



Australian Government

Australian Government response to the House of
Representatives Standing Committee on Agriculture and
Water Resources:

APVMA Regulatory Reforms – Inquiry based on the Auditor-
General report No. 56 (2016-17): Pesticide and Veterinary
Medicine Regulatory Reform

November 2018

INTRODUCTION

The registration of agricultural chemicals and veterinary medicines (collectively known as agvet chemicals) in Australia is managed by the Australian Pesticides and Veterinary Medicines Authority (APVMA). The APVMA is a statutory authority, established under the *Agricultural and Veterinary Chemicals (Administration) Act 1992*.

On 1 July 2014, the *Agricultural and Veterinary Chemicals Legislation Amendment Act 2013* (the 2014 reforms) came into effect; in 2016, the Australian National Audit Office (ANAO) began a performance audit of the APVMA's implementation of those reforms. The ANAO's audit report was tabled in July 2017 as Auditor-General's Report No. 56 (2016-17), Pesticide and Veterinary Medicine Regulatory Reform.

In December 2017, the House of Representatives Standing Committee on Agriculture and Water Resources (the committee) resolved to conduct an inquiry based on the ANAO report under Standing Order 215 (c). The purpose of the committee's inquiry was to establish the extent to which the