Australian Society for Microbiology</td>
<td>Veterinary medicines aiding food quality</td>
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<tr>
<td>Month</td>
<td>Conference or seminar name</td>
<td>Topic of presentation</td>
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<tr>
<td>September</td>
<td>International Crop Grouping Consulting Committee Meeting</td>
<td>A major focus to solve a minor problem</td>
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<tr>
<td>September</td>
<td>APVMA Labelling Forum</td>
<td>Part 1 The label as a communication vehicle</td>
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<td>September</td>
<td>National Consultative Council on Animal Welfare (NCCAW)</td>
<td>Product registration and animal welfare</td>
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<td>September</td>
<td>NCCAW</td>
<td>APVMA review of 1080 — animal welfare issues</td>
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<tr>
<td>October</td>
<td>AgChem Forum, The Netherlands</td>
<td>Regulatory science</td>
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<tr>
<td>November</td>
<td>Avcare Summit</td>
<td>APVMA changing to meet new standards</td>
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<td>November</td>
<td>Veterinary Manufacturers and Distributors Association (VMDA) AGM</td>
<td>Listed regulation</td>
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<td>November</td>
<td>Generic Agricultural Chemicals Association</td>
<td>Ag QA Scheme and compliance strategies</td>
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<td>November</td>
<td>Pet Food Industries Association of Australia</td>
<td>Regulation of therapeutic pet foods — update</td>
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<tr>
<td>November</td>
<td>Meeting of the APVMA Pesticide Risk Reduction Steering Group (RRSG) and Registration Steering Group (RSG)</td>
<td>Minor use discussion paper</td>
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<tr>
<td>November</td>
<td>APVMA spray drift reduction</td>
<td>Spray drift management</td>
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<td>November</td>
<td>WA government agencies meeting</td>
<td>1080 use practices</td>
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<td>November</td>
<td>Poultry industry workshop</td>
<td>Overview of the dimetridazole review and regulatory options</td>
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<tr>
<td>December</td>
<td>Combined workshop on review of diazinon and selected sheep ectoparasiticides</td>
<td>Results of diazinon worker exposure study and implications for continued use</td>
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<tr>
<td>January</td>
<td>Ag Teachers Conference</td>
<td>APVMA overview</td>
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<td>February</td>
<td>SA Horticultural Exemptions</td>
<td>SA horticultural exemptions</td>
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<td>February</td>
<td>JECFA (veterinary drugs)</td>
<td>Residues monographs for flumequine and melengestrol acetate</td>
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<td>February</td>
<td>Chemcert Trainers Conference</td>
<td>Spray drift risk</td>
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<td>February</td>
<td>Plantation Forestry Conference</td>
<td>Spray drift risk</td>
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<tr>
<td>March</td>
<td>CropLife Outlook Workshop</td>
<td>APVMA priorities 2006–07</td>
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<td>March</td>
<td>VICH Expert Working Group on Metabolism and Residue Kinetics</td>
<td>Discussion paper to VICH Steering Committee</td>
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<td>March</td>
<td>National Rural Independent Group</td>
<td>Complying with the Agvet Code</td>
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<tr>
<td>Month</td>
<td>Conference or seminar name</td>
<td>Topic of presentation</td>
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<tr>
<td>April 2006</td>
<td>Corporate Governance in the Public Sector</td>
<td>Developments in the Governance Framework for a Commonwealth regulatory agency</td>
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<td>April 2006</td>
<td>CropLife Seminar</td>
<td>Compliance strategic reform</td>
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<td>April 2006</td>
<td>Australian Groundsprayers Association Conference</td>
<td>Spray drift risk</td>
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<tr>
<td>May 2006</td>
<td>Invited lectures, Monash University</td>
<td>Veterinary dosage forms</td>
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<td>May 2006</td>
<td>US Environmental Protection Agency (USEPA)</td>
<td>Post-approval regulation of pesticides in Australia — challenges and opportunities</td>
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<td>May 2006</td>
<td>Australian Veterinary Association</td>
<td>Permits for the conduct of field or research trials</td>
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<td>May 2006</td>
<td>Australian Veterinary Association</td>
<td>Targeting animal efficacy and safety: data to support applications for product registration and minor use/off-label permits</td>
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<tr>
<td>May 2006</td>
<td>Australian Veterinary Association</td>
<td>Targeting animal efficacy and safety: trial protocol applications — obtaining a reviewer’s expert opinion</td>
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<td>May 2006</td>
<td>Australian Veterinary Association</td>
<td>Veterinary prescribing of unregistered products</td>
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<td>May 2006</td>
<td>Australian Veterinary Association</td>
<td>Prescribing for Aquaculture Forum: a regulatory perspective</td>
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<tr>
<td>May 2006</td>
<td>Australian Veterinary Association</td>
<td>Permits for the conduct of field or research trials</td>
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<tr>
<td>May 2006</td>
<td>NCCAW</td>
<td>Animal welfare update</td>
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<td>May 2006</td>
<td>National Working Party on Grain Protection</td>
<td>Update on regulatory issues relevant to the grain industry</td>
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<td>May 2006</td>
<td>Ausveg Conference</td>
<td>Minor use chemicals — Where to from here?</td>
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<td>May 2006</td>
<td>CropLife Conference</td>
<td>Spray drift risk</td>
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<td>May 2006</td>
<td>NSW Farmers’ Association Conference</td>
<td>Spray drift risk</td>
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<tr>
<td>May 2006</td>
<td>National Low Chill Stonefruit Conference</td>
<td>APVMA review program and update on chemical reviews</td>
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<td>May 2006</td>
<td>VMDA seminar, Melbourne</td>
<td>Revised manufacturing principles and the new code of good manufacturing practice (GMP)</td>
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<td>May 2006</td>
<td>VMDA seminar, Sydney</td>
<td>Revised manufacturing principles and the new code of GMP</td>
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<tr>
<td>May 2006</td>
<td>VMDA seminar, Perth</td>
<td>Revised manufacturing principles and the new code of GMP</td>
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### Table: Conference or seminar name and topic of presentation

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<thead>
<tr>
<th>Month</th>
<th>Conference or seminar name</th>
<th>Topic of presentation</th>
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<tbody>
<tr>
<td>June 2006</td>
<td>Hydroponic Lettuce Pest and Disease Management Conference 2006</td>
<td>Accessing new chemicals — tackling the minor use problem</td>
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<tr>
<td>June 2006</td>
<td>Health Canada Pest Management Regulatory Agency</td>
<td>Post-approval regulation of pesticides in Australia — challenges and opportunities</td>
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<tr>
<td>June 2006</td>
<td>VMDA seminar, Brisbane</td>
<td>Revised manufacturing principles and the new code of GMP</td>
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<tr>
<td>June 2006</td>
<td>APVMA Workshop on a Statistical Protocol for setting Export Slaughter Intervals (ESIs)</td>
<td>Developing a new methodology for setting ESIs</td>
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<tr>
<td>June 2006</td>
<td>Seminar on Hydroponic Lettuce</td>
<td>Chemicals for minor use</td>
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<tr>
<td>June 2006</td>
<td>Australian timber industry</td>
<td>Regulation of copper chrome arsenate — role and responsibilities of the timber industry</td>
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</table>

The APVMA continued to build awareness of the AERP with a number of target audiences including local councils and rural chemical users.

Throughout the year the APVMA further enhanced its use of electronic media both to provide information and to develop key links with stakeholders. PUBCRIS, the APVMA’s public database of agvet chemicals, was also revised and enhanced with extra sorting, searching and printing options as well as more efficient access to information. The APVMA’s email subscription service was enhanced to provide additional functionality. Over 1200 subscribers regularly receive targeted information from the APVMA including the *Regulatory Update*, a new service providing chemical industry stakeholders with a fortnightly report of the APVMA’s regulatory decisions and activities. The APVMA Newsletter, distributed by email three times a year, provides subscribers with an overview of APVMA initiatives, activities and news. The APVMA website has increasingly been used as a consultative forum, taking over this role from the *APVMA Gazette* which remains the medium through which official regulatory decisions and processes are promulgated.

APVMA information sheets and presentation material were updated and continue to be in demand by school groups, journalists and visiting officials.
Consultation via the website

The APVMA is making much greater use of its website for public consultation on matters such as draft review findings, new guidelines and new operational policies.

In the past, these consultative documents were published in the APVMA Gazette on the first Tuesday of each month. However, many documents are too large to publish in the Gazette and time can be lost in waiting for the next edition of the Gazette to be released.

The website has the advantage of being immediate, the documents are readily available for download and comments can be posted back to an email address which is available on the website.

This has now occurred and the refinement implemented. The meeting also adopted the use of a statistical approach to estimating MRLs for veterinary drugs.

International Cooperation for Harmonisation of Technical Requirements for Registration of Veterinary Medicinal Products (VICH)

The principal objective of VICH is to provide an international forum for regulators and the veterinary medicinal products industry to harmonise technical requirements for product registration. The members of VICH are drawn from the European Union, Japan and the United States of America. Australia and New Zealand have combined observer

Working with the media

The work of the APVMA continued to attract media interest throughout 2005–06 with an average of six enquiries per month. Most interest was in response to media statements issued by the APVMA advising the outcome of chemical reviews. Major topics of interest by the media in 2005–06 included 2,4-D, copper chrome arsenate, hormone growth promotants, diuron, 1080 and diazinon. Media contact is welcomed by the APVMA as it provides an important means of raising awareness of our activities.

International engagement

Joint FAO/WHO Expert Committee on Food Additives (Veterinary Drugs) (JECFA)

The work of JECFA, including advances in its MRL setting procedure, is of major interest to the APVMA for two reasons. First, MRLs (maximum residue limits) established by Codex facilitate international trade in agricultural commodities, a function that is critical to Australia. Second, the APVMA is due to adopt the JECFA approach to MRL setting for veterinary drugs on 1 July 2006. It is important, therefore, for the APVMA to be directly involved in the activities of JECFA. The Principal Scientist for Residues and Veterinary Medicines participated as an invited FAO Consultant in the 66th meeting of JECFA.

The meeting prepared technical evaluation reports for several veterinary drugs, recommending MRLs for consideration by the Codex Committee on Residues of Veterinary Drugs in Foods (CCRVDF). In addition, the meeting adopted a more realistic approach to the long term intake of residues of veterinary drugs in foods. For many years, Australian delegations to international forums have been promoting refinement of the JECFA approach.
VICH endorsed the new topic of metabolism and residue studies for the development of internationally harmonised data requirements. A VICH Expert Working Group was established in 2005 and the Principal Scientist for Residues and Veterinary Medicines was appointed as the Australia/New Zealand representative. The Expert Working Group has commenced developing harmonised VICH guidelines on study requirements.

The VICH initiative to globally harmonise data requirements relating to metabolism and residue studies for veterinary drugs is both important and timely for Australia. The initiative will complement the adoption by the APVMA of the JECFA MRL setting approach for veterinary drugs. Taken together, the two initiatives represent major progress towards harmonising the regulation of veterinary drugs in Australia with the regulatory practices in those countries that have well-developed regulatory systems for veterinary drugs.

**Organisation for Economic Co-operation and Development (OECD)**

**Working Group on Pesticides (WGP)**

The APVMA participates in the work of the OECD Working Group on Pesticides and its related steering groups (the Registration Steering Group, the Risk Reduction Steering Group and the Biopesticides Steering Group). Through these OECD groups the APVMA focuses on achieving greater efficiency in registration processes, improving harmonisation of registration requirements and guidelines, promoting and participating in exchange of assessments, work sharing, improving the scientific basis for decision making, and continuing to reduce risks to people and the environment.

The WGP aims to facilitate common international approaches to pesticide regulation through development of common evaluation and testing guidelines and promoting work sharing among member countries.

The multinational cooperation that occurs in the WGP is complemented by the bilateral MOUs that the APVMA now has in place with its counterpart regulators in the USA, Canada and New Zealand. During the year, MOUs were signed with the USFDA and NZFSA to build on those established the previous year with the Canadian Pest Management Regulatory Agency and Veterinary Drugs Directorate. These agreements are now yielding real benefits in terms of information and work sharing.

For several years the APVMA has exchanged assessment reports with overseas regulators and used these reports, as applicable, when conducting its own assessments (registration and review). In 2006 the APVMA embarked on a work share project with the US Environmental Protection Agency and the Health Canada Pest Management Regulatory Agency. This project involves assessment of an OECD formatted data package for a new active constituent submitted to all three regulators simultaneously. Under the work sharing arrangements each country has agreed to conduct specific components of the hazard assessments, to peer review each
other’s assessments and to produce an OECD monograph that will form the basis for individual country risk assessments. These initiatives have the potential for significant work savings as well as internationally harmonised and consistent hazard assessments for chemicals. Planning for a further two global work sharing projects is under way, one of them involving Australian, North American and European regulatory agencies.

During 2006 the APVMA also presented a minor use discussion paper to the WGP as a follow-up to the Risk Reduction Steering Group Minor Use Seminar held in Canberra in November 2003. The APVMA’s Minor Use Project Officer was instrumental in initiating a survey on member country minor use activities, networks and regulatory requirements and making recommendation to the WGP for further work on minor use including pilot trials for work sharing on minor use pesticides. The recommendations have led to the initiation of an OECD Minor Use Project. The objectives of the project are to harmonise regulatory requirements for minor uses and to improve opportunities for joint reviews and acceptance and generation of international data.

The APVMA has also played a leading role in the work of the OECD Expert Group on Pesticide Residue Chemistry. During 2005–06 work on five test guidelines and two guidance documents on residue chemistry was completed. The timely completion of these documents has been recognised by the OECD and member countries as an exceptional achievement.

The APVMA also continues to support the work of the Office of Chemical Safety in leading an OECD project on the development of a guidance document on the analysis of dermal absorption studies, with a focus on the use of such studies for occupational health risk assessment purposes.

In June 2006 the APVMA actively participated in the OECD Workshop on User Compliance.

**United Nations FAO/WHO Codex Committees on Pesticide Residues (CCPR) and Residues of Veterinary Drugs in Food (RVDF)**

The APVMA provides technical advice for the CCPR and RVDF. These committees and the FAO/WHO expert evaluation panels (the Joint Meeting on Pesticide Residues and the Joint Expert Committee on Food Additives) are responsible for determining the MRLs that underpin the trade in food commodities.

The APVMA contributed to the Australian delegation to the CCPR meeting in April 2006. Key issues for Australia included prioritisation of the evaluation of the new chemicals mandipropamid and azoxystrobin, the accelerated Step 5/8 procedure, draft risk analysis principles applied by CCPR and draft guidelines on the estimation and interpretation of measurement uncertainty of results. They also included refining the variability factor in estimating acute dietary exposure, criteria for the advancement or non-advancement of draft MRLs and the use of alternative Good Agricultural Practices (GAPs) where acute dietary risk concerns are raised in reviewed GAPs.
Other international activities

Through visits to the APVMA by international visitors, and targeted visits by key staff, the APVMA has continued its international engagement in the interests of optimising regulatory quality, consistency and efficiency. During the year meetings were held with representatives of the European Medicines Agency (EMEA), United Kingdom Pesticides Safety Directorate, UK Veterinary Medicines Directorate, German Federal Office for Consumer Protection and Food Safety, European Food Safety Authority, United States Environment Protection Agency (USEPA), USFDA, Canadian Pest Management Regulatory Agency and Veterinary Drugs Directorate (PMRA and VDD), and NZFSA.

Strategy 3: Support development of relevant
Government policy

Informing policy

During 2005–06 the APVMA provided input to policy and legislative activities of DAFF and the Product Safety and Integrity Committee of the Primary Industries Ministerial Council. This included proposing a review of the scope of APVMA regulation, assisting development of Class C data protection legislation and post-Galbally Review reforms, and proposing improvement to the listed registration/reservation framework.

The APVMA assisted in the review of the agvet chemicals component of the Trans Tasman Mutual Recognition Agreement and recommended and implemented a change in the Regulations to reduce the levy rate on chemicals sales. The APVMA also provided input to whole-of-government reform activities, including the Uhrig review of corporate governance, and to COAG and Productivity Commission projects on chemicals regulation.

With DAFF, APVMA implemented policy reforms to help address minor use needs.
Principal goal 2: Quality assurance and compliance

Ongoing product quality supported by effective intelligence, quality assurance and compliance and enforcement programs

Overview

Pesticides and veterinary medicines may not be registered forever. The APVMA manages four programs that monitor the ongoing quality and safety of registered products to ensure that the high standards of registration are maintained. Through these programs the APVMA has the capacity to take regulatory action if the registration standards are not maintained or if new information becomes available that dictates the need to reconsider a product’s registration.

The four APVMA programs are the Chemical Review Program, the Compliance Program, the Adverse Experience Reporting Programs and the Manufacturers’ Licensing Scheme.

The APVMA employs three key strategies to ensure the ongoing quality of pesticides and veterinary medicines:

Strategy 1: Achieve system excellence through enhanced intelligence, feedback loops, monitoring and reporting

Strategy 2: Review chemical safety, quality and performance against contemporary standards

Strategy 3: Ensure product quality through risk based compliance strategies

Strategy 1: Achieve system excellence through enhanced intelligence, feedback loops, monitoring and reporting

AERP

The Adverse Experience Reporting Program for agricultural (AERP Ag) and veterinary chemicals (AERP Vet) are post-registration feedback loops established by the APVMA to facilitate responsible management of agricultural and veterinary chemical products throughout their life.

The aim of AERP Ag and AERP Vet is to provide the APVMA with feedback about the quality and performance of agricultural and veterinary chemical products in the field to ensure that registration decisions being made by the APVMA continue to remain appropriate, and to promote and maintain public confidence in the National Registration Scheme.
As the AERP Ag is still a relatively new program, a number of activities were undertaken to raise awareness of the program in the wider community. These included:

- contributing to the SMARTtrain training manual
- communicating with 670 local councils
- awareness raising in rural press and magazines.

During 2005–06 AERP Ag assessed and classified 114 adverse experience reports. Adverse experience reports involving effects on crops accounted for approximately 70% of the reports, and human adverse experience reports 27%. Based on assessments of information received, a number of corrective actions are currently under way. Numerous enquiries were received from members of the public.

Activities undertaken to raise awareness of the AERP Vet program and to advise the community of the potential risks associated with the use of veterinary chemical products included:

- publishing an article titled *Off-label oxytetracycline use in horses*, in the *Australian Veterinary Journal* 84(1–2): 16.

During 2005–06, AERP Vet assessed and classified 1315 reports involving suspected adverse reactions in animals received from veterinary surgeons, owners, members of the public and product registrants. In addition, numerous enquiries were received from both veterinarians and members of the public. Of the adverse experience reports, 81% involved animal safety, 14% involved lack of efficacy and 5% involved human health issues.

Corrective actions taken include:

- recommendations to change the label of products containing clomipramine hydrochloride to prevent use for treatment of aggression and note that urinary retention is a potential side effect
- recommendation to change the label of avian products containing praziquantel to prevent use in Gouldian finches
- recommendation to change labels of reptile products containing praziquantel and fenbendazole to prevent damage to oropharyngeal areas of reptiles, and
- recommendation to change labels of products containing chlorhexidine gluconate and miconazole nitrate to warn owners not to allow animals to lick the product off the coat and to ensure adequate rinsing occurs.

The quality of the information provided in the reports was generally of a high standard, which in part reflects the good interaction between the APVMA and the veterinary profession and registrants.
Safety of Australia’s food supply

Australia conducts various programs to assess and mitigate trade risks and maintain access to markets for agricultural produce. The most significant of these in relation to residues of pesticides and veterinary medicines are the National Residues Survey conducted by the Department of Agriculture, Fisheries and Forestry and the Australian Total Diet Survey conducted by Food Standards Australia New Zealand.

In 2005–06 the National Residues Survey conducted analyses on a total of 249,461 chemical–commodity combinations in the meat products, honey, grains, horticulture and fisheries/aquaculture programs. The incidence of residues in excess of MRLs reported in these surveys is very low (see Table 11). This reflects the success of the measures put in place by government and industry to mitigate trade risks, a key element of which is the chemical product registration scheme operated by the APVMA.

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<td>Grain products</td>
<td>99.65</td>
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<td>Horticultural products</td>
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<td>100.00</td>
<td>99.99</td>
<td>100.00</td>
</tr>
<tr>
<td>Fisheries products</td>
<td>100.00</td>
<td>100.00</td>
<td>99.94</td>
<td>100.00</td>
</tr>
<tr>
<td>Honey</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Strategy 2: Review chemical safety, quality and performance against contemporary standards

Effective regulation through chemical review

APVMA chemical reviews reconsider the registration of pesticides and veterinary medicines in the marketplace where potential risks to safety and performance have been identified. A review may be initiated when new research or evidence has raised concerns about the use or safety of a particular chemical or product.

Under the program, reviews may be based on one or more areas of concern (such as environmental safety, worker safety, public health, residues or trade) or may be comprehensive, covering all aspects of the product’s registration.

During a chemical review, the APVMA draws on the specialist expertise of its staff and that of other advisory agencies. The review process also includes extensive consultation with the chemical industry, users and the community. At the completion of a chemical review, for a chemical product to continue to be registered the APVMA must be satisfied that the product remains safe and effective when used according to the label.
At 30 June 2006 the Chemical Review Program had 31 ongoing reviews compared with 34 in 2004–05. Eleven of these are comprehensive reviews — shown in Table 12 as (c) — covering all aspects of the respective active constituent, product and labels. The remaining 20 reviews focus on more specific aspects of products and/or their labels.

Table 12 Chemicals under review in 2005–06

<table>
<thead>
<tr>
<th>Chemical</th>
<th>Dimetridazole</th>
<th>Methiocarb (c)</th>
<th>2,4-D</th>
<th>Diquat (c)</th>
<th>Methyl bromide (new)</th>
<th>Atrazine (c)</th>
<th>Diuron</th>
<th>Molinate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azinphos methyl (c)</td>
<td></td>
<td></td>
<td>Carbaryl</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbaryl</td>
<td></td>
<td></td>
<td>Fentrothion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbon disulfide (completed)</td>
<td></td>
<td></td>
<td>Fenthion (c)</td>
<td></td>
<td>Parathion methyl (c)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chlorfenvinphos (c)</td>
<td></td>
<td></td>
<td>Fipronil</td>
<td></td>
<td>Polihexanide (new)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chlorpyrifos (c)</td>
<td></td>
<td></td>
<td>Macrolides</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diazinon (c)</td>
<td></td>
<td></td>
<td>Maldison</td>
<td></td>
<td>Sheep ectoparasiticides</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dichlorvos</td>
<td></td>
<td></td>
<td>Methamidophos</td>
<td></td>
<td>Temephos</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dimethoate</td>
<td></td>
<td></td>
<td>Methidathion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

During 2005–06 the review for carbon disulfide was concluded and the Review Findings report published. In addition, the Review Findings report for carbaryl (home garden, home veterinary, domestic and poultry uses) was published. Six Preliminary Review Findings reports were released for public consultation. These were for the review of 2,4-D (short-chain esters), diazinon, fenthion (non-food uses), methyl bromide and sheep ectoparasiticides, and a second Preliminary Review Findings report for carbaryl (agricultural uses) which was completed in June 2006 and released for public comment in July 2006.

The reports for these reviews are all available on the APVMA website.

The APVMA also took action aimed at mitigating spray drift risk to revise label instructions for all 2,4-D products.

Two new chemical reviews were initiated in 2005–06 – methyl bromide and polihexanide. A review scope document was prepared for each review and is available from the APVMA website.

Carbon disulfide

At commencement of the review, carbon disulfide was used in Australia as a grain fumigant and in a pig poison product. The APVMA undertook the review of carbon disulfide because of toxicological, residues and OHS concerns.

The report of the Preliminary Review Findings was released in August 2004 and the registration of the grain fumigant product was subsequently cancelled in December 2004. The review continued for the remaining carbon disulfide product, a pig poison.
The Review Findings for the pig poison were concluded in April 2005. Product labels are being amended to include comprehensive information relating to distance restrictions, neighbour notification, disposal of baits and carcasses at the end of a baiting campaign, placement of poison signs, updated first aid instructions and safety directions, and clearer directions for the amount of product to be applied.

This review is now concluded.

2,4-D (short-chain esters)

2,4-D is a common name for the chemical compound 2,4-dichlorophenoxyacetic acid. It is a herbicide and belongs to the phenoxy group of chemicals sometimes referred to as hormone herbicides as they act by mimicking a major plant growth regulatory hormone. Products containing 2,4-D can be formulated from several different chemical forms of 2,4-D including the free 2,4-D acid, salts (e.g. sodium and various amines) and long-chain and short-chain esters. Each of these forms has somewhat different physicochemical properties, presenting different risks to be considered.

Products containing 2,4-D and its analogues are used for post-emergent control of broadleaf weeds in an extensive range of crops and non-cropping situations. Aerial, hand held and ground methods of application are used. Major agricultural uses of 2,4-D include pasture, stubble and fallow maintenance, cereal crops (including wheat, oats, barley, rye, triticale), grain crops (including sorghum, millet, maize) and oilseed crops (safflower, canola, rape). Other agricultural uses include cotton, citrus crops (particularly to inhibit post-harvest abscission of buttons), sugar cane, sweet corn, peanuts and control of banana suckers. 2,4-D is also used extensively for weed control in non-cropping situations including commercial and industrial areas, turf, forestry and aquatic areas.

2,4-D was placed under review because of toxicological, occupational health and safety and environmental concerns. The Preliminary Review Findings for the environment component dealing in particular with the short-chain ester forms of 2,4-D (2,4-D ethyl ester, 2,4-D butyl ester and 2,4-D isobutyl ester) were released for public consultation in April 2006. The report was released ahead of the completion of the other components of the review in order to address concerns over unintended harmful effects from the use of short-chain ester 2,4-D on the environment, and extensive reports of off-target crop damage associated with the use of these products.

The key preliminary findings are that use of the short-chain esters of 2,4-D does pose an unacceptable risk to non-target terrestrial plants (including non-target crops) and non-target aquatic organisms. Because of the volatile nature of the short-chain ester forms they can readily migrate from the site of application and cause off-target damage to crops and other plants. It has been concluded that these risks cannot be adequately mitigated, thus the report proposes that approvals and registrations relating to the high-volatile (short-chain) ester forms of 2,4-D be cancelled.

As at 30 June 2006 the APVMA is considering all comments and information received as part of the consultation process and is developing a Final Review and Regulatory Decision report.
2,4-D label review

The APVMA took regulatory action on label instructions for all 2,4-D products following reports of off-target crop damage. Registrants were required to vary labels to strengthen the current label warnings about minimising chemical spray drift. These changes are not the final outcome of the review of 2,4-D in relation to spray drift management. Further changes to approvals and registrations may be required once the full toxicological, occupational health and safety and environmental risks for 2,4-D have been assessed.

Carbaryl

Carbaryl is a carbamate insecticide used for the control of insect pests in a broad range of agricultural and domestic situations, including stored grain, ornamentals, lawns, fruit and vegetables, and around public buildings. It is also used to a lesser extent in the control of insects on domestic animals. Formulations of carbaryl include suspension concentrates, aqueous concentrates, wettable powders, ready-to-use dusts, ready-to-use liquids, and solid formulations.

The review of carbaryl was undertaken in response to concerns about possible unacceptable residues when carbaryl is used in stored grain. There were also concerns about exposure to residues on fruit and vegetables and exposure to residues when using products on produce grown in the home garden.

A draft Review Report for carbaryl was released in June 2004. After its release and due to the provision of additional data for agricultural uses, the review was split into two parts (Part 1: home garden, home veterinary, domestic and poultry; and Part 2: agricultural uses).

Part 1—Use in home garden, home veterinary, poultry and domestic situations

Part 1 of the carbaryl review considered products used in home garden, home veterinary, poultry and domestic situations. A Review Findings report on these uses of carbaryl was released in April 2006.

Key findings of the review for Part 1 that have led to the APVMA’s proposed recommendations are that there are potential risks to users from exposure to carbaryl residues in fruit, vegetables and poultry and to users from concentrated products in the home garden as well as from carbaryl dust products in the home, home garden and domestic situations.

As a result of these findings, the use of carbaryl products in these situations will be cancelled. The APVMA is currently obtaining labels to make the variations as an outcome of the review. Part 1 of the carbaryl review will be concluded when the product label amendments have been completed.
Part 2—Use in agricultural situations

Part 2 of the carbaryl review considered products used in agricultural situations. The APVMA completed the Preliminary Review Findings report in June and released its report for public consultation in July 2006. The report provided the initial findings for agricultural products and is a modification of the proposed recommendations in the draft Review Report of 2004 based on the analysis of further data.

The key preliminary findings of the carbaryl review (Part 2) are that there is a potential risk to users from exposure to carbaryl residues in some fruit and vegetables and that there is a potential risk to human health from mixing, loading and application of some products.

Diazinon

Diazinon belongs to the organophosphate group of chemical compounds and is effective against a broad range of insects, spiders and mites. Products containing diazinon have been registered for use in Australia for over 30 years and are widely used in the control of sucking and chewing insects and mites on animals and plants.

Veterinary products containing diazinon are used to control external parasites on sheep, cattle and other farm animals and are also available as collars for companion animals. Products containing diazinon are used to a lesser extent in agriculture and horticulture for control of insects in crops, ornamentals, lawns, fruit and vegetables. They are also used for control of insects in and around domestic, agricultural and public buildings.

The review of diazinon was undertaken to assess concerns related to potential public health, environmental, occupational exposure, residue and trade issues. Draft Review Reports outlining the areas of concern and requirements for additional data were released in 2000 and 2002, and regulatory action to cancel certain hydrocarbon-based formulations and dog flea treatment products was taken in 2003.

In June 2006 the APVMA released the Preliminary Review Findings report, which sets out the findings developed in response to information and data that have become available since the draft Review Report was released, including data generated by registrants and user groups.

The proposed key finding of the review is that use of products containing diazinon may, in some situations, pose undue risks to workers, human health, trade and the environment. These risks can be eliminated by deletion of a number of uses and changes to instructions on labels for a number of products. Public comment is being sought on the findings and proposed regulatory actions.

Comments and information received during this period will be assessed and taken into account when developing the Final Review report and Regulatory Decision.

Fenthion (non-food uses)

Fenthion is an organophosphorus pesticide to control ants, cockroaches, crickets, silverfish, flies, mosquitoes and spiders in and around commercial/industrial buildings
and domestic/public areas. It is also used as a spot-on formulation to control fleas on
dogs and for the control of non-native pest birds around commercial and industrial
buildings. In addition, fenthion is used to control a range of insect pests on a variety
of fruit and vegetable crops and to control external parasites on cattle.
The review of fenthion has been split into two parts. Part 1 addresses the approval of
the active constituent and products that are used in non-food-producing situations
and Part 2 will address the products used on food-producing plants and animals. The
review has been split to ensure that specific concerns relating to non-food uses of
fenthion can be addressed in a timely manner, while awaiting the completion of the
residues assessment for food uses.
A Preliminary Review Findings report for fenthion non-food uses was released in
April 2006 for a period of public consultation. The report identifies a number of
environmental risks that can be mitigated by the addition of label and warning
statements. There is also a potential risk to users of the product from some application
methods and these methods are to be deleted from labels. One product has been
identified as having a concentration above the safety threshold for use in the home
garden and this product is to be cancelled.
As of 30 June 2006 the APVMA is considering all comments and information received
as part of the consultation process and is developing a Final Review and Regulatory
Decision report.

*Methyl bromide*

Methyl bromide is a gas, with potent insecticidal, fungicidal and herbicidal properties.
Pesticide products containing methyl bromide have been registered in Australia
as a fumigant since 1945. They have been used as soil fumigants in horticultural
industries, as pest control treatments in dry commodities such as stored grain and
dried fruit, and as a quarantine and pre-shipment fumigant for imports, exports and
certain commodities transported interstate.
Methyl bromide is also a potent ozone-depleting substance that can have adverse
effects on the environment by significantly depleting the ozone layer. A review of
products containing methyl bromide and their labels was commenced in October
2005 because of concerns over unintended harmful effects to the environment.
Australia is a signatory to the Montreal Protocol on Substances that Deplete the Ozone
Layer. This is an international agreement that sets out a timetable for the phase-out of
ozone-depleting compounds, including methyl bromide. The *Ozone Protection and
Synthetic Greenhouse Gas Management Act 1989* controls the import and use of methyl
bromide in Australia in accordance with the Montreal Protocol. The Department of the
Environment and Heritage administers this legislation. In effect the review formalises
many actions that are already well advanced as a result of the Montreal Protocol.
The review focussed on uses, warnings and instructions on product labels, particularly
in respect of the known environmental concerns with methyl bromide and Australia’s
obligations under the Montreal Protocol.
The APVMA released the Preliminary Review Findings report for public consultation in April 2006. In order to be satisfied that continued use of methyl bromide is not likely to have a harmful effect on the environment, the report proposes that product labels be varied or registrations cancelled to delete all uses except quarantine and pre-shipment uses (as permitted under the Montreal Protocol) and include a recommendation that methyl bromide recapture technology be used where appropriate.

As of 30 June 2006 the APVMA is considering all comments and information received as part of the consultation process and is developing a Final Review and Regulatory Decision report.

Sheep ectoparasiticides

Sheep ectoparasiticides are products that can be used to treat external parasites on sheep. The review was undertaken in order to address occupational health and safety concerns of workers handling sheep after application of the product and also environmental/trade risks associated with chemical residues on wool.

The APVMA released the Preliminary Review Findings report in April 2006. The report proposes to find that the risk to human health can be mitigated by including on the product label a ‘sheep rehandling interval’ appropriate for each product — this is the period of time between application of the product and when sheep can safely be rehandled without the need for protective clothing.

The APVMA proposes to find that the risk to the environment can be managed by restricting the way some products are used and by the application of a ‘wool harvesting interval’ which defines the minimum period from application of the product to when sheep can be shorn, so that wool collected after this interval can be scoured in Australia without harming organisms in the marine environment.

In relation to trade, the APVMA proposes to include a label instruction on all products that warns of forthcoming changes in overseas environmental standards.

As of 30 June 2006 the APVMA is considering all comments and information received as part of the consultation process and is developing a Final Review and Regulatory Decision report.

Other achievements

Rationalisation and reprioritisation of review nominations list

Under the previous Existing Chemicals Review Program (ECRP), which commenced in the mid-1990s, all available active constituents approved in Australia were scored according to human health risk (acute and chronic); completeness of the toxicological database; likely human exposure (from use patterns and amounts used in Australia); ecotoxicity concerns (level of hazard, extent of use and use patterns); overseas reports (published literature and information from other regulatory agencies); regulatory actions by other national or international agencies; public concerns; and input from state and territory agencies. It was planned to conduct systematic reviews of those active constituents with the highest scores. In parallel, the APVMA had a Special Review Program that responded to issues of concern as they arose.
In 2000, following a review of these two programs, the ECRP and the Special Review Program were rolled into a single Chemical Review Program (CRP). This program focussed on prioritising chemicals on the basis of new information about the risks they pose rather than on a systematic consideration of all existing active constituents with limited or out-of-date databases. As a result, the two nomination lists were combined into a single list, the Priority Candidate Review List (PCRL).

In 2005–06 the APVMA revised the list and removed a number of chemicals which no longer had any registered products in Australia or which had been restricted by international treaties. Subsequently the APVMA’s advisory agencies, the Office of Chemical Safety (Department of Health and Ageing) and the Department of the Environment and Heritage, were asked to review this list and update their advice on priorities. The APVMA will consider the agency responses before publishing a new PCRL.

**Expanding and updating APVMA’s review website**

In 2005–06 the Chemical Review Team commenced a project to enhance the Review section of APVMA’s website to include more information about chemicals which have been reviewed and more detail about the outcome of reviews. This should be completed before the end of calendar year 2006.

**Strategy 3: Ensure product quality through risk based compliance strategies**

**Performance**

The Compliance team in the APVMA pursue various methods to promote compliance and correct non-compliance with the Agvet Code and associated legislation. One proactive, intelligence-gathering method introduced in 2004 and continued this year was the Ag QA Scheme.

**Quality Assurance Scheme for Agricultural Actives and Products (Ag QA Scheme)**

In May 2004 the APVMA introduced a new quality assurance scheme to help ensure that the quality of active constituents used in agricultural chemical products is maintained. Conditions of product registration were imposed requiring registrants to only supply product containing active constituent that conforms with APVMA Standards, and to keep batch production and supply records relating to active constituent quality. Product testing was also introduced as a cross check on accuracy of record keeping.

The APVMA has conducted 12 company monitoring visits and requested 100 data call-ins for desk based review.

To ensure efficiency and effectiveness of monitoring, APVMA has used two approaches to monitoring records. At company visits monitoring is interactive, in that companies have the opportunity to present further records during the audit. Data call-ins are not interactive, and data submitted is assessed once as the onus is on the registrant to submit full records.
The results to date have not uncovered any significant failures to meet APVMA Standards but suggest that industry is experiencing difficulty in complying with newly introduced record keeping requirements (see Table 13).

**Table 13 Non-compliance found in APVMA’s first round of Ag QA Scheme data checks scheme in 2005–06**

<table>
<thead>
<tr>
<th>Type of check conducted (no. of products)</th>
<th>No. of batches</th>
<th>Quality (Failure to meet standard)</th>
<th>Quality (deficient record)</th>
<th>Continuity of records</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring Visit (44)</td>
<td>100</td>
<td>0</td>
<td>77</td>
<td>70</td>
</tr>
<tr>
<td>Desk based review (88)</td>
<td>170</td>
<td>2*</td>
<td>162</td>
<td>150</td>
</tr>
<tr>
<td>TOTAL (132)</td>
<td>270</td>
<td>2</td>
<td>239</td>
<td>220</td>
</tr>
</tbody>
</table>

Quality non-compliance falls into three categories:

1. Quality (failure to meet standard) — record particulars indicate failure to comply with the standard; * active constituent lower than standard
2. Quality (deficient record) — compliance cannot be determined due to missing records or particulars
3. Continuity of records — the active constituent batch analysis records cannot be linked to a particular batch of product supplied into the Australian market.

Two records showed that the active constituent concentration breached the standard, neither of which warranted escalated compliance action such as product recall. In keeping with the focus on improving future record-keeping, the APVMA has issued formal warnings to registrants who had failed to submit adequate records, and foreshadowed likely record inspections during the next cycle in 2006–07.

To provide a check on accuracy of records the APVMA introduced a testing program in 2004–05. Some issues with methods of sampling and testing required significant industry consultation. A formal tendering process was undertaken this year and two laboratories have been selected to undertake testing of products in 2006–07.

During 2004–05 the active constituent and relevant impurities of 30 products (14 chlorothalonil products and 16 trifluralin products) were analysed and records for the batches tested were reviewed. Following consultation with registrants and further testing in 2005–06 all chlorothalonil batches were found to be compliant except for lower than acceptable active constituent concentration in one case, which was investigated and identified as an isolated batch issue. Analysis of the relevant impurity in 16 products containing trifluralin has been challenging and consideration of results is continuing.
Reports of non-compliance

The APVMA encourages industry and the public to report the advertising and supply of unregistered and unapproved chemicals or promotion of products in a way that is inconsistent with approved labels. All reports received are acknowledged and assessed for action on the basis of the risk posed by the chemicals involved. Risk is based on the potential or actual harm to the environment, human, plant or animal health, or trade with other countries.

Reports assessed as representing a potential or actual high risk are dealt with by an enquiry that may escalate to an investigation, with a view to prosecution or product recall. Those assessed as representing a low to medium or continuing risk are dealt with mainly by warnings and negotiation to achieve compliance. During the year 260 new reports were received, compared with 297 the previous year. Of these 78 per cent were assessed as low risk. Follow-up actions for 213 reports of alleged non-compliance were completed, 137 of which were finalised during the year through warnings and negotiated compliance. No reports resulted in product recall; however three led to monitoring visits and five were referred to other agencies. Eighty-two per cent of all non-compliance reports were completed within three months of receipt (see Figures 6 and 7).

Figure 6 Categories of non-compliance reports, 2005–06 (213 cases)
Investigations and recalls

The APVMA began one investigation with a view to possible prosecution during 2005–06 which was continuing at the end of the year. This investigation related to alleged breaches of Section 79 of the Agvet Code (Breach of a Condition of Registration), with respect to the alleged inclusion of active constituents in agricultural products that had not been sourced from sites of manufacture listed on the Register of Approved Active Constituents.

Eight recalls were in progress at the beginning of 2005–06. Three of these were compulsory recall of pool ioniser products, three were voluntary recalls of agricultural chemical products, one was an undertaking by deed poll to recall an insecticidal ear tag product and one related to the voluntary recall of a range of unregistered pool

Figure 7 Outcomes of investigations of non-compliance cases, 2005–06

Key
Unfounded — no offence committed
Inconclusive — insufficient information presented
Referred — to formal investigation, recall or another agency
Compliant — negotiated compliance: corrective action was taken to achieve compliance
Warning letter — where a non-ongoing offence has occurred and a letter advising of future legal action was sent.
sanitiser products. During the year seven more recalls were commenced, four of which were veterinary chemical products and three agricultural chemical products. Veterinary chemical products were voluntarily recalled for labelling errors (two), non-compliant formulation (one) and not being registered (one). Agricultural chemical products were voluntarily recalled for non-compliant formulation (one), not being registered (one) and label inconsistencies (one), the latter recall being managed by deed poll undertaking. By the end of the year, 11 recalls had been completed, and 4 were in progress.

During the year the Chemical Review Program reviewed the way in which 2,4-D, methidathion and endosulfan products can be used. The Compliance team assisted by monitoring registrants to ensure that they met their obligation to inform distributors and end users of the changes to the labels of these products.

**Hormonal growth promotants (HGPS)**

The European Union requires continued assurance from Australia that beef and beef products imported to its member states have not been treated with hormonal growth promotant products. To provide this assurance, the Australian, state and territory governments have put in place the National Hormonal Growth Promotant Monitoring and Control System.

The system enables Australian authorities to account for the importation, supply and use of HGPS. The APVMA plays a significant role in the operation and management of the system by authorising importers and resellers, and requiring that accurate records of supply be kept. At 30 June 2006 there were 252 APVMA-authorised suppliers.

The APVMA continued to operate a compliance audit program of authorised HGP suppliers. The frequency of audit is determined on a risk basis and includes verification or a follow-up audit to confirm that major corrective actions identified during the first visit have been carried out. During the year the APVMA audited 63 HGP authorised suppliers (both retailers and wholesalers). Seventy-one per cent of the suppliers were found to be compliant on the first visit, and 29% were issued with a warning and subjected to an increased audit frequency. All suppliers audited for a second time were found to be compliant.

**Consent to import**

The APVMA monitors the importation of agvet chemicals to limit the potential distribution of unregistered and unapproved chemicals in the Australian marketplace. In 2005–06 it conducted enquiries into 11 matters involving importation. The APVMA issues Consents to Import for unregistered and unapproved chemicals where a legitimate reason exists for a person or a company to have possession of the chemicals in Australia. The APVMA assessed 319 applications and issued 258 Consents to Import. Of these, 158 related to permit applications, 91 to veterinarians and 9 for other purposes. Sixty-one applications for consent were not approved or were found to be unnecessary.

**Manufacturers’ Licensing Scheme (MLS) — maintaining GMP compliance**

The Manufacturers’ Licensing Scheme is a quality assurance program that was established in 1996 in response to concerns about the quality of veterinary chemical
products. Industry and government recognised that quality needed to be ‘built into’ rather than ‘tested into’ products. The primary objective of the scheme is to assure (and give confidence in) the quality of veterinary chemical products manufactured and supplied in Australia. To obtain and maintain a licence under the scheme, manufacturers must demonstrate compliance with the APVMA’s Manufacturing Principles and the relevant Australian Code of Good Manufacturing Practice. Compliance is confirmed by regular audits by APVMA-authorised auditors or specified authorities recognised by the APVMA. During the year APVMA-authorised auditors conducted 77 routine GMP audits.

At 30 June 2006, 234 Australian-based manufacturers were licensed or being assessed for a licence, compared to 238 in the previous financial year. Approximately 10% of manufacturers were in the process of applying for a new licence, changing site or changing ownership as a result of significant corporate activity within the veterinary chemical manufacturing industry. Figure 8 shows manufacturers distributed according to licence category.

Figure 8 Percentage of manufacturers licensed, or being assessed for a licence, under the Manufacturers’ Licensing Scheme, by category, at 30 June 2006

The management of the Manufacturers’ Licensing Scheme is closely integrated with the APVMA’s recall, adverse experience and compliance programs, and a firm approach continues to be taken with manufacturers who fail to comply with required standards. The procedure for closing audits was streamlined to allow corrective actions to be undertaken and assessed more quickly.
An Auditors’ Workshop was held in May 2006 as part of the APVMA’s audit quality assurance program. During the year the APVMA implemented three new initiatives to increase confidence in this key function. As part of the report form changes, licence holders are now able to provide feedback on the quality of audits. Thus far, such feedback has reflected positively on the program. As another indicator of audit rigour, the APVMA is now monitoring the duration of audits undertaken. Finally, APVMA staff have been authorised as ‘inspectors’ and have conducted five targeted, unannounced or short-notice inspections, partly to ascertain day to day compliance and partly to facilitate consistency in interpretation amongst auditors. These unannounced audits are designed to complement and not replace periodic third-party audits. The APVMA continued to provide assistance to manufacturers, primarily through feedback to enquiries and follow-up to audits.

Imported veterinary products

The Overseas GMP Scheme operates to ensure that overseas manufacturers of veterinary chemical products comply with good manufacturing practices comparable to those described in the APVMA’s Manufacturing Principles. Applicants for product registration must demonstrate that the product is manufactured in facilities that comply with these manufacturing standards. During 2005–06, 226 overseas manufacturing sites were assessed for compliance with Australian manufacturing standards. This compares with 273 assessed in the previous year. In addition, evidence for another 10 manufacturing sites was evaluated in anticipation of an application being submitted.

Post-registration, the APVMA monitors compliance with conditions of product registration that require registrants to maintain current evidence of GMP compliance. During 2005–06, evidence regarding 35 overseas sites (105 products) was checked for post-registration GMP compliance.

Export assistance

Many foreign governments require evidence of compliance with GMP to be provided before veterinary medicinal products can be imported. The APVMA has endeavoured to assist the export of Australian-made veterinary products by providing certificates of manufacture upon request. Such certificates confirming the licensing status of Australian manufacturers have been recognised and accepted by many countries including Brazil, Egypt, Indonesia, Malaysia, The Philippines, Saudi Arabia, Singapore, South Korea, Taiwan and Thailand. Countries within the European Community and the European Free Trade Association also accept certificates issued under the terms of two Mutual Recognition Agreements.

During the financial year 92 export certificates (compared to 51 last year) were issued for compliance with Australian manufacturing standards. Of these, four were issued under the Mutual Recognition Agreement with the European Community.
Summary

APVMA activities throughout 2005–06 contributed to maintaining the quality of pesticides and veterinary medicines available for sale in Australia. This has been achieved through a number of improvements to the regulatory framework as a result of feedback and process enhancements. Product quality has also been supported through the timely review of a number of chemicals of possible concern. Quality assurance programs along with risk based compliance strategies have worked to ensure that registered products in the marketplace continue to meet acceptable standards.

Outcome achievements

The APVMA continued to provide a world-class registration scheme for pesticides and veterinary medicines in 2005–06.
Its capacity to achieve this output was supported by continued pursuit of the three strategic themes of building stakeholder confidence, improving operational excellence and informing policy.
The APVMA has maintained high standards in its provision of chemical registration services in an increasingly complex operational environment. It has continued to pursue new initiatives to help enhance the quality of pesticides and veterinary medicines available in Australia and has implemented a number of reforms to sustain and improve efficiency, while delivering new legislated responsibilities such as data protection.

Timeframe and productivity project

During 2005 the APVMA conducted a detailed study of current registration processes, assessments and reporting requirements to identify reforms needed to the current framework. The study identified the challenges to timeframe performance and a range of proposals to be pursued in the short, medium and long term.

As an outcome of the study a Timeframe and Productivity (TF&P) project was initiated to coordinate implementation of the proposals, to track progress and to review results. The TF&P project covers areas such as application management, performance measurement, alternative regulatory solutions, process changes, label reform, key process review, evaluation quality, staff development, resource management, applicant information and management, and external advisor performance.

The key aim of the TF&P project is to implement productivity initiatives that lead to sustainable and lasting timeframe performance. Key achievements to date include changes to processes (e.g. increased use of electronic notification), preparation of a clock management manual and enhanced performance measurement, and predictive workload reporting.

The registration performance statistics show that work in progress is declining and timeframe performance improving from a monthly average 84% in quarters 1, 2 and 3 to 93% in quarter 4.
3. Future outlook
Looking ahead to 2006–07, it will again be a year of major change. One of the main drivers will be the transition to the new corporate governance arrangements for the APVMA flowing from the Uhrig review. Following the Government’s decision that the APVMA should become an executive agency under the FMA Act, the APVMA will be working to ensure everything is in place for the transition. It will involve the development of new administrative processes consistent with being an FMA Act agency, including employment of our staff as public servants under the Public Service Act 1999. In preparing for the transition we will work closely with DAFF, the states and territories and our stakeholders, while giving high priority to maintaining our high levels of performance.

We will also be engaging actively with the various policy reform agendas impacting on the regulation of pesticides and veterinary medicines. In particular, with DAFF and PSIC we will provide input to broader COAG-led reforms to the national framework for chemicals regulation. This engagement will link with a range of regulatory reforms that the APVMA has sought to have considered through PSIC.

Beyond the broader reforms, the APVMA will focus on delivering its full range of regulatory functions and operational reforms as set out in its new Corporate Plan 2006–09 and Operational Plan 2006–07 approved in June 2006 by the Hon Sussan Ley, Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry. In working to achieve its planned objectives for 2006–07, the APVMA will focus on a number of priorities including:

- strengthening our interaction with stakeholders, particularly the rural sector, through implementing the review of existing stakeholder forums and through better relationship management
- improving both efficiency and effectiveness of registration processes through the Timeframe and Productivity Project to optimise timeframe performance
- enhancing the framework for listed registration and reservation by completing key projects such as labelling, trade risk communication and spray drift requirements
- responding effectively to external reviews and the ANAO performance audit
- delivering tangible outcomes and benefits from work sharing and cooperation with regulators in other countries
- building on progress made in recent years to reform internal processes and encouraging change to the external framework to deliver more timely access to safe and effective chemicals to meet new needs
- making better and more visible use of our full range of existing powers
- seeking legislative change to bring the compliance provisions more in line with contemporary requirements
- fully implementing the Ag QA Scheme
• enhancing the veterinary medicines Manufacturers’ Licensing Scheme including full implementation of the revised Code of GMP and the Overseas Manufacturers Scheme
• continuing to inform policy change to streamline processes involving APVMA and FSANZ
• fully implementing the JECFA approach for veterinary residues
• promoting a more harmonised and integrated approach to agvet chemical risk management throughout Australia
• providing input to important government initiatives such as the COAG and Regulation Review Taskforces
• clearly articulating and delivering our science quality standards and risk assessment framework
• auditing reports against these standards
• building our Science Fellows Program
• negotiating a new Collective Agreement that will continue to attract, recognise and retain high performing APVMA Band 1 to 6 employees
• innovatively recruiting, retaining and developing quality, valued people
• moving to a new, purpose-designed facility at Symonston in the ACT, bringing all staff together and leading to operational efficiencies
• strengthening access to appropriately skilled external experts.
4. Business management framework and accountability
Corporate governance

Legislative framework

Section 3 of the Administration Act states that the statutory objective of the Act is to establish a national registration authority (the APVMA) to administer laws relating to agricultural and veterinary chemical products.

The functions of the APVMA include:

- assessing the suitability for sale and evaluation of active constituents of proposed or existing chemical products and labels for chemical products
- keeping a register of approvals and licences granted
- providing information to government and the public in relation to pesticides and veterinary medicines
- cooperating with the Australian Government and its agencies and the states and participating territories to facilitate a consistent national approach to the procedures for the assessment and control of pesticides and veterinary medicines and to develop codes of practice, guidelines and standards in relation to the use of such products.

In performing its functions the APVMA is obliged to have regard to the principle of ecologically sustainable development and the need to use, conserve and enhance community resources. The APVMA is a body corporate and consists of a Chairperson and eight Directors. The APVMA Board meets on a regular basis to determine policy that complies with the statutory objective, monitor performance in achieving the objective and to implement the strategies set out in the APVMA’s approved plans.

Corporate governance overview

As a Commonwealth statutory authority the APVMA operates under the requirements of the CAC Act and is subject to the other legislative requirements governing CAC Act agencies.

The broad corporate governance framework is outlined in Figure 9.
The APVMA’s corporate governance framework is underpinned by the following internal and external accountability structures:

- **Internal accountability structures**: Internal accountability structures in the APVMA include the Corporate Plan, the Operational Plan, the Risk Management Plan, the People Plan, the Fraud Control Plan, internal delegations, the quality control system and regular review of performance. An active Internal Audit Program is overseen by the APVMA’s Audit Committee, which comprises three Directors appointed by the Board. The Audit Committee reports to the Board. The Board approves the budget and monitors the financial performance of the organisation. The APVMA’s annual Operational Plan utilises the Balanced Scorecard (BSC) methodology and is developed after wide consultation with stakeholders. Comprehensive strategies including detailed performance indicators are included in the plan. The Parliamentary Secretary approves the APVMA’s Operational Plan each year.

- **External accountability structures**: The APVMA is subject to the same financial reporting requirements as other Commonwealth agencies. Full accrual-based financial statements are reproduced in the APVMA’s Annual Report each year. The APVMA’s accounts are scrutinised each year by the ANAO and the APVMA has, since inception, always received unqualified audit reports from the ANAO. The APVMA is subject to the review of its budget and activities through the Senate Estimates process.

The APVMA’s corporate governance arrangements were reviewed against the Uhrig template during the reporting period and the outcome of that review will be implemented in the coming year.
Board meetings

The APVMA Board held six meetings in 2005–06. Four of those meetings have been held since the appointment of the new Board of Directors on 16 October 2005. In keeping with its policy of seeking direct feedback from stakeholders, two meetings were held outside Canberra: in Victoria (October 2005) and Western Australia (April 2006). Stakeholder consultations in Victoria focussed on minor use of pesticides in horticulture and management of irrigation water quality in the Goulburn Valley area. In Western Australia the Board met with grain industry representatives about quality assurance and management of chemicals used in grain production and storage. Discussions were held with water quality managers on issues surrounding the use of certain pesticides in drinking water catchments.

Topics and issues considered by the Board during 2005–06 included:

- approval of a new Risk Management Plan
- updates on external reviews affecting the APVMA including the Uhrig review of corporate governance arrangements and the ANAO Performance Audit of the APVMA
- approval of the 2004–05 Financial Statements and draft 2004–05 Annual Report for submission to the Parliamentary Secretary
- reports on key activities including the progress of legislative amendments, proposals to strengthen the APVMA Compliance and Quality Assurance system, further improvements to in-house regulatory science quality and minor use reforms
- approval of the APVMA’s Review of Consultative Committees report, noting a key recommendation to enhance contacts with stakeholder groups and, in particular, chemical users
- adoption by the APVMA of the JECFA approach to setting MRLs for veterinary chemicals
- progress and achievements of the Timeframe and Productivity Project and commencing a review of state-based permit approvals pre-dating the National Registration Scheme
- approval of nominations for several positions on the APVMA’s Community Consultative Committee as part of routine membership rotation
- approval of an APVMA statement on animal welfare
- approval of the implementation of revised Manufacturing Principles and the Australian Code of Good Manufacturing Practice for Veterinary Chemical Products
- appointment of the Audit Committee and approval of enhancements to the Committee’s Charter
• new office accommodation arrangements following expiry of current leases
• accountability, efficiency and transparency of APVMA activities, combined with further strengthening of ties with the APVMA’s counterpart regulators overseas in New Zealand and the USA via Memorandums of Understanding.

In relation to the APVMA Chemical Review Program, the Board received regular updates on the status of reviews including the implementation of review outcomes. The Board also reviewed the work of the Chemical Review Program, and in this it:
• initiated a review of polihexanide
• initiated a review of methyl bromide
• extended the scope of the review of methidathion to examine worker safety, residue aspects and dietary risks
• released the Preliminary Review Findings of the review of carbaryl (Part 1: Use in home garden, home veterinary, poultry and domestic situations)
• released the Preliminary Review Findings of the review of carbaryl (Part 2: Use in agricultural situations)
• released the Preliminary Review Findings of the review of fenthion in non-food-producing situations
• released the Preliminary Review Findings of the review of 2,4-D (Environment) Part 1: Esters
• released the Preliminary Review Findings of the review of methyl bromide products and associated labels
• released the Preliminary Review Findings of the review of sheep ectoparasiticide products and associated labels
• released the Preliminary Review Findings for Part 2 of the reconsideration of approvals of the active constituent diazinon, and registrations of products containing diazinon and approvals of their associated labels
• made determinations relevant to the review of carbon disulfide and released the associated Final Review Report and Regulatory Decision documents.

Corporate planning and reporting
As an independent Australian Government statutory authority, the APVMA is required to conduct rigorous corporate planning and reporting. The planning and reporting requirements of the APVMA are set out in Part 6 of the Administration Act.

In accordance with the enabling legislation, the APVMA has a number of plans and associated performance measuring and monitoring processes in its performance management framework.

The APVMA’s operational effectiveness is measured through the performance indicators set out in the Corporate and Annual Operational Plans.
Corporate and Annual Operational Plans

The APVMA’s central planning document is the Corporate Plan. Each Corporate Plan has a life of three years, with the current plan expiring on 30 June 2006.

The CAC Act and Orders require the corporate plan to show outcomes, outputs, objectives and strategies aligned directly with the statutory objectives. The Board has reviewed the statutory objectives, consulted with key stakeholders and established key performance indicators which are used to measure the APVMA’s success in achieving its desired outcomes, thus enabling an assessment of the APVMA’s effectiveness.

The Annual Operational Plan sets out the actions necessary to achieve the desired outcomes stated in the Corporate Plan. The plan enables the APVMA Board to assess the efficiency of the APVMA and its management. The Board determines the allocation of resources during the life of the Operational Plan.

For the last three years the Operational Plan has utilised Kaplan and Norton’s Balanced Scorecard (BSC) methodology. The use of the BSC methodology and, in particular, the use of strategy maps allows strategy to be ‘visualised’. Performance is strengthened through a shared vision and common understanding of the activities that are necessary to achieve corporate goals.

In late 2005 the APVMA commenced work to develop a new Corporate Plan. The new 2006–09 Corporate Plan and 2006–07 Operational Plan, which included stakeholder input, were approved by the Parliamentary Secretary in June 2006 and detail the APVMA’s outcomes and outputs, objectives and strategies to achieve its statutory objectives.

Performance review

The Board plays a key role in the planning process by ensuring that the Corporate Plan and the Annual Operational Plan meet the requirements of the Administration Act and the CAC Act, and produce outcomes that are in line with the statutory objectives.

The APVMA Board assesses organisational performance regularly against the Operational Plan.

Annual Report

APVMA performance is publicly reported in the Annual Report that is prepared according to the Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies issued by the Department of Prime Minister and Cabinet, the Commonwealth Authorities and Companies (Report of Operations) Orders 2005 and the CAC Act.

Service charter

The APVMA aims to provide the highest quality of service to all its stakeholders and is committed to continuous improvement of its service. The APVMA Service Charter outlines the standards that the APVMA will meet in dealing with all external audiences. The APVMA Service Charter was developed in consultation with stakeholders and is freely available to all interested parties.

Transparency in decision-making

The APVMA places a high priority on stakeholder interaction and consultation. Involvement by industry, chemical users, government and community stakeholders in APVMA development and decision-making occurs in four ways:

- consultative committees
- public consultation
- publication of decisions
- access to management and staff.

Consultative committees

The APVMA meets regularly with a number of consultative committees to ensure it understands the concerns of those who have an interest in the regulation of agricultural and veterinary chemicals. This includes the community, government, rural industries and the chemical industry. The scope, membership and key issues dealt with by these committees are described at Appendix B.

Additionally, the outcomes of APVMA Board meetings are published on the APVMA website.

Public consultation

The APVMA seeks input from interested stakeholders throughout the registration and chemical review processes as well as during the development of program reforms.

When the APVMA proposes to register a new chemical product with a new active ingredient, or to extend the use of an existing product from a non-food commodity to a human or animal food, public consultation occurs before final decisions are made. The APVMA prepares a Public Release Summary outlining new products with new active constituents. These are freely available for comment. The summaries include the outcome of the assessment and the conditions the APVMA proposes for the use of the product. The APVMA issues Trade Advice Notices where a proposed registration or change in registration conditions has the potential to affect Australia’s trade. The advice notice is distributed to farm and commodity organisations seeking comment.

The new data protection amendments have added greater transparency by requiring the APVMA to publish a ‘summary of information’ for each application once the application has passed through a preliminary assessment.
The Chemical Review Program consults widely with stakeholders throughout the review process. A significant amount of time is made available for public and industry consultation. Specific invitations to comment are issued at the beginning of a review and when a draft regulatory approach has been developed.

When a review is announced, the APVMA invites the public, chemical users and any interested parties to make submissions on any aspect of the chemical including performance, use practices and any adverse effects. There is also a public consultation period when the draft review report is released for comment. This takes place before the APVMA makes a final regulatory decision. The release of these draft reports is widely advertised, including through media releases, APVMA Gazette notices, the APVMA’s website and by direct mail. Final reports are also available publicly on the APVMA’s website.

Publication of decisions

The APVMA Gazette lists all APVMA notices and decisions including registrations, reviews and changes to registration status required by the Agvet Code. It is published monthly and is free of charge to registrants and can be downloaded from the APVMA website: www.apvma.gov.au.

Access to management and staff

The APVMA executive, managers and staff are accessible to industry and other stakeholders. Each operational area of the APVMA has designated contact officers whose contact details are published on the APVMA website and are distributed via consultative committees and industry gatherings.

APVMA business systems

Records management

The records management area is a service unit which manages the APVMA files and archives according to standards required by the National Archives of Australia (NAA), AS4390: 1996 and other Parliamentary requirements. The high volume of FOI requests into the APVMA created a substantial workload for the records unit. In addition, the routine work of file creation (around 1500 administrative and 1000 product-related files), file location audits, Parliamentary reporting, file sentencing, removal to off-site storage and scheduled destruction was undertaken.

Information technology

The APVMA is an organisation in which technical knowledge is a key asset. The organisation’s advantage lies in the ability of its staff to quickly understand and integrate highly complex technical knowledge into a context that is understood and easily communicated to stakeholders. There is a heavy reliance on data extraction and information processing. During the year the APVMA continued to use information technology as a key driver to improve business processes and enhance stakeholder access to information. Key projects completed during the last 12 months include the following:
• a substantial upgrade was completed on the APVMA’s computer network
• new software was developed that manages business critical documents. The new system allows full version control and search capability
• a new software application was developed to manage adverse experience reports. The new system is integrated with other corporate databases allowing complex querying to be undertaken
• an updated version of the APVMA’S public agvet chemical database (PUBCRIS) was released. The new version of PUBCRIS includes a significant number of enhancements including extra sorting, searching and printing functionality
• substantial progress was made during the year on the development of a new software system to enable registrants to submit applications electronically to the Authority. The new system will also allow registrants to monitor the progress of their applications securely over the Internet
• good progress was made on the implementation of an electronic helpdesk for APVMA staff. Staff will be able to help themselves by accessing solutions to commonly found problems and logging their own jobs through the Intranet.

Data protection

Since January 2005 the APVMA has been required to administer a new data protection scheme resulting from the US Free Trade Agreement Implementation Act 2004 (USFTAI Act). The scheme provides intellectual property protection for information submitted in conjunction with applications for active constituents and products. It is separate from the pre-existing data protection schemes relating to chemical review and active constituent approval (TRIPS), requiring the APVMA to administer three separate data protection schemes. In addition, the USFTAI Act includes a range of transparency provisions, requiring the APVMA to publish a summary of certain applications accepted for evaluation, as well as summaries of advice received by the APVMA from persons or bodies consulted for applications which have been granted.

In July 2004 the APVMA created the Data Protection Establishment Unit to oversee the development of the necessary documentation, processes and IT infrastructure for the administration of the new data protection and transparency provisions. This year has seen the scheme administered successfully, with minor changes made to fine-tune the process. Data protection documentation, as well as application and advice summaries, are accessible via the APVMA website.

The Data Protection Establishment Unit was disbanded on 30 June 2006. Its ongoing administrative functions have been transferred to the Application Management and Enquiries Unit (AME) and the Pesticides and Veterinary Medicines Programs.
Internal and external scrutiny

APVMA quality systems management

The APVMA continues to maintain strong controls over its key processes to ensure its legislative obligations are met. The APVMA quality system emphasises responsiveness to customers and stakeholders, consistency of output, efficient resource management and continuous improvement. It is reviewed and monitored by a monthly executive meeting of all senior managers and is subject to internal and external audit. The APVMA was re-certified to AS/NZS ISO 9001: 2000 following a successful triennial audit in September 2005. The audit revealed no major non-conformances and attracted favourable comments from the certifying organisation.

Ecologically sustainable development

In accordance with requirements of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) and in line with the Agvet Code and the Australian Government’s Greening of Government program, the APVMA adopted an Environmental Management System (EMS) in 2005.

The system, which uses ISO 14001: 1996 as its framework, is integrated into the APVMA quality system with its auditing and continuous improvement requirements.

A new home for the APVMA

Currently the APVMA occupies two floors of John Curtin House and additional office space in Salvation Army House, both in Barton, ACT. The leases on both buildings have recently expired. The current arrangements are less than ideal as the organisation is split across multiple buildings and floors. Additionally, the rents for office space in the Parliamentary triangle are increasing substantially.

In late October 2006 the APVMA will move to a new building located in Amtech Park, North Symonston. The new premises offer a purpose-designed office space that will accommodate the entire organisation on a single floor plate. The rent is substantially lower than in Barton and the building is close to the various agencies with which the APVMA interacts.
The EMS policy and procedures focus on environmentally aware purchasing, rates of consumption of non-renewable resources, life-cycle costing, recycling and waste minimisation. As mentioned above the APVMA plans to relocate to new premises in late 2006 with the choice of building design, features and finishes being strongly influenced by environmental practices. The new building will seek to achieve a 4.5 star energy efficiency rating.

As opportunities have arisen, the APVMA has joined environmental programs such as our membership of Greenfleet, an Australian based scheme to enrol fleet vehicles in a tree-planting, greenhouse gas emissions offset program.

Fraud control

The APVMA has a Fraud Risk Assessment and a Fraud Control Plan in place that complies with the Australian Government Fraud Control Guidelines. The Fraud Control Plan includes fraud prevention, detection, investigation, reporting and data collection procedures.

Auditor-General’s reports

During the year the ANAO commenced a performance audit of the Authority. The audit report is due to be provided to Parliament in late 2006.

Ministerial directions

The APVMA did not receive any ministerial directions during 2005–06.

Courts and tribunals

Two proceedings in the Commonwealth Administrative Appeals Tribunal (AAT) were carried over from 2004–05. One relates to the APVMA’s regulatory decisions following the review of veterinary chemical products containing virginiamycin. This proceeding is still under way. The other relates to a decision under the Freedom of Information Act 1982 to release certain information. This proceeding was finalised in March 2006. The AAT handed down a decision-in-confidence in relation to the matter.

A separate action was commenced in the AAT in 2005–06 concerning a decision of the APVMA to refuse an application to vary the relevant particulars of an approved label for a veterinary chemical product. The applicant withdrew the application prior to hearing.

Ombudsman

No formal enquiries were made by the Ombudsman into the operations of the APVMA during 2005–06.
Parliamentary committees and other reviews

The APVMA appeared before the Senate Rural and Regional Affairs and Transport References Committee Inquiry into the Operation of the Wine-making Industry in 2005–06.

Privacy

The APVMA adheres to the Information Privacy Principles as set out in the Privacy Act 1998. The APVMA’s operations were not subject to any report or determination by the Privacy Commissioner. The APVMA has an entry in the current edition of the Privacy Commissioner’s Personal Information Digest.
5. The Organisation
Organisational structure

The APVMA is divided into six programs, each of which reports through a program manager to the CEO who in turn reports to the APVMA Board of Directors. Each program is divided into sections that have responsibility for specific operational or administrative functions (see Figure 10).

The Principal Scientist for Agricultural Chemicals and the Principal Scientist for Residues and Veterinary Medicines are responsible for maintaining scientific standards of excellence.

Figure 10 APVMA organisational and program structure as at 30 June 2006
APVMA Board of Directors

The APVMA’s focus and strategic direction is determined by a Board of Directors comprising a Chairperson and eight other Directors. All Board appointments are part-time, non-executive. Other than the Chairperson, Directors are appointed for their experience in a range of disciplines, but not to represent particular organisations or interest groups. The disciplines set down in the Administration Act are experience in:

- the regulation of chemical products under the law of a state or territory
- the agricultural and veterinary chemicals industry
- protection of the interests of consumers
- primary production
- occupational health and safety
- the development or administration of Commonwealth government policy, or in the operation or management of a Commonwealth statutory authority.

The current Board was appointed in accordance with the Administration Act by Senator the Hon Richard Colbeck, Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry on 16 October 2005 for a term ending on 15 October 2008. The Board of Directors constitutes the APVMA and acts in its corporate interest by providing direction and overseeing its operations for the regulation of agricultural and veterinary chemical products up to and including the point of retail sale. The Board ensures that the APVMA exercises its functions, powers and responsibilities consistent with the Administration Act, related Australian Government legislation and government policy direction. In so doing, the Board receives information from stakeholders and through public consultation, and receives technical advice from other Australian Government agencies, the states and territories, and from within the APVMA. Responsibility for day to day operations rests with the CEO.

Details of Board meetings, attendance and declared interests are at Appendix A.

Chairperson

Dr Kevin Sheridan AO
B AgrSc, MS, PhD
Deputy Chairperson

Dr Lyn Fragar AO
MBBS, MPH, DipAgEc, DTM&H, FAFPHM, FRIPH, MAICD
Public health and occupational health physician; Director of the Australian Centre for Agricultural Health and Safety (University of Sydney); Secretary of Farmsafe Australia Inc; member of the Farm Health and Safety Industry Research and Development Advisory Committee of the Rural Industries Research and Development Corporation, and the International Association of Agricultural Medicine and Rural Health.

Dr Catherine Hollywell
BSc (Hons), PhD
Dr Catherine Hollywell, Executive Director Agriculture Development, Department of Primary Industries (Victoria). Represents Victoria’s interests, as a signatory to the Ministerial Agreement, which underpins the National Registration Scheme, past member of the National Signatories Working Group. Chair of the Victorian Agricultural Chemicals Advisory Committee. Experienced in the regulation of chemical products under a law of a state or territory.

Mr John Mollison
BS (Economics)
Tasmanian Registrar of Chemical Products. Manages the Chemical Management Branch of the Department of Primary Industries and Water; administers agricultural and veterinary chemicals control of use legislation in Tasmania; member of the Product Safety and Integrity Committee. Extensive experience in the regulation of dangerous goods and hazardous substances.

Mr Hutch Ranck
BS (Economics)
Managing Director of DuPont Australia and New Zealand. Board member of CropLife Australia; former Vice President of Avcare; Director of the Plastics and Chemicals Industry Association; the Business Council of Australia’s appointee to the Prime Minister’s Science, Engineering and Innovation Council. Has broad experience in several industries in sustainable development, product stewardship and quality systems.

Mr Claude Gauchat
BscAg, MBA, FAIAST, FAICD
Claude Gauchat is Managing Director of direct2 Pty Ltd and a Director of the Australian Institute of Agricultural Science and Technology and ChemCert (NSW) Ltd. Has held many industry positions including Executive Director, Avcare Ltd (1992–2005), Deputy Chair of Agrifood Awareness (1999–2005), member of the Ministerial Agricultural Advisory Council (NSW) on Gene Technology (2002–2005) and member of the CropLife Asia Council (1996–2005). Has extensive experience in all aspects of the crop production and animal health industries in Australia as well as overseas, with particular focus on industry stewardship programs and corporate governance.
Ms Mara Bún
BA
Mara Bún is currently Head of Research and Consumer Services with financial services research group Cannex (Aust) Pty Ltd. She has had a varied career in technology investment banking, management of non-profit organisations and consumer advocacy. Has held senior management positions with CSIRO Business Development, the Allen Consulting Group, the Australian Consumers’ Association and Greenpeace Australia. Former Director of the National Office for the Information Economy, the Public Interest Advocacy Centre and the Sustainable Energy Development Authority. Board member, Australian Bush Heritage Fund. She has extensive experience in the protection of consumer interests.

Mr Wayne Cornish
Farmer and former Chairman of the National Farmers’ Federation (NFF) Farm Chemicals Sub-Committee and drumMUSTER. He has broad experience and expertise in primary production.

Mr Steve McCutcheon
BS Economics
Steve McCutcheon has postgraduate qualifications in public law and public policy. He has worked for the Australian Government Department of Agriculture, Fisheries and Forestry (and its predecessor organisations) since 1987. In May 2005 he was appointed Executive Manager, Product Integrity Animal and Plant Health Division. The Division’s area of responsibility covers national policy and programs in relation to animal (including aquatic animal) health and welfare, plant health and protection, and on-farm food safety and farm inputs (agricultural and veterinary chemicals, fertilisers, animal feedstuffs). The Division also leads the Department’s contribution to the development of international standards for animal health and welfare, plant protection and food standards.

APVMA senior management

The APVMA’s senior management team comprises the CEO and six program managers. The Principal Scientists provide support for management on complex scientific issues and in maintaining scientific standards. The management team and their areas of responsibility as at 30 June 2006 are described below.

Chief Executive Officer

Dr Joe Smith
BSc (Hons), PhD. FRACI, GAICD
The CEO consults with the APVMA Board and main stakeholders to set the organisation’s vision, objectives and strategies to meet its legislative responsibilities. The CEO’s principal responsibilities are to oversee the preparation of strategic, financial and operational plans and budgets for Board approval; monitor financial and operational performance; and oversee program performance to ensure the APVMA meets its objectives.
A large part of the CEO’s time involves communicating with stakeholders, including state and Australian Government agencies, community groups, farming organisations, the chemical industry and key international agencies.

The CEO takes a leadership role for the organisation, particularly in ensuring that a quality service is provided to clients.

**General Counsel and Program Manager, Legal and Governance**

Mr James Suter  
BA (Hons), LLB

The General Counsel is responsible for ensuring that the APVMA fulfils its legislative objectives, operates as an accountable organisation and can respond effectively to legal challenge. The position oversees the development of the APVMA’s governing legislation and acts as the Corporate Secretary to the APVMA Board. The General Counsel is responsible for ensuring that Board decisions are lawful and that the Board complies with the CAC Act.

As Program Manager, Legal and Governance, the holder of the position is also responsible for corporate governance and providing Board secretariat services.

**Program Manager, Chemistry and Residues**

Dr Trevor Doust  
BVSc, MACVSc, GAICD

The Program Manager, Chemistry and Residues has overall responsibility for evaluating chemistry and residue data and assessing the potential risk to trade of chemicals used on food animals and crops. The position oversees the setting of maximum residue limits (MRLs), withholding periods and export slaughter intervals related to the use of chemicals in food commodities and is responsible for approving agricultural and veterinary active constituents included in registered products.

The Program Manager, Chemistry and Residues provides strategic advice to the APVMA CEO and Board on chemistry, residues, MRLs, trade risk, Codex matters and minor use reform.

**Program Manager, Corporate Services**

Mr Tony de la Fosse  
BA, MBA, G Dip HRM, GAICD

The Program Manager, Corporate Services provides strategic advice to the APVMA CEO and Board on finance and administration, human resources, information services, information technology and public affairs.

Key responsibilities include providing timely and accurate financial data, and preparing financial plans, budgets and strategies that maximise the organisation’s ability to deliver quality services with the funds available.

The position is also responsible for the library, records management, archive system, website administration, e-commerce and effective communication with stakeholders.
Program Manager, Pesticides
Dr Eva Bennet-Jenkins
BSc, PhD
The Program Manager, Pesticides has overall responsibility for managing the APVMA’s activities related to evaluation, registration and review of pesticides. Key responsibilities include providing timely services and managing issues related to assessing applications to register or permit the use of pesticides. Additionally, this position is responsible for the ongoing review of existing products to determine whether they continue to meet contemporary standards and for continuous improvement to enhance the efficiency and effectiveness of the registration and review processes.

The position has responsibility for providing leadership and strategic advice to the CEO and Board in relation to pesticides and broader organisational issues as part of the APVMA executive team.

Program Manager, Quality Assurance and Compliance
Dr Timothy Dyke
BVSc, DipVCS, MVSc, PhD, MBA, GAICD, FACVSc, Diplomate ACVCP
The Program Manager, Quality Assurance and Compliance is responsible for ensuring manufacturers and suppliers of agricultural and veterinary chemical products comply with the Australian registration requirements set out in the Agvet Code, as well as for a manufacturing licensing program for veterinary chemicals and an adverse experience reporting program for agricultural and veterinary chemicals. This responsibility extends up to and includes the point of retail sale, after which state laws apply.

The position is also responsible for negotiating and managing the scientific and compliance service provision arrangements with various Australian and state government agencies.

Program Manager, Veterinary Medicines
Mr Martin Holmes
BVSc, G Dip PSM
The Program Manager, Veterinary Medicines has overall responsibility for the APVMA’s activities related to evaluation, registration and review of veterinary medicines. The position has responsibility for providing leadership and strategic advice to the CEO and Board in relation to veterinary medicines and broader organisational issues as part of the APVMA executive team.

Key responsibilities include providing timely services and managing issues related to the assessment of applications to register or permit the use of veterinary medicines. Additionally, this position is responsible for the ongoing review of existing products to determine whether they continue to meet contemporary standards and for continuous improvement to enhance the efficiency and effectiveness of the registration and review processes.
Principal Scientist, Agricultural Chemicals
Dr David Loschke
BSc, PhD
The Principal Scientist, Agricultural Chemicals is responsible for maintaining and improving the quality of science from the Pesticides Program and for leading the provision of scientific advice in relation to pesticides across the APVMA.

Principal Scientist, Residues and Veterinary Medicines
Dr Phil Reeves
BVSc, PhD, FACVSc
The Principal Scientist, Residues and Veterinary Medicines is responsible for maintaining and improving the quality of science for both the Veterinary Medicines Program and the Chemistry and Residues Program, and for leading the provision of scientific advice in relation to veterinary medicines, animal health, and chemistry and residues across the APVMA.

Human Resource Management

Staff
The APVMA had a total of 133 staff at 30 June 2006, including both full-time and part-time officers. A detailed breakdown by position level is shown in Table 14. Staff movements, including recruitments, resignations, retirements, retrenchments, redundancies and dismissals, are shown in Table 15.

Table 14 APVMA staffing at 30 June 2006

<table>
<thead>
<tr>
<th>Classification</th>
<th>Full-time (permanent)</th>
<th>Part-time (permanent)</th>
<th>Temporary and casual</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Senior management</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Principal scientists</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Band 6</td>
<td>24</td>
<td>0</td>
<td>1</td>
<td>25</td>
</tr>
<tr>
<td>Band 5</td>
<td>24</td>
<td>1</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Band 4</td>
<td>29</td>
<td>2</td>
<td>5</td>
<td>36</td>
</tr>
<tr>
<td>Band 3</td>
<td>17</td>
<td>1</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>Band 2</td>
<td>3</td>
<td>2</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>Trainee</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>106</strong></td>
<td><strong>6</strong></td>
<td><strong>21</strong></td>
<td><strong>133</strong></td>
</tr>
</tbody>
</table>

The above figures include seven employees currently on long term leave, five on maternity leave and two on leave without pay.
The Organisation

Table 15 Staff movements at APVMA 2005–06

<table>
<thead>
<tr>
<th>Classification</th>
<th>Separated</th>
<th>Recruited</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Senior management</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Principal scientists</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Band 6</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Band 5</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Band 4</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Band 3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Band 2</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Trainee</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>

The separation rate during 2005–06 was 19.6%. This includes a number of retirements and a death that occurred during the reporting period.

This compares to 10.3% in 2004–05, 8.4% in 2003–04, 13.2% in 2002–03 and 16.1% in 2001–02.

Workplace diversity

The APVMA recognises that its people — with their diverse abilities, skills, languages, cultures and backgrounds — are its greatest resource. The APVMA is committed to promoting and supporting diversity in the workplace.

This commitment allows the APVMA to uphold an outstanding international reputation for scientific excellence and reliability as a regulatory body. The APVMA’s reputation hinges on a commitment to employing the best people, basing recruitment practices upon merit and providing a work environment in which people are valued and able to contribute to the best of their abilities.

During 2005–06 the new Workplace Diversity Plan was progressively implemented. This plan comprises a number of initiatives including the following:

- improving employee awareness of workplace diversity
- training staff in diversity and discrimination
- maintaining an indigenous traineeship
- promoting health and wellbeing.

Table 16 provides a breakdown of staffing by gender, and a profile of staff according to representation of equal employment opportunity (EEO) groups appears at Table 17.
Table 16 APVMA staffing at 30 June 2006 by gender

<table>
<thead>
<tr>
<th>Classification</th>
<th>Male</th>
<th>Female</th>
<th>Total Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Senior management</td>
<td>5</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Principal scientists</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Band 6</td>
<td>16</td>
<td>9</td>
<td>25</td>
</tr>
<tr>
<td>Band 5</td>
<td>16</td>
<td>9</td>
<td>25</td>
</tr>
<tr>
<td>Band 4</td>
<td>19</td>
<td>17</td>
<td>36</td>
</tr>
<tr>
<td>Band 3</td>
<td>3</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Band 2</td>
<td>3</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Trainee</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
<td>68</td>
<td>133</td>
</tr>
</tbody>
</table>

Table 17 EEO profile of APVMA staff at 30 June 2006*: non-English speaking background and disability

<table>
<thead>
<tr>
<th>Classification</th>
<th>People of non-English speaking background</th>
<th>People with a disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Senior management</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Principal scientists</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Band 6</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Band 5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Band 4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Band 3</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Band 2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Band 1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>3</td>
</tr>
</tbody>
</table>

Note: * Based on voluntary disclosure of EEO information by staff.

Occupational Health and Safety (OHS)

The APVMA continued to demonstrate a strong commitment to OHS. This included facilitating an active OHS committee comprising a mix of management and employee representatives, as well as the relevant union.

During the period the organisation finished implementing the recommendations of a comprehensive OHS audit conducted by Comcare. The audit was initiated at the APVMA’s request. While the APVMA received a positive ‘report card’ from Comcare, a number of recommended enhancements were implemented. These included the following initiatives:
• developing and implementing an OHS management system
• substantial improvements in enhancing the OHS induction program
• developing a new fire warden framework
• implementing new chemical safety and handling procedures.

Additional achievements included:
• maintaining OHS education via the use of on-line learning
• providing flu injections
• conducting emergency evacuations and first aid drills
• continuing workstation assessments and providing ergonomic furniture and other equipment
• running a program of specific health activities including health assessments, fitness assessments, sporting activities, health lectures and office injury prevention
• facilitating an active Fitness and Recreation Sub-committee (of the OHS committee)
• providing case management and support for employees.

Comcare has acknowledged this approach to OHS and the improved processes and systems in place in the form of a significant reduction in the annual premium. Table 18 outlines reportable accidents and dangerous occurrences during 2005−06.

<table>
<thead>
<tr>
<th>Table 18 Reportable accidents and dangerous occurrences in APVMA, 2005−06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accidents resulting in death</td>
</tr>
<tr>
<td>Accidents causing serious personal injury</td>
</tr>
<tr>
<td>Accidents causing incapacity of five days or more</td>
</tr>
<tr>
<td>Dangerous occurrences not resulting in death, serious personal injury or incapacity</td>
</tr>
</tbody>
</table>

There are two current employee compensation claims and one pending a determination.

Commonwealth Disability Strategy

The APVMA incorporates the principles of the Commonwealth Disability Strategy in its Workplace Diversity Plan and other management practices. Applicants for job vacancies are invited to advise the selection committee of any disability when making application to ensure this is appropriately considered. All employees who will chair selection exercises must undergo training that includes raising awareness of issues relevant to people with disabilities, including specific reference to the principles of reasonable adjustment.
Management practices

The APVMA has a range of management practices in place that define key corporate processes. To ensure that these management practices are contemporary and consistent with the current certified agreement, the practices were reviewed during 2005–06 and, where appropriate, new practices were developed. The following management practices were either developed or reviewed during the reporting period:

- the Occupational Health and Safety management system
- job sharing
- the Account Manager Scheme
- individual Development and Innovation Awards
- the First Aid Policy
- reporting hazards/incidents/injuries/illnesses.

Performance, training and selection

The APVMA Performance Management Scheme provides a framework for managing individual performance, with a clear link between individual performance and organisational priorities. Five full cycles of the Performance Management Scheme have been completed and the results indicate that the system has been successful.

During 2005–06 the APVMA continued its strong commitment to training including the Study Encouragement Scheme. The scheme has been successful in assisting staff to gain relevant tertiary qualifications to ensure that the APVMA continues to promote scientific excellence. During the reporting period 10 employees were sponsored to undertake further tertiary study.

Additional initiatives that are in place to promote a culture of learning are:

- on-line learning
- Rotation and Mobility Program
- Mentoring Program
- Individual Development and Innovation Award
- Induction Program.

A development program for Band 6 officers (EL 2 equivalent) was completed during 2005–06.

Training courses in mail handling, customer service telephone skills, stress management, dealing with change, information technology, freedom of information and administrative law were provided across the organisation.
6. Financial statements
INDEPENDENT AUDIT REPORT

To the Minister for Agriculture, Fisheries and Forestry

Scope

The financial statements and Directors’ responsibility

The financial statements comprise:

- Statement by Directors and Chief Executive;
- Income Statement, Balance Sheet and Statement of Cash Flows;
- Statement of Changes in Equity;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements of the Australian Pesticides and Veterinary Medicines Authority for the year ended 30 June 2006.

The Directors of the Australian Pesticides and Veterinary Medicines Authority are responsible for preparing financial statements that give a true and fair view of the financial position and performance of the Australian Pesticides and Veterinary Medicines Authority, and that comply with the Finance Minister’s Orders made under the Commonwealth Authorities and Companies Act 1997 and Accounting Standards and mandatory financial reporting requirements in Australia. The Directors are also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management’s internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.
I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister’s Orders made under the Commonwealth Authorities and Companies Act 1997 and Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Australian Pesticides and Veterinary Medicines Authority’s financial position, and of its financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Directors.

**Independence**

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

**Audit Opinion**

In my opinion, the financial statements of the Australian Pesticides and Veterinary Medicines Authority:

(a) have been prepared in accordance with the Finance Minister’s Orders made under the Commonwealth Authorities and Companies Act 1997; and

(b) give a true and fair view of the Australian Pesticides and Veterinary Medicines Authority’s financial position as at 30 June 2006 and of its performance and cash flows for the year then ended, in accordance with:

(i) the matters required by the Finance Minister’s Orders; and

(ii) applicable Accounting Standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office

Michael White
Executive Director
Delegate of the Auditor-General
Canberra

10 August 2006
Statement by Directors and Chief Executive

In our opinion, the attached financial statements for the year ended 30 June 2006 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister’s Orders made under the Commonwealth Authorities and Companies Act 1997.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.

This Statement is made in accordance with a resolution of the directors.

Signed: [Signature]
Dr Lyn Fragar AO
Acting Chairperson
8 August 2006

Signed: [Signature]
Hutch Ranck
Director
8 August 2006

Signed: [Signature]
Dr RJ Smith
Chief Executive
8 August 2006
**Australian Pesticides and Veterinary Medicines Authority**

**Income Statement**
for the year ended 30 June 2006

<table>
<thead>
<tr>
<th>Notes</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**INCOME**

Revenue
- Revenue from Government 3(a) 259,000 123,000
- Interest 3(b) 580,895 768,736
- Industry contributions 3(c) 23,385,504 18,452,606
- Other 3(d) 132,831 19,671

**Total Revenue**

24,358,230 19,303,773

Gains
- Net gain from disposal of assets 3(e) 4,384 -

**Total Gains**

4,384 -

**TOTAL INCOME**

24,362,614 19,303,773

**EXPENSES**

- Employees 4(a) 12,323,885 11,967,179
- Suppliers 4(b) 8,365,741 7,787,197
- Depreciation and amortisation 4(c) 513,165 531,196
- Write down and impairment of assets 4(d) - 47,446
- Net loss from disposal of assets 4(e) - 987
- Other 4(f) 60,812 268,096

**TOTAL EXPENSES**

21,263,823 20,602,080

**OPERATING RESULT**

3,098,791 (1,298,307)

The above statement should be read in conjunction with the accompanying notes.
Australian Pesticides and Veterinary Medicines Authority

Balance Sheet
as at 30 June 2006

<table>
<thead>
<tr>
<th>Notes</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**ASSETS**

**Financial Assets**
- Cash and cash equivalents: 5(a) 8,402,699
- Receivables: 5(b) 760,489
- Investments under s18 of the CAC Act: 5(c) 6,028,152

**Total Financial Assets**
- 15,191,340

**Non-Financial Assets**
- Property, plant and equipment: 6(a),(c) 662,265
- Intangibles: 6(b),(c) 560,981
- Other non-financial assets: 6(d) 173,901

**Total Non-Financial Assets**
- 1,387,147

**TOTAL ASSETS**
- 16,578,487

**LIABILITIES**

**Payables**
- Suppliers: 7(a) 3,347,103
- Unearned income: 7(b) 2,939,160
- Other payables: 7(c) 10,984

**Total Payables**
- 6,297,247

**Provisions**
- Employees: 8(a) 3,743,550
- Other provisions: 8(b) 326,143

**Total Provisions**
- 4,069,693

**TOTAL LIABILITIES**
- 10,366,940

**NET ASSETS**
- 6,211,547

**EQUITY**
- Retained surpluses: 6,181,836
- Reserves: 29,711

**TOTAL EQUITY**
- 6,211,547

**Current Assets**
- 15,022,476

**Non-current Assets**
- 1,556,011

**Current Liabilities**
- 9,882,464

**Non-current Liabilities**
- 484,476

The above statement should be read in conjunction with the accompanying notes.
## Statement of Cash Flows
for the year ended 30 June 2006

### OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Notes</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash Received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations</td>
<td>272,300</td>
<td>123,000</td>
</tr>
<tr>
<td>Interest Received</td>
<td>575,685</td>
<td>716,609</td>
</tr>
<tr>
<td>Industry Contributions</td>
<td>23,475,457</td>
<td>20,857,394</td>
</tr>
<tr>
<td>Net GST Received from ATO</td>
<td>843,440</td>
<td>887,789</td>
</tr>
<tr>
<td>Other</td>
<td>136,212</td>
<td>36,009</td>
</tr>
<tr>
<td><strong>Total Cash Received</strong></td>
<td>25,303,104</td>
<td>22,820,801</td>
</tr>
</tbody>
</table>

| Cash Used                          |       |       |
| Employees                          | (11,981,921) | (11,642,317) |
| Suppliers                          | (8,044,110) | (9,763,475) |
| **Total Cash Used**                | (20,026,031) | (21,405,792) |

| Net Cash From/(Used by) Operating Activities | 9(a) | 6,277,073 | 1,215,009 |

### INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Notes</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash Received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>5,000</td>
<td>2,743</td>
</tr>
<tr>
<td>Investments under s18 of the CAC Act</td>
<td>8,000,000</td>
<td>14,000,000</td>
</tr>
<tr>
<td><strong>Total Cash Received</strong></td>
<td>8,005,000</td>
<td>14,002,743</td>
</tr>
</tbody>
</table>

| Cash Used                          |       |       |
| Purchase of property, plant and equipment | (450,283) | (308,906) |
| Investments under s18 of the CAC Act | (8,019,152) | (12,509,000) |
| **Total Cash Used**                | (8,469,435) | (12,817,906) |

| Net Cash From/(Used by) Investing Activities | 464,435 | 1,184,837 |

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Net Increase/(Decrease) in Cash Held</td>
<td>4,812,638</td>
<td>2,399,846</td>
</tr>
<tr>
<td>Cash at the Beginning of the Reporting Period</td>
<td>3,590,061</td>
<td>1,190,215</td>
</tr>
<tr>
<td><strong>Cash at the End of the Reporting Period</strong></td>
<td>8,402,699</td>
<td>3,590,061</td>
</tr>
</tbody>
</table>

The above statement should 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 2006

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Results 2006</th>
<th>Accumulated Results 2005</th>
<th>Asset Revaluation Reserve 2006</th>
<th>Asset Revaluation Reserve 2005</th>
<th>Total Equity 2006</th>
<th>Total Equity 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>3,082,845</td>
<td>4,381,152</td>
<td>29,711</td>
<td>56,882</td>
<td>3,112,556</td>
<td>4,436,034</td>
</tr>
<tr>
<td>Income and Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation adjustment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-(27,171)</td>
<td>-</td>
<td>-(27,171)</td>
</tr>
<tr>
<td>Subtotal income and expenditure recognised directly in equity</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-(27,171)</td>
<td>-</td>
<td>-(27,171)</td>
</tr>
<tr>
<td>Net operating result</td>
<td>3,098,991</td>
<td>(1,298,307)</td>
<td>-</td>
<td>-</td>
<td>3,098,991</td>
<td>(1,298,307)</td>
</tr>
<tr>
<td>Total Income and Expenses</td>
<td>3,098,991</td>
<td>(1,298,307)</td>
<td>-(27,171)</td>
<td>3,098,991</td>
<td>(1,325,476)</td>
<td></td>
</tr>
<tr>
<td>Closing Balance at 30 June</td>
<td>6,181,836</td>
<td>3,082,845</td>
<td>29,711</td>
<td>29,711</td>
<td>6,211,547</td>
<td>3,112,556</td>
</tr>
</tbody>
</table>

The above statement should be read in conjunction with the accompanying notes.
Australian Pesticides and Veterinary Medicines Authority

Schedule of Commitments
as at 30 June 2006

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>BY TYPE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1,215,711</td>
<td>-</td>
</tr>
<tr>
<td>Total Capital Commitments</td>
<td>1,215,711</td>
<td>-</td>
</tr>
<tr>
<td>Other commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating leases</td>
<td>13,384,635</td>
<td>1,061,280</td>
</tr>
<tr>
<td>Other commitments</td>
<td>447,994</td>
<td>391,156</td>
</tr>
<tr>
<td>Total Other Commitments</td>
<td>13,832,629</td>
<td>1,452,436</td>
</tr>
<tr>
<td>Commitments Receivable</td>
<td>(1,257,295)</td>
<td>(131,913)</td>
</tr>
<tr>
<td>Net Commitments by Type</td>
<td>13,791,045</td>
<td>1,320,523</td>
</tr>
</tbody>
</table>

|                        |         |         |
| **BY MATURITY**        |         |         |
| Capital Commitments    |         |         |
| One year or less       | 1,215,711 | -       |
| From one to five years | -       | -       |
| Over five years        | -       | -       |
| Total Capital Commitments | 1,215,711 | -       |
| Operating Lease Commitments |       |         |
| One year or less       | 2,452,894 | 817,918 |
| From one to five years | 3,937,108 | 243,362 |
| Over five years        | 6,994,633 | -       |
| Total Operating Lease Commitments | 13,384,635 | 1,061,280 |
| Other commitments      |         |         |
| One year or less       | 447,994  | 391,156 |
| From one to five years | -       | -       |
| Over five years        | -       | -       |
| Total Other Commitments | 447,994  | 391,156 |
| Commitments Receivable | (1,257,295) | (131,913) |
| Net Commitments by Maturity | 13,791,045 | 1,320,523 |

NB: Commitments are GST inclusive where relevant.

Leases are effectively non-cancellable and comprise:
- leases for office accommodation
- lease for motor vehicles used for general business activities
- leases in relation to computer equipment
### Australian Pesticides and Veterinary Medicines Authority

#### Schedule of Commitments (continued)

as at 30 June 2006

<table>
<thead>
<tr>
<th>Nature of the Lease</th>
<th>General description of the leasing arrangement</th>
</tr>
</thead>
</table>
| **Leases for office accommodation** | *Lease 1: John Curtin House, Brisbane Avenue, Barton*  
Lease payments are subject to an annual increase in accordance with upwards movements in the CPI. No further increases will be incurred prior to the lease agreement expiring on 31 October 2006.  
*Lease 2: Salvation Army House, Brisbane Avenue, Barton*  
Lease payments are subject to an annual increase in accordance with upwards movements in the CPI. No further increases will be incurred prior to the lease agreement expiring on 31 October 2006.  
*New Lease: Amttech Park, Symonston*  
In approximately November 2006 the Authority will move from both John Curtin House and Salvation Army House into a new building in Amttech Park, Symonston. The Authority has signed a 10 year lease (with two further 5 year options). The initial 10 year lease is subject to annual rent increases of 3.75%. |
| **Lease in relation to computer equipment** | The lessor provides all computer equipment as designated in the supply contract for 3 years. The Authority may vary the originally designated requirement subject to incurring a penalty. |
| **Motor vehicle leases**             | The lease periods are 24/36 months or 20,000/30,000 kms. Subject to 30 days prior written notice, the Authority may return the leased vehicles to the lessor at any time during the term of the lease, however an early return fee will apply. The Authority may request an extension of the lease term for a period of up to 3 months from its originally specified expiry date. |
Schedule of Contingencies
as at 30 June 2006

<table>
<thead>
<tr>
<th>Notes</th>
<th>2005 $</th>
<th>2004 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTINGENT LIABILITIES</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>CONTINGENT ASSETS</td>
<td>NIL</td>
<td>NIL</td>
</tr>
</tbody>
</table>

The above schedule should be read in conjunction with the accompanying notes.
Notes to and forming part of the
Financial Statements
for the year ended 30 June 2006

Note 1: Summary of Significant Accounting Policies
Note 2: The impact of the transition to AEIFRS from previous GAAP
Note 3: Income
Note 4: Operating Expenses
Note 5: Financial Assets
Note 6: Non-Financial Assets
Note 7: Payables
Note 8: Provisions
Note 9: Cash Flow Reconciliation
Note 10: Director Remuneration
Note 11: Related Party Disclosure
Note 12: Executive Remuneration
Note 13: Remuneration of Auditors
Note 14: Average Staffing Levels
Note 15: Economic Dependency
Note 16: Financial Instrument
Note 17: Appropriations
Note 18: Reporting of Outcomes
Australian Pesticides and
Veterinary Medicines Authority

Notes to and forming part of the
Financial Statements
for the year ended 30 June 2006

1. Summary of Significant Accounting Policies

1.1 Basis of Accounting

The financial statements are required by clause 1(b) of Schedule 1 to the Commonwealth Authorities and Companies Act 1997 and are a general purpose financial report. The continued existence of the Authority in its present form and with its present programs is dependent on Government policy.

The statements have been prepared in accordance with:

- Finance Minister’s Orders (being the Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 30 June 2006));
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Interpretations issued by the AASB and UIG that apply for the reporting period.

This is the first financial report to be prepared under Australian Equivalents to International Financial Reporting Standards (AEIFRS). The impacts of adopting AEIFRS are disclosed in Note 2.

The Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities, which as noted, are 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 whole Australian dollars except in Note 16, Financial Instruments, where amounts are rounded to the nearest $1,000.

Unless alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

1.2 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets or liabilities within the next accounting period.

1.3 Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AEIFRS). Australian Accounting Standards require the Authority to disclose Australian Accounting Standards that have not been applied, for standards that have been issued but are not yet effective.

The AASB has issued amendments to existing standards, these amendments are denoted by year and then number, for example 2005-1 indicates amendment 1 issued in 2005.
## 1.3 Statement of Compliance (continued)

The table below illustrates standards and amendments that will become effective for the Authority in the future. The nature of the impending change within the table, has been out of necessity abbreviated and users should consult the full version available on the AASB’s website to identify the full impact of the change. The expected impact on the financial report of adoption of these standards is based on the Authority’s initial assessment at this date, but may change. The Authority intends to adopt all standards upon their application date.

<table>
<thead>
<tr>
<th>Title</th>
<th>Standard affected</th>
<th>Application date*</th>
<th>Nature of impending change</th>
<th>Impact expected on financial report</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-1</td>
<td>AASB 139</td>
<td>1-Jan-06</td>
<td>Amends hedging requirements for foreign currency risk of a highly probable intra-group transaction.</td>
<td>No expected impact.</td>
</tr>
<tr>
<td>2005-4</td>
<td>AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038</td>
<td>1-Jan-06</td>
<td>Amends AASB 139, AASB 1023 and AASB 1038 to restrict the option to fair value through profit or loss and makes consequential amendments to AASB 1 and AASB 132.</td>
<td>No expected impact.</td>
</tr>
<tr>
<td>2005-5</td>
<td>AASB 1 and AASB 139</td>
<td>1-Jan-06</td>
<td>Amends AASB 1 to allow an entity to determine whether an arrangement is, or contains, a lease. Amends AASB 139 to scope out a contractual right to receive reimbursement (in accordance with AASB 137) in the form of cash.</td>
<td>No expected impact.</td>
</tr>
<tr>
<td>2005-6</td>
<td>AASB 3</td>
<td>1-Jan-06</td>
<td>Amends the scope to exclude business combinations involving entities or businesses under common control.</td>
<td>No expected impact.</td>
</tr>
<tr>
<td>2005-9</td>
<td>AASB 4, AASB 1023, AASB 139 and AASB 132</td>
<td>1-Jan-06</td>
<td>Amended standards in regards to financial guarantee contracts.</td>
<td>No expected impact.</td>
</tr>
<tr>
<td>2005-10</td>
<td>AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038</td>
<td>1-Jan-07</td>
<td>Amended requirements subsequent to the issuing of AASB 7.</td>
<td>No expected impact.</td>
</tr>
<tr>
<td>2006-1</td>
<td>AASB 121</td>
<td>31-Dec-06</td>
<td>Changes in requirements for net investments in foreign subsidiaries depending on denominator currency.</td>
<td>No expected impact.</td>
</tr>
<tr>
<td>AASB7 Financial Instruments: Disclosures</td>
<td>1-Jan-07</td>
<td>Revise the disclosure requirements for financial instruments from AASB132 requirements.</td>
<td>No expected impact.</td>
<td></td>
</tr>
</tbody>
</table>

* Application date is for annual reporting periods beginning on or after the date shown
Australian Pesticides and Veterinary Medicines Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

1.4 Revenue

The revenues described in this note are revenues relating to the core operating activities of the Authority.

Industry contributions are appropriated to the Authority by the Parliament in accordance with s58 (1) of the Agricultural and Veterinary Chemicals (Administration) Act 1992. Revenue from industry contributions is recognised during the period to which the fee or charge relates. Industry contributions mainly comprise application fees, levies and annual fees (renewals).

During the year the calculation of the levy changed from being based on a calendar year to being based on a financial year. This resulted in bringing forward the levy income from sales made during the period 1 January 2005 to 30 June 2005 and has a one-off effect of increasing revenue from industry contributions and retained surpluses by an estimate of $5,590,096 as this resulted in levies being calculated on 18 months of sales compared with 12 months in the previous period. Without this change, the operating result would have been a loss of $(2,491,907).

Revenue from the sale of goods and services is recognised upon receipt of money and/or delivery of goods to customers, whichever is the most appropriate. Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Revenues from Government

Revenues from government are for two purposes:
(i) Revenues to assist with strategies to address "minor uses" - the situations where no on-label advice is available to producers to manage pest and disease risk impacting adversely on their production systems.
(ii) Revenue to supplement the cost of connection to "Fedlink", the Government secured communications network.

Appropriations are recognised as revenue to the extent that they have been received into the Authority's bank account or are entitled to be received by the Authority at year end.

1.5 Employee Benefits

As required by the Finance Minister's Orders, the Authority has early adopted AASB 119 Employee Benefits as issued in December 2004.

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled. Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Authority is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Authority's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.
Australian Pesticides and
Veterinary Medicines Authority

Notes to and forming part of the
Financial Statements
for the year ended 30 June 2006

1.5 Employee Benefits (continued)

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2005. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Long service leave is disclosed as current where the service period is 10 years and over as there is a legal right to the payment, irrespective of whether the payment is not expected to be settled within 12 months. Comparatives have been adjusted transferring $1,172,560 from non-current to current liability. Long service leave expected to be paid within 12 months is $252,771 (2005 $219,859).

All annual leave is disclosed as current as there is a legal right to the payment irrespective of whether the payment is not expected to be settled within 12 months. Comparatives have been adjusted transferring $347,449 from non-current to current liability. Annual leave expected to be paid within 12 months is $834,984 (2005 $814,056).

Superannuation

Staff of the Authority are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). Temporary employees of the Authority contribute to the Australian Government Employees Superannuation Trust (AGEST). The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap and AGEST are defined contribution schemes.

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.

The Authority makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Authority's employees. From 1 July 2005, new employees are eligible to join the PSSap scheme.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.6 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessee to the lessor substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the leased property, or if lower, the present value of minimum lease payments at the inception of the contract and a liability recognised at the same time for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. 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.
Australian Pesticides and Veterinary Medicines Authority

Notes to and forming part of the Financial Statements
for the year ended 30 June 2006

1.7 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.8 Financial Risk Management

The Authority’s activities expose it to normal commercial financial risk. As a result of the nature of the Authority’s business and internal and Australian Government policies, dealing with the management of financial risk, its exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.9 Investments

Investments are initially measured at their fair value.

After initial recognition, financial assets are to be measured at their fair values except for:

a) loans and receivables which are measured at amortised cost using the effective interest method,
b) held-to-maturity investments which are measured at amortised cost using the effective interest method, and
c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost.

1.10 Derecognition of Financial Assets and Liabilities

As prescribed in the Finance Minister’s Orders, the Authority has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged or cancelled or expires. For the comparative year, financial assets were derecognised when the contractual right to receive cash no longer existed. Financial liabilities were derecognised when the contractual obligation to pay cash no longer existed.

1.11 Impairment of Financial Assets

As prescribed in the Finance Minister’s Orders, the Authority has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are assessed for impairment at each balance date.

Financial Assets held at Amortised Cost

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the asset’s original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in profit and loss.
1.11 Impairment of Financial Assets (continued)

Financial Assets held at Cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

Available for Sale Financial Assets

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in profit and loss, is transferred from equity to the profit and loss.

Comparative Year

The above policies were not applied for the comparative year. For receivables, amounts were recognised and carried at original invoice amount less a provision for doubtful debts based on an estimate made when collection of the full amount was no longer probable. Bad debts were written off as incurred.

Other financial assets carried at cost which were not held to generate net cash inflows, were assessed for indicators of impairment. Where such indicators were found to exist, the recoverable amount of the assets was estimated and compared to the assets carrying amount and, if less, reduced to the carrying amount. The reduction was shown as an impairment loss.

1.12 Trade Creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Assets are not recognised in the Balance Sheet but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability or asset is recognised. A liability or asset is recognised when its existence is confirmed by a future event. settlement becomes probable (virtually certain for assets) or reliable measurement becomes possible.

1.14 Acquisition of Assets

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

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of 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 authority's accounts immediately prior to the restructuring.

1.15 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised at cost in the Balance Sheet, except for purchases costing less than $2,000, which are expensed in the year of acquisition (other than when 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 'makegood' provisions in property leases taken up by the Authority where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Authority's leasehold improvements with a corresponding provision for the 'makegood' taken up.

Revaluations

Property, plant and equipment are carried at fair value, being revalued with sufficient frequency that the carrying amount of each class is not materially different as at reporting date, from its fair value. A valuation was undertaken on 1 July 2004 on a fair value basis and is considered to be fair value at 30 June 2006.

Fair values for each class of assets are determined as shown below.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fair Value Measured at:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure - Leasehold Improvements</td>
<td>Depreciated Replacement Cost</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>Market Selling Price</td>
</tr>
</tbody>
</table>

Assets that are surplus to requirement are measured at their net realisable value. At 30 June 2006 the Authority held no surplus assets. (30 June 2005: $0). Plant and equipment assets, and Leasehold Improvements are subject to a formal valuation every three years. Formal valuations are carried out by an independent qualified valuer.

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 useful lives to the Authority using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.
1.15 Property, Plant and Equipment (continued)

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

<table>
<thead>
<tr>
<th>Class</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure-Leasehold Improvements</td>
<td>Lease term 2 to 20 years</td>
<td>Lease term 2 to 20 years</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4(c).

Impairment

All assets were assessed for impairment at 30 June 2006. Where indications of 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 Authority were deprived of the asset, its value in use is taken to be its depreciated replacement cost. No indicators of impairment were found for assets at fair value.

1.16 Intangibles

The Authority’s intangibles comprise internally developed and externally acquired computer software for internal use. These assets are carried at cost.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Authority’s software is 3 to 10 years (2004-05: 3 to 10 years). All software assets were assessed for indications of impairment as at 30 June 2006 and none were found to be impaired.

1.17 Taxation

The Authority is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.
2. The Impact of the transition to AEIFRS from previous AGAAP

Reconciliation of total equity as presented under previous AGAAP to that under AEIFRS

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity under previous AGAAP</td>
<td>3,066,799</td>
<td>4,360,955</td>
</tr>
<tr>
<td>Adjustments to retained earnings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee entitlements(^1)</td>
<td>18,287</td>
<td>14,910</td>
</tr>
<tr>
<td>'Makegood' assets(^2)</td>
<td>62,169</td>
<td>62,169</td>
</tr>
<tr>
<td>'Makegood' assets - accumulated amortisation(^3)</td>
<td>(34,699)</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments to other reserves:</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total equity translated to AEIFRS</td>
<td>3,112,556</td>
<td>4,438,034</td>
</tr>
</tbody>
</table>

Reconciliation of profit or loss as presented under previous AGAAP to AEIFRS

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior year profit as previously reported</td>
<td>(1,266,985)</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Movement in employee entitlement(^4)</td>
<td>3,377</td>
</tr>
<tr>
<td>Depreciation and amortisation(^5)</td>
<td>(34,699)</td>
</tr>
<tr>
<td>Prior year profit translated to AEIFRS</td>
<td>(1,258,367)</td>
</tr>
</tbody>
</table>

The cash flow statement presented under previous AGAAP is equivalent to that prepared under AEIFRS.

\(^1\) AEIFRS requires the discounting of long term benefits, including the non-current proportion of annual leave to be discounted to present value. The non-current annual leave at each balance date was discounted by 5%.

\(^2\) AEIFRS also requires the recording of assets reflecting future estimated restoration costs. Valuations were conducted to determine the 'makegood' provisions of the Authority's two accommodation leases. These valuations totalled $247,000. The written down value of the corresponding 'makegood' asset at 30 June 2004 was calculated to be $52,169 ($247,000 makegood valuation less $184,831 accumulated amortisation) and taken up accordingly.

\(^3\) This adjustment represents the accumulated amortisation of the 'makegood' asset during the year ended 30 June 2005.

\(^4\) The operating result has been adjusted to reflect the movement in the employee entitlement adjustment.

The adjustments between AEIFRS and the previous GAAP have been taken up at 1 July 2005.

The Authority has not restated comparatives for financial instruments.
Australian Pesticides and Veterinary Medicines Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

<table>
<thead>
<tr>
<th>3. Income</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) - Revenues from Government Appropriations for outputs</td>
<td>259,000</td>
<td>123,000</td>
</tr>
<tr>
<td>(b) - Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank deposits &amp; floating rate notes</td>
<td>580,895</td>
<td>708,796</td>
</tr>
<tr>
<td>(c) - Industry contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Levies</td>
<td>16,693,876</td>
<td>10,700,889</td>
</tr>
<tr>
<td>Annual fee</td>
<td>3,145,612</td>
<td>4,840,701</td>
</tr>
<tr>
<td>Application fees</td>
<td>2,939,493</td>
<td>2,515,091</td>
</tr>
<tr>
<td>Good manufacturing practice</td>
<td>72,000</td>
<td>174,000</td>
</tr>
<tr>
<td>Permits and other fees</td>
<td>534,523</td>
<td>221,925</td>
</tr>
<tr>
<td>Total industry contributions</td>
<td>23,385,504</td>
<td>18,452,606</td>
</tr>
<tr>
<td>(d) - Other revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comcare reimbursements</td>
<td>92,228</td>
<td>474</td>
</tr>
<tr>
<td>Other revenue</td>
<td>40,563</td>
<td>18,897</td>
</tr>
<tr>
<td>Total industry contributions</td>
<td>132,831</td>
<td>19,371</td>
</tr>
<tr>
<td>(e) - Net Gain from disposal of assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from disposal</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td>Net book value of assets disposed</td>
<td>(616)</td>
<td>-</td>
</tr>
<tr>
<td>Net gain from disposal of property, plant &amp; equipment</td>
<td>4,384</td>
<td>-</td>
</tr>
</tbody>
</table>

4. Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) - Employee expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>9,926,079</td>
<td>9,528,356</td>
</tr>
<tr>
<td>Superannuation</td>
<td>1,443,144</td>
<td>1,412,543</td>
</tr>
<tr>
<td>Leave and other entitlements</td>
<td>369,183</td>
<td>407,976</td>
</tr>
<tr>
<td>Other employee benefits</td>
<td>527,760</td>
<td>554,489</td>
</tr>
<tr>
<td>Workers compensation premiums</td>
<td>57,719</td>
<td>63,815</td>
</tr>
<tr>
<td>Total employee expenses</td>
<td>12,323,885</td>
<td>11,967,179</td>
</tr>
<tr>
<td>(b) - Suppliers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision of goods - related entities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provision of goods - external entities</td>
<td>772,264</td>
<td>601,846</td>
</tr>
<tr>
<td>Rendering of services - related entities</td>
<td>4,565,853</td>
<td>4,440,131</td>
</tr>
<tr>
<td>Rendering of services - external entities</td>
<td>2,141,237</td>
<td>1,956,564</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>886,387</td>
<td>788,056</td>
</tr>
<tr>
<td>Total supplier expenses</td>
<td>8,365,741</td>
<td>7,767,197</td>
</tr>
</tbody>
</table>
Australian Pesticides and Veterinary Medicines Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

4. Operating Expenses (continued)
   (c) - Depreciation and amortisation
       Depreciation of property, plant and equipment $355,610 $411,551
       Amortisation of intangibles $157,575 $119,644
       Total depreciation and amortisation $513,185 $531,195

   (d) - Write down and impairment of assets
       Property, plant & equipment - revaluation decrement $ - $42,931
       Computer Hardware - impairment $ - $4,515
       Total write down of assets $ - $47,446

       Certain computer hardware was impaired at 30 June 2005. The recoverable amount of this hardware was determined as its net selling price, which was nil, due to the damage to the hardware.

   (e) - Net loss on disposal of assets
       Property, plant & equipment:
       Net book value of assets disposed $ - $3,710
       Proceeds from disposal $ - $(2,743)
       Net (loss) from disposal of property, plant & equipment $ - $967

   (f) - Other Expenses
       GMP licence fees - waived $53,525 $12,733
       GMP licence fees - Provision for doubtful debts $7,287 $8,393
       Lease make-good provision $ - $247,000
       Total other expenses $60,812 $268,096

5. Financial Assets
   (a) - Cash and cash equivalents
       Cash at bank $8,400,699 $3,588,061
       Cash on hand $2,000 $2,000
       Total cash and cash equivalents $8,402,699 $3,590,061
### 5. Financial Assets (continued)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods and services</td>
<td>715,084</td>
<td>793,114</td>
</tr>
<tr>
<td>Less: Allowances for doubtful debts</td>
<td>(306,816)</td>
<td>(299,329)</td>
</tr>
<tr>
<td>GST receivable from the Australian Taxation Office</td>
<td>104,620</td>
<td>180,104</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>57,513</td>
<td>52,314</td>
</tr>
<tr>
<td>Other receivables</td>
<td>189,888</td>
<td>292,852</td>
</tr>
<tr>
<td>Total receivables (net)</td>
<td>760,489</td>
<td>1,019,055</td>
</tr>
</tbody>
</table>

Receivables is represented by:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>404,510</td>
<td>640,526</td>
</tr>
<tr>
<td>Non-current</td>
<td>355,979</td>
<td>378,529</td>
</tr>
<tr>
<td>Total receivables (net)</td>
<td>760,489</td>
<td>1,019,055</td>
</tr>
</tbody>
</table>

Receivables (gross) are aged as follows:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Overdue</td>
<td>1,066,727</td>
<td>1,318,224</td>
</tr>
<tr>
<td>Overdue by:</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- less than 30 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- 30 to 60 days</td>
<td>378</td>
<td>160</td>
</tr>
<tr>
<td>- more than 60 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total receivables (gross)</td>
<td>1,067,105</td>
<td>1,318,384</td>
</tr>
</tbody>
</table>

The provision for doubtful debts is aged as follows:

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>306,816</td>
<td>299,329</td>
</tr>
<tr>
<td>Overdue by:</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- less than 30 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- 30 to 60 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- more than 60 days</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total provision for doubtful debts</td>
<td>306,816</td>
<td>299,329</td>
</tr>
</tbody>
</table>

**Receivables for goods and services**

Receivables for goods and services are GMP licence fees of $715,084

The provision for doubtful debts relates to GMP licence fees receivable.

Terms are:
- GMP licence receivable - maximum fee payable of $6,000, payable by instalments in accordance with regulation 72A of the AgVet Codes.
- Other goods and services - Net 30 days (2005: 30 days).

**Interest receivable**

The interest rate ranges from 5.50% to 5.98%, and the frequency of payments range from monthly to quarterly.

**Other receivable**

Other receivables mainly comprise levies payable via the Authority's online payment facility which were not received in the Authority's bank account at 30 June 2005 due to timing of the online transactions.
Australian Pesticides and Veterinary Medicines Authority

Notes to and forming part of the Financial Statements
for the year ended 30 June 2006

5. Financial Assets (continued)
   (c) - Investments under s18 of the CAC Act
   Term deposit 2,019,152 2,000,000
   Floating rate notes 4,009,000 4,009,000
   Total investments 6,028,152 6,009,000

   The term deposit is with ANZ, maturing in July 2006 and earning an effective rate of interest of 5.73%
   (2005: 5.69%), payable at maturity.
   The floating rates notes are with Westpac and ANZ, earning effective rates of interest of 5.98% and
   5.78% respectively (2005: 6.05% and 5.85% respectively), payable quarterly.

   (a) - Property, plant and equipment
       At fair value 1,413,514 1,059,792
       Accumulated depreciation (761,249) (409,690)
       Total property, plant and equipment 652,265 650,102

   All revaluations are independent and are conducted in accordance with the revaluation policy stated at
   Note 1.
   A valuation of property, plant and equipment was carried out as at 1 July 2004 by the Australian Valuation
   Office.

   Movement in Asset Revaluation Reserve
   Net decrement for property, plant and equipment - (27,171)
   Total - (27,171)

   (b) - Intangible assets
       Externally acquired computer software - at cost 1,198,988 1,160,415
       Accumulated amortisation (1,092,991) (884,355)
       Total 195,997 266,060

       Internally developed software - at cost 771,723 639,257
       Accumulated amortisation (406,739) (357,799)
       Total 364,984 281,458

   Total intangible assets 560,981 547,518
6. Non-financial Assets (continued)

(c) Analysis of property, plant, equipment and intangibles

<table>
<thead>
<tr>
<th>Item</th>
<th>Property, Plant and Equipment</th>
<th>Intangibles</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Computer Software Purchased</td>
<td>Computer Software Internally Developed</td>
<td>Sub-total</td>
</tr>
<tr>
<td>As at 1 July 2006</td>
<td>$1,059,792</td>
<td>$639,257</td>
<td>$1,799,672</td>
</tr>
<tr>
<td>Gross book value</td>
<td>(409,690)</td>
<td>(357,799)</td>
<td>(1,252,154)</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>$256,060</td>
<td>$201,458</td>
<td>$547,518</td>
</tr>
<tr>
<td>Opening net book value</td>
<td>$279,245</td>
<td>$132,466</td>
<td>$171,038</td>
</tr>
<tr>
<td>Additions</td>
<td>$38,572</td>
<td>$48,940</td>
<td>$79,144</td>
</tr>
<tr>
<td>By purchase</td>
<td>(355,610)</td>
<td>(108,835)</td>
<td>(464,445)</td>
</tr>
<tr>
<td>Net revaluation increment/(decrement)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Disposals</td>
<td>(616)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 30 June 2006</td>
<td>$1,413,514</td>
<td>$771,723</td>
<td>$1,970,711</td>
</tr>
<tr>
<td>Gross book value</td>
<td>(761,249)</td>
<td>(406,739)</td>
<td>(1,409,730)</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>$1,198,968</td>
<td>$1,970,711</td>
<td>$3,384,225</td>
</tr>
<tr>
<td>Closing net book value</td>
<td>$562,265</td>
<td>$364,984</td>
<td>$560,981</td>
</tr>
</tbody>
</table>
### Australian Pesticides and Veterinary Medicines Authority

#### Notes to and forming part of the Financial Statements
for the year ended 30 June 2006

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>6. Non-financial Assets (continued)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) - Other non-financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>173,901</td>
<td>216,540</td>
</tr>
<tr>
<td>7. Payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) - Suppliers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors</td>
<td>806,913</td>
<td>645,997</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>2,540,190</td>
<td>1,696,146</td>
</tr>
<tr>
<td>Total suppliers</td>
<td>3,347,103</td>
<td>2,342,143</td>
</tr>
<tr>
<td>All supplier payments are current.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settlement is usually made net 30 days (2004: 30 days).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) - Unearned income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual fee</td>
<td>2,790,840</td>
<td>2,612,620</td>
</tr>
<tr>
<td>Application fees</td>
<td>148,320</td>
<td>310,935</td>
</tr>
<tr>
<td>Levies</td>
<td>-</td>
<td>54,837</td>
</tr>
<tr>
<td>Total unearned income</td>
<td>2,939,160</td>
<td>2,978,362</td>
</tr>
<tr>
<td>Majority of application fee revenue received in June 2005 is unearned.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) - Other payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease incentives</td>
<td>10,984</td>
<td>52,180</td>
</tr>
<tr>
<td>Total other payables</td>
<td>10,984</td>
<td>52,180</td>
</tr>
<tr>
<td>(a) - Employee provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>363,746</td>
<td>300,944</td>
</tr>
<tr>
<td>Leave</td>
<td>3,016,099</td>
<td>2,681,071</td>
</tr>
<tr>
<td>Superannuation</td>
<td>363,705</td>
<td>317,990</td>
</tr>
<tr>
<td>Aggregate employee benefit liability</td>
<td>3,743,550</td>
<td>3,300,005</td>
</tr>
<tr>
<td>Current</td>
<td>2,831,946</td>
<td>2,512,838</td>
</tr>
<tr>
<td>Non-current</td>
<td>911,604</td>
<td>787,167</td>
</tr>
<tr>
<td>3,743,550</td>
<td>3,300,005</td>
<td></td>
</tr>
</tbody>
</table>
Australian Pesticides and Veterinary Medicines Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

8. Provisions (continued)
   (b) - Other provisions
   Lease make-good - current

<table>
<thead>
<tr>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>326,143</td>
<td>247,000</td>
</tr>
</tbody>
</table>

9. Cash Flow Reconciliation
   (a) - Reconciliation of operating deficit to net cash used by operating activities:

   Operating (Deficit)/Surplus 3,098,991 (1,298,307)
   Non-Cash items
   Depreciation and amortisation 513,186 531,195
   (Gain)/Loss on disposal of assets (4,364) 967
   Write-down of non-current assets 47,446
   Revaluation of non-current assets (79,145)
   Changes in assets and liabilities
   (Increase)/decrease in receivables 258,666 (317,251)
   (Increase)/decrease in prepayments 42,639 (39,098)
   Increase/(decrease) in unearned income (39,232) 2,746,924
   Increase/(decrease) in payables 963,764 (848,110)
   Increase/(decrease) in provisions 622,688 391,243
   Net cash used by operating activities 5,277,073 1,215,009

(b) - Reconciliation of cash

Cash balance comprises:
   Cash at bank and on hand 8,402,699 2,904,364
   Deposits at call - 685,667
   Total cash 8,402,699 3,590,061

Balance of cash as at 30 June shown in the Statement of Cash Flows 8,402,699 3,590,061
Australian Pesticides and Veterinary Medicines Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

10. Director Remuneration

Directors of the Authority during the year were:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Appointed/Re-appointed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Kevin Sheridan</td>
<td>Chairperson</td>
<td>Re-appointed 16 October 2005</td>
</tr>
<tr>
<td>Dr Lynette Fragar</td>
<td>Deputy Chairperson</td>
<td>Re-appointed 16 October 2005</td>
</tr>
<tr>
<td>Ms Mara Bün</td>
<td></td>
<td>Re-appointed 16 October 2005</td>
</tr>
<tr>
<td>Mr Wayne Cornish</td>
<td></td>
<td>Appointed 16 October 2005</td>
</tr>
<tr>
<td>Mr Claude Gauchat</td>
<td></td>
<td>Appointed 16 October 2005</td>
</tr>
<tr>
<td>Dr Catherine Hollywell</td>
<td></td>
<td>Re-appointed 16 October 2005</td>
</tr>
<tr>
<td>Mr Steve McCutcheon</td>
<td></td>
<td>Appointed 16 October 2005</td>
</tr>
<tr>
<td>Mr John Mollison</td>
<td></td>
<td>Appointed 9 December 2005</td>
</tr>
<tr>
<td>Mr Hutch Ranck</td>
<td></td>
<td>Re-appointed 16 October 2002</td>
</tr>
<tr>
<td>Mr Anthony Bates</td>
<td></td>
<td>Resigned 15 October 2005</td>
</tr>
<tr>
<td>Professor John McLean</td>
<td></td>
<td>Resigned 15 October 2005</td>
</tr>
<tr>
<td>Dr Gardner Murray</td>
<td></td>
<td>Resigned 15 October 2005</td>
</tr>
<tr>
<td>Ms Anne Story</td>
<td></td>
<td>Resigned 15 October 2005</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total remuneration received or due and receivable by directors of the Authority</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$158,633</td>
<td>$152,988</td>
</tr>
</tbody>
</table>

The number of directors of the Authority included in these figures are shown below in the relevant remuneration bands.

<table>
<thead>
<tr>
<th>Remuneration</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range</td>
<td>2006</td>
</tr>
<tr>
<td>Nil</td>
<td>4</td>
</tr>
<tr>
<td>$1 - $14,999</td>
<td>4</td>
</tr>
<tr>
<td>$15,000 - $29,999</td>
<td>4</td>
</tr>
<tr>
<td>$30,000 - $44,999</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
</tr>
</tbody>
</table>
Australian Pesticides and 
Veterinary Medicines Authority

Notes to and forming part of the 
Financial Statements 
for the year ended 30 June 2006

11. Related Party Disclosures

Other Transactions with Directors or Director Related Entities

During the year, directors and their director-related entities transacted with the Authority under the same terms and conditions available to other suppliers and agricultural and veterinary chemical companies.

12. Executive Remuneration

The number of officers who received or were due to receive total remuneration of $130,000 or more:

<table>
<thead>
<tr>
<th>Remuneration Range</th>
<th>Number 2006</th>
<th>Number 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>$145,000 - $159,999</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>$160,000 - $174,999</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>$175,000 - $189,999</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>$190,000 - $204,999</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>$205,000 - $219,999</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>$250,000 - $264,999</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>$265,000 - $279,999</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7</strong></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,349,971</td>
<td>$1,275,476</td>
</tr>
</tbody>
</table>

Remuneration of officers represents all remuneration received or due and receivable during the reporting period. Included are wages and salaries, superannuation, performance pay, the cost of motor vehicles, fringe benefits tax, accrued leave and long service leave. The value of annual leave and long service leave entitlements include any increase in balances as a result of salary rate increases.

The officer remuneration includes all officers concerned with or taking part in the management of the Authority during 2005-06.
13. Remuneration of Auditors
The audit of the Authority is carried out by the Australian National Audit Office (ANAO). The amount payable for audit services in auditing the financial statements for the reporting period is $23,300 (2004-05: $21,500). No other services have been provided by the ANAO during the reporting period.

14. Average Staffing Levels

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>The average staffing levels of the Authority during the year were:</td>
<td>132</td>
<td>133</td>
</tr>
</tbody>
</table>

Average staffing levels include ongoing, non-ongoing and casual employees, also employees on long term leave.

15. Economic Dependency
The Authority is established under the Agricultural and Veterinary Chemicals (Administration) Act 1992 (Administration Act) and is controlled by the Commonwealth. The principal responsibilities of the Authority are described in the Agricultural and Veterinary Chemicals (Administration) Act 1992 (Administration Act) and the Agricultural and Veterinary Chemicals Code Act 1994 (Code Act).

The Authority is dependent on industry contributions for its continued operations.
Australian Pesticides and
Veterinary Medicines Authority

Notes to and forming part of the
Financial Statements
for the year ended 30 June 2006

16. Financial Instruments
(a) Interest Rate Risk

<table>
<thead>
<tr>
<th>Financial Instrument</th>
<th>Notes</th>
<th>Floating Interest Rate</th>
<th>Fixed Interest Rate</th>
<th>Non Interest Bearing</th>
<th>Total</th>
<th>Weighted Average Effective Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 year or less</td>
<td>1 to 2 years</td>
<td>2 to 5 years</td>
<td>&gt; 5 years</td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank</td>
<td>5(a)</td>
<td>8,401</td>
<td>2,900</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>5(a)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivables for goods and services</td>
<td>5(b)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>5(b)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables</td>
<td>5(b)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits at call</td>
<td>5(c)</td>
<td>-</td>
<td>686</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment – Term deposit</td>
<td>5(c)</td>
<td>-</td>
<td>2,019</td>
<td>2,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment – FRN</td>
<td>5(c)</td>
<td>4,009</td>
<td>4,009</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>12,410</td>
<td>7,997</td>
<td>2,019</td>
<td>2,000</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Assets

16,578

12,005

Financial Liabilities

<table>
<thead>
<tr>
<th>Financial Instrument</th>
<th>Notes</th>
<th>Floating Interest Rate</th>
<th>Fixed Interest Rate</th>
<th>Non Interest Bearing</th>
<th>Total</th>
<th>Weighted Average Effective Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 year or less</td>
<td>1 to 2 years</td>
<td>2 to 5 years</td>
<td>&gt; 5 years</td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Payables</td>
<td>7(a)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
16. Financial Instruments (continued)
   (b) Net Fair Value of Financial Assets and Liabilities

   Financial Assets
   The net fair values of cash, deposits on call, term deposits and investments approximate their carrying amounts.

   The net fair values of receivables and accrued interest, all of which are short term in nature, are approximated by their carrying amounts.

   Financial Liabilities
   The net fair value of payables, all of which are short term in nature, are approximated by their carrying amounts.

   (c) Credit Risk Exposure

   The Authority's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

   The Authority has no significant exposures to any concentrations of credit risk.
Australian Pesticides and Veterinary Medicines Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

16. Financial Instruments (continued)
   (b) Net Fair Value of Financial Assets and Liabilities

   **Financial Assets**
   The net fair values of cash, deposits on call, term deposits and investments approximate their carrying amounts.
   The net fair values of receivables and accrued interest, all of which are short term in nature, are approximated by their carrying amounts.

   **Financial Liabilities**
   The net fair value of payables, all of which are short term in nature, are approximated by their carrying amounts.

   (c) Credit Risk Exposure
   The Authority’s maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.
   The Authority has no significant exposures to any concentrations of credit risk.
17. Appropriations

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Departmental Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Year Ended 30 June 2005</td>
<td></td>
</tr>
<tr>
<td>Balance carried forward from previous year</td>
<td>-</td>
</tr>
<tr>
<td>Appropriation Acts 1 and 3</td>
<td>259,000</td>
</tr>
<tr>
<td>Available for payment of CRF</td>
<td>259,000</td>
</tr>
<tr>
<td>Payments made out of CRF</td>
<td>259,000</td>
</tr>
<tr>
<td>Balance carried forward to next year</td>
<td>-</td>
</tr>
<tr>
<td>Represented by:</td>
<td></td>
</tr>
<tr>
<td>Appropriations Receivable</td>
<td>-</td>
</tr>
</tbody>
</table>

18. Reporting of Outcomes

(a) - Outcomes of the Authority

The Authority is structured to meet a single outcome and output.

Given the need to use pesticides and veterinary medicines for pest and disease control, the work of the APVMA protects the health and safety of people, animals and the environment. In respect of food and fibre production, the APVMA’s activities support Australian agricultural and livestock industries.

(b) - Net Cost of Outcome Delivery

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>21,263,623</td>
<td>20,802,080</td>
</tr>
<tr>
<td>Costs Recovered from Provision of Goods &amp; Services to the Non-Government Sector</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other external revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>580,895</td>
<td>708,795</td>
</tr>
<tr>
<td>Industry contributions</td>
<td>23,385,504</td>
<td>18,452,606</td>
</tr>
<tr>
<td>Revenue for sales of assets</td>
<td>4,384</td>
<td>-</td>
</tr>
<tr>
<td>Other revenue</td>
<td>132,831</td>
<td>19,371</td>
</tr>
<tr>
<td>Total</td>
<td>24,103,614</td>
<td>19,180,773</td>
</tr>
<tr>
<td>Net cost/(contribution) of outcome</td>
<td>(2,839,991)</td>
<td>1,421,307</td>
</tr>
</tbody>
</table>
Appendices
Appendix A: APVMA Board of Directors

The current Board of Directors was appointed on 16 October 2005 for a term expiring on 15 October 2008. The Chairperson was appointed for a term expiring on 16 October 2007. The new Board met four times in 2005–06, in December 2005 and February, April and June 2006. Directors’ attendance is shown in Table A1. The term of the previous Board expired on 15 October 2005 and it met twice during the reporting period, in August and October 2005. Attendance by the previous Board of Directors is also shown in table A1.

Table A1 Attendance at APVMA Board meetings in 2005–06

<table>
<thead>
<tr>
<th>Name</th>
<th>Meetings attended</th>
<th>Meetings eligible to attend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Kevin Sheridan AO (Chairperson reappointed 16 October 2005)</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Dr Lyn Fragar AO (reappointed as a Director 16 October 2005; reappointed as Deputy Chairperson 25 October 2005)</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Dr Catherine Hollywell (reappointed as a Director 16 October 2005)</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Mr Hutch Ranck (reappointed as a Director 16 October 2005)</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Ms Mara Bún (reappointed as a Director 16 October 2005)</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Mr John Mollison (Director appointed 9 December 2005)</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr Stephen McCutcheon (Director appointed 16 October 2005)</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Mr Wayne Cornish (Director appointed 16 October 2005)</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Mr Claude Gauchat (Director appointed 16 October 2005)</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Professor John McLean (Director until 15 October 2005)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Mr Tony Bates (Director until 15 October 2005)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Ms Anne Story (Director until 15 October 2005)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Dr Gardner Murray (Director until 15 October 2005)</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Contact: Alan Hill, Executive Officer, APVMA Board, telephone (02) 6210 4786.
Declared interests

For the purposes of the CAC Act, Directors are required to declare any potential material personal interests in relation to any matters before the Board. Interests so declared are considered and determined by the Board in accordance with APVMA corporate governance procedure and with reference to advice provided by General Counsel. Declarations by Directors in 2005–06 and the related Board determinations are detailed in Table A2.

Table A2 Declaration of Interests

<table>
<thead>
<tr>
<th>Board meeting</th>
<th>Declaration</th>
</tr>
</thead>
</table>
| APVMA20 (8 June 2006) | a. Dr Fragar declared her interest in the chemical review of diazinon as Director of the Australian Centre for Agricultural Health and Safety that generated occupational health and safety data used in the review of diazinon.  

b. Mr Cornish declared his interest in the chemical reviews of 2,4-D as Chair of the National Farmers’ Federation (NFF) Farm Chemical Committee and in the reviews of carbaryl and diazinon as a primary producer.  

c. Mr McCutcheon declared his interest in the update on the Uhrig review as Executive Manager, Product Integrity, Animal and Plant Health Division, Australian Government Department of Agriculture, Fisheries and Forestry. |

The Board noted that none of the declarations constituted a material personal interest for the purposes of the Commonwealth Authorities and Companies Act 1997. The Board determined that those Directors might be present for discussions and participate in deliberations relating to the above matters.
<table>
<thead>
<tr>
<th>Board meeting</th>
<th>Declaration</th>
</tr>
</thead>
</table>
| APVMA19 (3 and 5 April 2006) | a. Dr Fragar declared her interest in the chemical review of diazinon as Director of the Australian Centre for Agricultural Health and Safety that generated occupational health and safety data used in the review of diazinon.  

b. Mr McCutcheon declared his interest in the update on the Uhrig review, security sensitive chemicals and the minor use and specialty crops unit as Executive Manager, Product Integrity, Animal and Plant Health Division, Australian Government Department of Agriculture, Fisheries and Forestry.  
c. Dr Hollywell declared her interest in the review of methyl bromide as Executive Director Agriculture Development, Department of Primary Industries (Victoria). The Department is currently negotiating with industry on co-investment in methyl bromide related products. Dr Hollywell also noted her knowledge that another member of staff from the Department of Primary Industries (Victoria) chairs the international committee on the phase-out of methyl bromide.  

The Board noted that none of the declarations constituted a material personal interest for the purposes of the Commonwealth Authorities and Companies Act 1997. The Board determined that those Directors might be present for discussions and participate in deliberations relating to the above matters. |
| APVMA17 (20 December 2005) | Dr Fragar disclosed her interest as the Director of the Australian Centre for Agricultural Health and Safety, which is involved in generating OHS data, related to the use of diazinon ectoparasiticide products in the sheep industry.  

The Board noted that Dr Fragar’s declaration did not constitute a material personal interest for the purposes of the Commonwealth Authorities and Companies Act 1997. The Board determined that Dr Fragar might be present for the progress report and related discussions concerning the reviews of diazinon and sheep ectoparasiticides. |
Dr Fragar disclosed her interest as Director of the Australian Centre for Agricultural Health and Safety, which was a partner in generating OHS data for workers using diazinon ectoparasiticide products on sheep.

The Board noted that Dr Fragar’s declaration did not constitute a material personal interest for the purposes of the Commonwealth Authorities and Companies Act 1997. The Board determined that Dr Fragar might be present for discussions and participate in any deliberations relating to the reviews of diazinon and sheep ectoparasiticides.

### Indemnities and insurance

The APVMA has provided indemnity to each Director and several APVMA staff. The APVMA maintains Directors’ and Officers’ liability insurance as set out in Table A3. The nature of the liabilities covered and the amount of premium payable under the contract of insurance are confidential under the terms of the policy.

**Table A3 Indemnities and insurance for APVMA Directors and Officers in 2005–06**

<table>
<thead>
<tr>
<th>Name</th>
<th>Indemnity</th>
<th>Directors’ and Officers’ liability insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Kevin Sheridan AO, Chairperson</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Dr Lyn Fragar AO, Deputy Chairperson</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Dr Catherine Hollywell, Director</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Mr John Mollison, Director</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Mr Wayne Cornish, Director</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Mr Hutch Ranck, Director</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Ms Mara Bün, Director</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Mr Claude Gauchat, Director</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Mr Stephen McCutcheon, Director</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Professor John McLean (Director until 15 October 2005)</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Mr Tony Bates (Director until 15 October 2005)</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Ms Anne Story (Director until 15 October 2005)</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Dr Gardner Murray (Director until 15 October 2005)</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Dr Joe Smith, CEO</td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>
Audit Committee

The primary objective of the Audit Committee is to assist with the Board’s responsibilities relating to the APVMA’s annual budget, financial accounting and reporting practices.

The present Audit Committee was appointed on 20 December 2005. The Audit Committee comprises Dr Lyn Fragar (Chairperson), Mr Hutch Ranck and Dr Catherine Hollywell. Prior to 20 December 2005 the Audit Committee members were Dr Lyn Fragar (Chairperson), Mr Hutch Ranck and Ms Anne Story. Audit Committee meetings in 2005–06 were held on 4 August and 29 September 2005 and on 24 March 2006 to coincide with key financial year milestones for provision of advice and reports to the Board. Attendance at Audit Committee meetings is shown in Table A4.

At APVMA15 (August 2005) the Board approved an amendment to the Audit Committee Charter to include the requirement to ‘Review compliance with all financial/accounting legislative requirements’.

In accordance with its Charter, the Audit Committee provided an Annual Report on its activities during the previous twelve months at APVMA16 on 7 October 2005.

Table A4 Attendance at APVMA Audit Committee meetings in 2005–06

<table>
<thead>
<tr>
<th>Name</th>
<th>Indemnity</th>
<th>Directors’ and Officers’ liability insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Martin Holmes, Program Manager, Veterinary Medicines</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Dr Tim Dyke, Program Manager, Quality Assurance and Compliance</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Mr Tony de la Fosse, Program Manager, Corporate Services</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Mr James Suter, General Counsel</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Dr Eva Bennet-Jenkins, Program Manager, Pesticides</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Dr Trevor Doust, Program Manager, Chemistry and Residues</td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>

Table A4 Attendance at APVMA Audit Committee meetings in 2005–06

<table>
<thead>
<tr>
<th>Name</th>
<th>Meetings attended</th>
<th>Meetings eligible to attend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Lyn Fragar AO (Audit Chairperson)</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Dr Catherine Hollywell</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr Hutch Ranck</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Ms Anne Story</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
Appendix B: Committees

Community Consultative Committee

Purpose

The APVMA’s Community Consultative Committee (CCC) provides a vehicle for effective two-way communication between the national chemical regulator and community representatives concerned about pesticides and veterinary medicines. For the APVMA to operate to best effect it is vital that it be able to respond to current and emerging issues and concern that the community has with the regulation of these chemicals. It is equally important that the community be kept fully informed of the rationale that underpins regulatory decisions. The committee provides a valuable means for disseminating information into the community.

Terms of reference

The committee’s terms of reference require it to:

• communicate community views to the APVMA on issues concerning pesticides and veterinary medicines
• encourage informed community debate by conveying information from the APVMA to community networks and explaining the operations and processes of the APVMA to the community
• convey community concerns to the APVMA about pesticides and veterinary medicines
• recommend to the APVMA further work that might be undertaken to resolve issues of community concern relating to the registration of pesticides and veterinary medicines
• advise on matters referred to it by the APVMA.

Issues considered

The committee met four times during 2005–06; in August, December, March and May. At each meeting, members report to the APVMA about committee-related activities as well as details of any important community issues of concern. The APVMA provided reports to each meeting detailing registration and review activities for pesticides and veterinary medicines as well as quality assurance and compliance matters. The committee progressed a number of major work program items during 2005–06.

Highlights

Significant achievements for the committee during 2005–06 were:

• production of an issues paper on minor use systems identifying opportunities for improvement in risk management, consultation models and community education
• ongoing involvement in the AERP Ag, with particular interest in promotion of the program
• active participation in the APVMA labelling review activities
• establishment of a working group to look into product container issues.

Attendance at Community Consultative Committee meetings is shown in Table B1.

Table B1 Membership and attendance at Community Consultative Committee meetings in 2005–06

<table>
<thead>
<tr>
<th>Member</th>
<th>Affiliation</th>
<th>Meetings eligible to attend</th>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Jenni Mack (Chair, re-appointed April 2006)</td>
<td>Australian Consumers Association</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr Sam Beechey</td>
<td>Australian Workers’ Union</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Ms Jo Immig</td>
<td>National Environmental Consultative Forum</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Mr Peter Cone</td>
<td>National Farmers’ Federation</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Ms Anne Stanton (retired April 2006)</td>
<td>National Toxics Network</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr Sid Cowling (retired April 2006)</td>
<td>Organic Federation of Australia, Independent Organic Inspectors Australia</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr Don Sutherland (resigned February 2006)</td>
<td>Farmsafe Australia</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Ms Liz Hanna (re-appointed April 2006)</td>
<td>Public Health Association of Australia, Royal College of Nursing Australia</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Mr Neville Prowse-Brown (appointed April 2006)</td>
<td>Australian Landscape Trust</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ms Julie Buckley (appointed April 2006)</td>
<td>TAFE NSW</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Mr John Temperley (appointed April 2006)</td>
<td>Farmsafe Australia</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Dr Eva Bennet-Jenkins, Program Manager, Pesticides is APVMA Advisor to the Committee
Contact: Simon Cubit APVMA, telephone (02) 6210 4869
Registration Liaison Committee


Purpose

The RLC is the main consultative forum between the APVMA and the states, territories and Australian Government agencies concerning the operational management of the National Registration Scheme. The committee works to ensure an efficient and coordinated approach between the APVMA’s responsibilities for regulating the supply of pesticides and veterinary medicines up to and including the point of retail sale, and state and territory responsibilities for control of use. It also works to ensure a uniform approach to the APVMA’s compliance activities that monitor the quality and supply of pesticides and veterinary medicines to ensure that only registered products bearing approved labels are sold in Australia.

The Department of Agriculture, Fisheries and Forestry, the Department of the Environment and Heritage and the Office of Chemical Safety in the Department of Health and Ageing are also represented on the RLC. Representatives from the Agricultural Chemicals and Veterinary Medicines Group of the New Zealand Food Safety Authority also attend as observers.

Terms of reference

The RLC’s terms of reference are to:

• provide a forum for the ongoing development and operational management of the National Registration Scheme by an exchange of information between the states/territories and the APVMA pursuant to their responsibilities under the National Registration Scheme
• secure state/territory and Australian Government agency input to APVMA activities, particularly where they impinge on state/territory responsibilities
• identify and provide opportunity for detailed examination of key issues requiring management by both APVMA and the states
• secure expert advice as necessary.

Issues considered

The RLC agendas provide for updates on operational activities, consultation and consideration of topical issues and progression of matters contained in the RLC/APVMA Work Plan. The APVMA’s reports included pesticides and veterinary medicines registration activities, permits and minor use, quality assurance, compliance and the progress of chemical reviews. The states, territories, other Australian Government departments and New Zealand provided reports on policy, control of use and related regulatory activity within their jurisdictions. The Department
of Agriculture, Fisheries and Forestry gave briefings covering National Registration Scheme policy, progress of legislative changes and Australian participation in international forums, treaties and conventions.

**Highlights**

Key topics considered by the RLC during the reporting period included:

- RLC members’ input to the APVMA’s Review of Consultative Committees including updating and clarifying the RLC’s objectives, membership profile and modes of interaction with other forums
- progress of other major external reviews affecting the APVMA including the Regulation Taskforce Review and the Uhrig review of DAFF Portfolio corporate governance arrangements
- a proposal by the APVMA to investigate possible reforms to the scope of the APVMA’s regulation of agricultural and veterinary chemicals
- a review of APVMA Guidelines for Determining Minor Uses and to develop Efficacy and Crop Safety Guidelines for Minor Use
- proposals for a nationally consistent approach to fee exemptions for small-scale research permits
- approving development of a more efficient system for distributing, storing and accessing approved copies of product labels using the *InfoPest* label database
- proposals to remove inconsistencies between commodity names used in Tables 1 and 4 of the MRL Standard
- a proposal from the states and territories for the APVMA to consider assuming national control over the supply of unregistered chemical products by veterinarians
- progress and input to the RLC/APVMA Work Plan including high priority projects for developing assessment criteria for disposal of chemical dip solutions, the Labelling Review, minor use reform, development of APVMA guidelines and registration of off-label quarantine treatments
- updates on the APVMA review of 2,4-D highly volatile esters
- consultation on technical updates to the Manual of Requirements and Guidelines revisions to instructions for labelling medicated stockfeeds
- regulatory options for registration of products containing selenium
- implementation of data requirements for crop stubble residues
- progress of the APVMA Timeframes and Productivity Project
- review of the status of Restricted Chemical Products and initial consultation on developing a national framework for declaring Restricted Chemical Products
- progress of government enquiries into Multiple Chemical Sensitivity
- negotiation of Service Level Agreements for efficacy reviews with the states and territories.
Attendance at Registration Liaison Committee meetings is shown in Table B2.

**Table B2 Membership and attendance at Registration Liaison Committee meetings in 2005–06**

<table>
<thead>
<tr>
<th>Member</th>
<th>Organisation</th>
<th>Meetings eligible to attend</th>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Martin Holmes (Chairperson)</td>
<td>APVMA</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr David Power</td>
<td>Environment Protection, ACT Chief Minister’s Department</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Mr Lee Cook</td>
<td>NSW Department of Primary Industries</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr Andrew Hawkins</td>
<td>NSW Department of Environment and Conservation</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Ms Sue Duncan</td>
<td>Victoria Department of Primary Industries</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr John Kassebaum</td>
<td>Primary Industries and Resources South Australia</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr Ian Parr</td>
<td>Tasmanian Department of Primary Industries and Water</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr Vlad Kawaljenko</td>
<td>Northern Territory Department of Primary Industry, Fisheries and Mines</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Dr John Alcock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Wayne Thompson</td>
<td>Qld Department of Primary Industries and Fisheries</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Mr Russell Scholl</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Chris Sharpe</td>
<td>Department of Agriculture and Food Western Australia</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Dr Martin Matisons</td>
<td>Department of Health WA</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Mr Bill Magee</td>
<td>Product Integrity, Animal and Plant Health, Australian Government Department of Agriculture, Fisheries and Forestry</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ms Janet Kerr</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ms Jenny Ritchie</td>
<td></td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Mr Brian Pidford</td>
<td>Agricultural Chemicals and Veterinary Medicines Group, New Zealand Food Safety Authority</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Ms Maree Zinzley</td>
<td></td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Mr Chris Boland</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Member</td>
<td>Organisation</td>
<td>Meetings eligible to attend</td>
<td>Meetings attended</td>
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<td>------------------------</td>
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</tr>
<tr>
<td>Dr Luba Tomaska</td>
<td>Office of Chemical Safety, Australian Government Department of Health and Ageing</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Dr Geoff Thompson</td>
<td></td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr Graeme Barden</td>
<td>Chemical Assessment Section, Australian Government Department of the Environment and Heritage</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Mr Phil Sinclair</td>
<td></td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Dr Ingo Ernst</td>
<td>Aquatic Animal Health Unit, Australian Government Department of Agriculture, Fisheries and Forestry</td>
<td>4</td>
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</tr>
</tbody>
</table>

Contact: Alan Hill, APVMA, telephone 02 6210 4786

**Industry Liaison Committee**

The Industry Liaison Committee was established in 1995 and is the main consultative forum between the APVMA and the peak chemical industry representing registrants. In 2005–06 the Committee met in August, November and April.

**Purpose**

The purpose of the committee is to:

- provide a forum for formal consultation and discussion with peak chemical industry bodies on APVMA operating policies and programs
- enhance co-operation in the management of the registration process and post-registration programs.

**Terms of reference**

The committee’s terms of reference are to:

- progress the development of agreed standards and procedures for the assessment of agvet chemicals
- obtain the views of industry members on issues of an operational, technical or strategic nature
- provide industry input to APVMA operational planning processes
- identify opportunities for regulatory reform within the existing framework
- enable reporting by the APVMA to industry of its performance
- address specific operating policy issues through working groups
- consider the impact of proposed macro-policy changes on APVMA operations and implications for industry.
### Issues considered

Issues before the committee in 2005–06 included:

- Review of APVMA consultative committees
- Improvements to the APVMA compliance program
- Improvements to the APVMA label approval process
- Rotterdam and Stockholm conventions
- Trans Tasman harmonisation of regulatory measures in agvet arena
- Globally Harmonised System for Classification and Labelling of Chemicals (GHS)
- Uhrig review of governance of statutory authorities
- Development of standards and conditions for the lower regulatory requirements regime
- Improvements to the APVMA product and permit application process
- Consultation on draft APVMA operational policies and guidelines
- Reform of the scope of APVMA regulation
- Revision to procedures for managing ‘approved persons’
- Development of a dip disposal risk assessment
- Reform of APVMA website and electronic facilities
- Impact of FOI requests on APVMA resources.

Attendance at Industry Liaison Committee meetings is shown in Table B3.

### Table B3 Membership and attendance at Industry Liaison Committee meetings in 2005–06

<table>
<thead>
<tr>
<th>Member</th>
<th>Organisation</th>
<th>Meetings eligible to attend</th>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Joe Smith (Chairperson)</td>
<td>APVMA</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr Geoff MacAlpine</td>
<td>ACCORD Australasia Inc</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Ms Kathy Nolan</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr Lindsay Showyin</td>
<td>Aerosol Association of Australia Inc</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr Philip Fleming</td>
<td></td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Dr Peter Holdsworth</td>
<td>Animal Health Alliance (Australia) Ltd</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Dr Peter Holdsworth</td>
<td>Avcare Ltd</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Mr Claude Gauchat</td>
<td></td>
<td>1</td>
<td>1</td>
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<tr>
<td>Mr Greg Mitchell</td>
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<td>1</td>
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</tr>
</tbody>
</table>
### Industry Technical Committee

**Purpose**

The Industry Technical Committee (ITC) supports the Industry Liaison Committee by addressing technical issues affecting regulatory policy, programs and performance. Membership of the ITC is drawn from industry groups represented on the Industry Liaison Committee and from specialist scientific and technical groups.

The objectives of the committee are to:

- provide input to the development of operating procedures and publications
- review and consider the technical work of the APVMA
- address specific technical issues through working groups.

During 2005–06, the ITC met three times in Canberra: in September, February and June.

<table>
<thead>
<tr>
<th>Member</th>
<th>Organisation</th>
<th>Meetings eligible to attend</th>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Paula Matthewson</td>
<td>CropLife Australia Ltd</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr Adrian Harris</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr John Firth</td>
<td>Generic Agricultural Chemical Association</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr Richard de Vos</td>
<td>Nursery and Garden Industry Australia</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Mr Kevin Bodnaruk</td>
<td></td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr Peter Nobbs</td>
<td>Pet Industry Association of Australia Ltd</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Mr Bernard Lee</td>
<td>Plastics and Chemicals Industries Association</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr Peter Gniel</td>
<td></td>
<td>1</td>
<td>1</td>
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<tr>
<td>Mr Andrew Simons</td>
<td>Swimming Pool and Spa Association of Australia</td>
<td>2</td>
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<tr>
<td>Mr Paul Simons</td>
<td></td>
<td>1</td>
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</tr>
<tr>
<td>Mr Robert Schufft</td>
<td>Veterinary Manufacturers and Distributors Association/PIAA</td>
<td>3</td>
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<tr>
<td>Mr Bill Blackhall</td>
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<tr>
<td>Mr Jim Adams</td>
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<tr>
<td>Mr Mark Albrecht</td>
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<td>1</td>
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<tr>
<td>Mr Neil Sammons</td>
<td></td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Contact: David Hutchison, Secretary, telephone (02) 6210 4748
Terms of reference

The committee was created by the Industry Liaison Committee to:
• improve the functioning of the Industry Liaison Committee, both for industry and the APVMA, by dealing with specific technical issues
• provide a forum for peak industry and technical/professional bodies to progress technical, administrative and other relevant issues.

Issues considered

Issues before the committee in 2005–06 included:
• reports of working group/consultation
• GHS labelling
• palatability of veterinary products
• early disclosure for APVMA veterinary product application under the data protection arrangements
• future direction with regard to listed registrations
• release of supply under GMP to non-licensed concerns
• standard for good regulatory practice
• new guidelines and operational policies
• procedures for recognising approved persons
• operational policy on tablet dosage forms for cats
• requirements for submitting MPLs/PPLs
• extension of shelf life for particular batches for vet products
• variations to immunobiological products
• payment of application fees
• category 8 applications — formulations declaration
• consequential claims
• proposal for free sales certificates
• proposal to incorporate type size in future versions of the APVMA Labelling Code in accordance with model uniform trade measurement legislation.

Attendance at ITC meetings is shown in Table B4.
Table B4 Membership and attendance at Industry Technical Committee meetings in 2005–06

<table>
<thead>
<tr>
<th>Member</th>
<th>Organisation</th>
<th>Meetings eligible to attend</th>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Martin Holmes (Chair)</td>
<td>APVMA</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Ms Kathy Nolan</td>
<td>ACCORD Australasia</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Mr Geoff McAlpine</td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Ms Dusanka Sabic</td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Mr Kim Baker</td>
<td>Aerosol Association of Australia</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Mr Philip Fleming</td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Mr Michael Hambrook</td>
<td>Australian Paint Manufacturers’ Federation</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Dr John McCaffrey</td>
<td>Australian Racing Board</td>
<td>3</td>
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</tr>
<tr>
<td>Dr Finola McConaghy</td>
<td>Australian Veterinarians in Industry</td>
<td>3</td>
<td>1</td>
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<tr>
<td>Dr Ruth Davis</td>
<td></td>
<td>1</td>
<td>1</td>
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<tr>
<td>Dr Bill Darmody</td>
<td>Australian Veterinary Association</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Dr Kevin Doyle</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Dr Peter Holdsworth</td>
<td>Animal Health Alliance</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr Kevin Bodnaruk</td>
<td>Horticulture Australia Limited</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr Shane Walsh</td>
<td>Pet Food Industry Association of Australia</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Mr Peter Nobbs</td>
<td>Pet Industry Association of Australia Ltd</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Ms Stephanie Leach</td>
<td>Plastics &amp; Chemicals Industries Association</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mr Andrew Simons</td>
<td>Swimming Pool &amp; Spa Association of Australia</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Mr Greg O’Connell</td>
<td></td>
<td>0</td>
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</tr>
<tr>
<td>Two of:</td>
<td>Veterinary Manufacturers and Distributors Association</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Contact: Ms Thea Reiman, Secretary, telephone (02) 6210 4726
Manufacturers’ Licensing Scheme Industry Liaison Committee

Purpose

The Manufacturers’ Licensing Scheme Industry Liaison Committee (MLSLIC) was established to provide a forum for the APVMA to discuss strategic and operational issues related to the Manufacturers’ Licensing Scheme (MLS) for manufacturers of veterinary medicines with industry representatives and auditors. The committee met four times in 2005–06, in September and November 2005 and February and May 2006.

Terms of reference

The committee was created to promote active engagement of key stakeholders by:

• obtaining the views of industry members and auditors on issues of an operational, technical or strategic nature

• progressing the development and review of operating procedures, manufacturing standards and guidelines relevant to the MLS

• providing industry input into APVMA operational planning processes related to manufacturing issues

• identifying opportunities for regulatory reform within the existing framework

• considering the impact of proposed policy changes on APVMA operations and implications for industry

• facilitating communication with industry and other stakeholders.

Highlights

The Veterinary Chemical Products (Manufacturing Principles) and the Australian Code of Good Manufacturing Practice for Veterinary Medicines again dominated the activities of the committee during the past year. In particular, the Working Group considered submissions from stakeholders as well as the nature of transitional arrangements.

Additional issues considered during the year included:

• progress with auditing and licensing of veterinary medicine manufacturers

• feedback from manufacturers on the audit process

• unannounced audits

• streamlining the audit close-out procedure

• the Auditors’ Workshop

• GMP training seminars for industry

• progress with the Overseas GMP Scheme

• operation and management of mutual recognition agreements.

Attendance at Manufacturers’ Licensing Scheme Industry Liaison Committee meetings is shown in Table B5.
Table B5  Membership and attendance at Manufacturers’ Licensing Scheme Industry Liaison Committee meetings in 2005–06

<table>
<thead>
<tr>
<th>Member</th>
<th>Organisation</th>
<th>Meetings eligible to attend</th>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Bruce Johnson (Chair)</td>
<td>APVMA</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mrs Kathy Winterton</td>
<td>APVMA</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>(Secretariat July to December)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Michael Nagajek</td>
<td>APVMA</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Dr Peter Holdsworth</td>
<td>Avcare/Animal Health Alliance Australia Limited</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Mr Ian Wheatley</td>
<td>Avcare/Animal Health Alliance Australia Limited</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr Bill Blackhall</td>
<td>Veterinary Manufacturers &amp; Distributors Association</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr Drew Ward (Secretariat January to June)</td>
<td>APVMA</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Contact: Dr Bruce Johnson, APVMA, telephone 02 6210 4803
Appendix C: Freedom of Information

Section 8 of the Freedom of Information Act 1982 (the FOI Act) requires each Australian Government agency subject to the Act to publish detailed information on its organisation, functions and powers and on arrangements for public involvement in the formulation of agency policy or administration of any enactment or scheme. This statement, together with the information contained in this report, is intended to meet the requirements of the FOI Act.

Organisation and structure

The APVMA operates nationally under the direction of a Board of Directors. Further details about the APVMA Board are in Section 5, ‘The organisation’, and at Appendix A. The APVMA’s offices are situated in Canberra at:

18 Wormald Street
Symonston ACT 2609
Postal address
PO Box E240
Kingston ACT 2604

APVMA’s functions and powers

The APVMA is responsible for assessing and registering pesticides and veterinary medicines proposed for supply and use in Australia and controls them up to the point of retail sale. The APVMA has functions and powers that are conferred upon it by the Administration Act, the Agvet Code and the Agvet Regulations, and by certain state and territory laws.

Functions

The APVMA’s functions 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
- provide information to the Australian Government and its agencies and the states and participating territories about approved active constituents for proposed or existing chemical products, registered chemical products and approved labels for such products, and to cooperate with those Australian Government agencies on matters relating to the management and control of chemical products
- keep records and statistics of approvals and registrations it has granted, and permits and licences it has issued, under the Agvet Code
- evaluate the effects of the use of chemical products in the states and participating territories
- cooperate with the Australian Government and its agencies and the states and
participating territories to facilitate a consistent approach to the assessment and control of chemicals

• in cooperation with the Australian Government and its agencies and the states and participating territories, develop codes of practice, standards and guidelines for, and to recommend precautions to be taken in connection with, the manufacture, export, import, sale, handling, possession, storage, disposal and use of chemical products in the states and participating territories

• collect, interpret, disseminate and publish information relating to chemical products and their use

• encourage and facilitate the application and use of results of evaluation and testing of chemical products

• exchange information relating to chemical products and their use with overseas and international bodies having functions similar to those of the APVMA

• when requested by the Minister, or on its own initiative, to report to or advise the Minister on any matter relating to chemical products or arising in the course of the performance of its functions

• encourage and facilitate the introduction of uniform national procedures for the control of the use of pesticides and veterinary medicines

• fund and cooperate in a program designed to ensure that active constituents for proposed or existing chemical products, registered chemical products and labels for containers for chemical products comply with the Agvet Code and the Agvet Regulations.

Powers

The APVMA has powers to do all that is necessary or convenient to be done in connection with the performance of its functions, which may include:

• entering into contracts

• acquiring, holding and disposing of real and personal property

• occupying, using and controlling any land or building owned or held under lease by the Commonwealth, a state or a territory and made available for the purposes of the APVMA

• making available to the public, either without charge or upon payment of a fee to the APVMA, manuals, reports, lists of requirements and other documents

• doing anything incidental to any of its powers.
Ministerial powers

In accordance with Section 10 of the enabling legislation, the Administration Act, the Australian Government Minister responsible for administering agvet chemicals legislation may direct the APVMA in writing in relation to the functions or powers that have been conferred on it under applicable Commonwealth or state laws. The APVMA must comply with any such direction. During 2005–06, the Minister gave no such direction.

Access to information

Website

Information on the APVMA’s structure, functions, powers and publications may be obtained via the APVMA’s website at www.apvma.gov.au.

Public registers

The APVMA maintains databases to store, manipulate and record product applications, to track submissions, and for product registration details, financial records, mailing lists and other information. Other information, such as staff details and industry and stakeholder contact details, is stored on databases. Access to the following public registers is possible by arrangement, by visiting the APVMA offices, or through the APVMA’s website:

- Register of Agricultural and Veterinary Chemical Products, which is known as the Public Chemicals Registration Information System (PUBCRIS), for information on numbers and approved uses of registered pesticides and veterinary medicines
- Record of Permits
- Record of Approved Active Constituents for Chemical Products.

Files and records

The APVMA maintains files on specific chemicals and on a range of topics relating to its operations and functions. Agreements, protocols, criteria and guidelines on the registration process and the development of technical data are also maintained. The APVMA also retains technical information in the form of individual product applications.

APVMA publications

The APVMA produces a range of publications on the National Registration Scheme and related matters. These publications include:

- Agricultural and Veterinary Chemicals Gazette (monthly Australian Government gazette)
- APVMA information sheets
- APVMA community briefs
- APVMA Corporate Plan and Operational Plan
- APVMA Annual Report
• APVMA Service Charter
• APVMA People Plan
• media releases
• Manual of Requirements and Guidelines (MORAG Ag and Vet)
• labelling code of practice
• guidelines for pesticides
• guidelines for veterinary medicines
• guidelines on chemistry and manufacturing aspects
• specific guidelines
• efficacy and safety guidelines
• setting maximum residue limits
• guidelines for recall of agricultural and veterinary chemicals
• review of chemicals
• Code of Good Manufacturing Practice
• reporting adverse experiences with pesticides or veterinary medicines
• agricultural and veterinary public release summaries.

Copies of publications may be obtained by contacting:
Public Affairs Section
Tel: (02) 6210 4700
Fax: (02) 6210 4786
Email: contact@apvma.gov.au

Confidential information

Some APVMA documents, particularly individual chemical product applications, contain confidential commercial information and may not be divulged by the APVMA except in accordance with the provisions of Section 162 of the Agvet Code or released under Freedom of Information.

Public consultation

Special consideration is given to the APVMA’s consultative mechanisms with the agvet chemicals industry and other relevant specialised industry sectors and community groups. The APVMA has a general policy of making itself accessible to industry associations and community organisations, regularly inviting interested parties to meet with the Board or its other committees. It consults on a regular basis with a wide range of groups and organisations with relevant interests and maintains close contact with rural and service industries, researchers and other government agencies with an interest in agricultural and veterinary chemicals. For more detail on the APVMA’s consultative framework, see Appendix B.
Requests for information under the FOI Act in 2005–06

The APVMA received 14 requests for information under the FOI Act during 2005–06. Requests for access to documents under the FOI Act can be made by writing (with the associated application fee) to:

FOI Coordinator
Australian Pesticides and Veterinary Medicines Authority
PO Box E240
Kingston ACT 2604

The power to grant or refuse access to APVMA documents is held by each of the program managers and some section managers. The CEO has internal review powers. Initial enquiries may be made by telephoning (02) 6210 4700.
Appendix D: Consultancies

In 2005–06, the APVMA spent a total of $436,595 (GST inclusive) on consultants, with 36 consultancy contracts let during that period. Table D1 lists only those consultancies engaged to the value of $10,000 or more (including GST) and details the amounts actually paid by the APVMA in the year. The reason for engaging the consultancy services was a requirement for specialist expertise not available within the APVMA.

Table D1: Consultancies to the value of $10,000 or more engaged in 2005–06

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Activity</th>
<th>Amount $</th>
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<tbody>
<tr>
<td>Australian Government Solicitor</td>
<td>Legal advice</td>
<td>11,215</td>
</tr>
<tr>
<td>Blake Dawson Waldron</td>
<td>Legal advice</td>
<td>12,500</td>
</tr>
<tr>
<td>Broadleaf Capital</td>
<td>Development of a risk analysis framework</td>
<td>27,500</td>
</tr>
<tr>
<td>Clayton Utz Lawyers</td>
<td>Legal advice</td>
<td>102,497</td>
</tr>
<tr>
<td>Department of Agriculture, Fisheries and Forestry</td>
<td>Develop methodology for estimating export slaughter intervals</td>
<td>28,600</td>
</tr>
<tr>
<td>Dr James Renwick</td>
<td>Legal advice and representation</td>
<td>13,026</td>
</tr>
<tr>
<td>Gibson Quai AAS</td>
<td>Telephony system evaluation</td>
<td>17,600</td>
</tr>
<tr>
<td>Martin Matisons Consulting</td>
<td>Residue Review—Paraquat ECRP</td>
<td>18,900</td>
</tr>
<tr>
<td>Relocation Laws</td>
<td>Assistance in moving to new premises</td>
<td>13,835</td>
</tr>
<tr>
<td>Sparke Helmore</td>
<td>Legal advice</td>
<td>18,942</td>
</tr>
<tr>
<td>Spectrum Graphics</td>
<td>Graphic design of annual report</td>
<td>18,121</td>
</tr>
<tr>
<td>Wilde &amp; Woollard</td>
<td>Engineering oversight and technical assistance — new premises</td>
<td>31,030</td>
</tr>
<tr>
<td>Wyagdon Enterprises</td>
<td>Risk management and risk assessment</td>
<td>28,804</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>342,570</strong></td>
</tr>
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</table>
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### Glossary

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<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
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<td>AAT</td>
<td>Administrative Appeals Tribunal</td>
</tr>
<tr>
<td>ACCORD</td>
<td>ACCORD Australasia Ltd</td>
</tr>
<tr>
<td>ACT</td>
<td>Australian Capital Territory</td>
</tr>
<tr>
<td>ACVM</td>
<td>Agricultural Components and Veterinary Medicines Group (of NZFSA)</td>
</tr>
<tr>
<td>AERP</td>
<td>Adverse Experience Reporting Program (AERP Ag for pesticides and AERP Vet for veterinary medicines)</td>
</tr>
<tr>
<td>Agvet/agvet</td>
<td>Agricultural and veterinary</td>
</tr>
<tr>
<td>Agvet Code</td>
<td>The schedule to the <em>Agricultural and Veterinary Chemicals Code Act 1994</em></td>
</tr>
<tr>
<td>Ag QA Scheme</td>
<td>Quality Assurance Scheme for Agricultural Actives and Products</td>
</tr>
<tr>
<td>AME</td>
<td>Application management and Enquiries Unit</td>
</tr>
<tr>
<td>ANAO</td>
<td>Australian National Audit Office</td>
</tr>
<tr>
<td>APVMA</td>
<td>Australian Pesticides and Veterinary Medicines Authority</td>
</tr>
<tr>
<td>Ausveg</td>
<td>Australian vegetable industry</td>
</tr>
<tr>
<td>Avcare</td>
<td>National Association for Crop Protection and Animal Health</td>
</tr>
<tr>
<td>BSC</td>
<td>Balanced Scorecard methodology</td>
</tr>
<tr>
<td>CAC Act</td>
<td><em>Commonwealth Authorities and Companies Act 1997</em></td>
</tr>
<tr>
<td>CCC</td>
<td>Community Consultative Committee (APVMA)</td>
</tr>
<tr>
<td>CCPR</td>
<td>Codex Committee on Pesticide Residues</td>
</tr>
<tr>
<td>CCRVDF</td>
<td>Codex Committee on Residues of Veterinary Drugs in Foods</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer (of the APVMA)</td>
</tr>
<tr>
<td>COAG</td>
<td>Council of Australian Governments</td>
</tr>
<tr>
<td>Codex</td>
<td>Codex Alimentarius Commission</td>
</tr>
<tr>
<td>CRP</td>
<td>Chemical Review Program</td>
</tr>
<tr>
<td>CSIRO</td>
<td>Commonwealth Scientific and Industrial Research Organisation</td>
</tr>
<tr>
<td>DAFF</td>
<td>Department of Agriculture, Fisheries and Forestry</td>
</tr>
<tr>
<td>DEH</td>
<td>Department of Environment and Heritage</td>
</tr>
<tr>
<td>EARS</td>
<td>Electronic Application Registration System</td>
</tr>
<tr>
<td>ECRP</td>
<td>Existing Chemicals Review Program</td>
</tr>
<tr>
<td>EEO</td>
<td>Equal employment opportunity</td>
</tr>
<tr>
<td>EMEA</td>
<td>European Medicines Agency</td>
</tr>
<tr>
<td>EMS</td>
<td>Environmental Management System</td>
</tr>
<tr>
<td>EPBC Act</td>
<td><em>Environment Protection and Biodiversity Conservation Act 1999</em></td>
</tr>
<tr>
<td>ESI</td>
<td>export slaughter interval</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agricultural Organisation (of the United Nations)</td>
</tr>
<tr>
<td>FDA</td>
<td>(United States) Food and Drug Administration</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
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</tr>
<tr>
<td>FMA Act</td>
<td>Financial Management and Accountability Act 1997</td>
</tr>
<tr>
<td>FOI</td>
<td>Freedom of Information</td>
</tr>
<tr>
<td>GAP</td>
<td>Good Agricultural Practice</td>
</tr>
<tr>
<td>GHS</td>
<td>Globally Harmonised System for Classification and Labelling of Chemicals</td>
</tr>
<tr>
<td>GLP</td>
<td>Good Laboratory Practice</td>
</tr>
<tr>
<td>GMP</td>
<td>Good Manufacturing Practice</td>
</tr>
<tr>
<td>GRDC</td>
<td>Grains Research and Development Corporation</td>
</tr>
<tr>
<td>HAL</td>
<td>Horticulture Australia Limited</td>
</tr>
<tr>
<td>HGP</td>
<td>hormonal growth promotant</td>
</tr>
<tr>
<td>HRM</td>
<td>Human Resource Management</td>
</tr>
<tr>
<td>ILC</td>
<td>Industry Liaison Committee (APVMA)</td>
</tr>
<tr>
<td>ITC</td>
<td>Industry Technical Committee (APVMA)</td>
</tr>
<tr>
<td>JECFA</td>
<td>Joint FAO/WHO Expert Committee on Food Additives</td>
</tr>
<tr>
<td>MLS</td>
<td>Manufacturers’ Licensing Scheme</td>
</tr>
<tr>
<td>MLSILC</td>
<td>Manufacturers Licensing Scheme Industry Liaison Committee (APVMA)</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MORAG</td>
<td>Manual of Requirements and Guidelines</td>
</tr>
<tr>
<td>MRL</td>
<td>maximum residue limit</td>
</tr>
<tr>
<td>NAA</td>
<td>National Archives of Australia</td>
</tr>
<tr>
<td>NCCAW</td>
<td>National Consultative Council on Animal Welfare</td>
</tr>
<tr>
<td>NFF</td>
<td>National Farmers’ Federation</td>
</tr>
<tr>
<td>NRS</td>
<td>National Registration Scheme</td>
</tr>
<tr>
<td>NZFSA</td>
<td>New Zealand Food Safety Authority</td>
</tr>
<tr>
<td>OCS</td>
<td>Office of Chemical Safety (in Department of Health and Ageing)</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>OGTR</td>
<td>Office of the Gene Technology Regulator</td>
</tr>
<tr>
<td>OHS</td>
<td>Occupational Health and Safety</td>
</tr>
<tr>
<td>PACIA</td>
<td>Plastics and Chemicals Industries Association</td>
</tr>
<tr>
<td>PCRL</td>
<td>Priority Candidate Review List</td>
</tr>
<tr>
<td>PIMC</td>
<td>Primary Industries Ministerial Council</td>
</tr>
<tr>
<td>PMRA</td>
<td>Pest Management Regulatory Agency</td>
</tr>
<tr>
<td>PSIC</td>
<td>Product Safety and Integrity Committee</td>
</tr>
<tr>
<td>PUBCRIS</td>
<td>Public Chemicals Registration Information System</td>
</tr>
<tr>
<td>RLC</td>
<td>Registration Liaison Committee (APVMA)</td>
</tr>
<tr>
<td>RRSG</td>
<td>Risk Reduction Steering Group (of the OECD Working Group on Pesticides)</td>
</tr>
<tr>
<td>RVDF</td>
<td>Residues of Veterinary Drugs in Food</td>
</tr>
<tr>
<td>RSG</td>
<td>Registration Steering Group</td>
</tr>
<tr>
<td>SFDA</td>
<td>Saudi Food and Drug Authority</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>SLA</td>
<td>Service Level Agreements</td>
</tr>
<tr>
<td>TAFE</td>
<td>Technical and Further Education</td>
</tr>
<tr>
<td>TF&amp;P</td>
<td>Timeframe and Productivity Project</td>
</tr>
<tr>
<td>UAE</td>
<td>United Arab Emirates</td>
</tr>
<tr>
<td>Uhrig [review]</td>
<td>A review conducted by John Uhrig, commissioned by the Australian Government into the corporate governance of Commonwealth statutory authorities and office holders</td>
</tr>
<tr>
<td>USDA</td>
<td>United States Department of Agriculture</td>
</tr>
<tr>
<td>USDA IR-4</td>
<td>United States Department of Agriculture — Interregional Research Project No. 4</td>
</tr>
<tr>
<td>USEPA</td>
<td>United States Environment Protection Agency</td>
</tr>
<tr>
<td>USFDA</td>
<td>United States Food and Drug Administration</td>
</tr>
<tr>
<td>USFTAI Act</td>
<td>US Free Trade Agreement Implementation Act 2004</td>
</tr>
<tr>
<td>VDD</td>
<td>Veterinary Drugs Directorate</td>
</tr>
<tr>
<td>VICH</td>
<td>International Committee for Harmonisation of Veterinary Drug Registration Requirements</td>
</tr>
<tr>
<td>VMDA</td>
<td>Veterinary Manufacturers and Distributors Association</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
<tr>
<td>WGP</td>
<td>Working Group on Pesticides (of OECD)</td>
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This annual report has been prepared in accordance with the Commonwealth Authorities and Companies (Report of Operations) Orders 2005 and the Requirements for Annual Reports revised by the Department of the Prime Minister and Cabinet in June 2006.

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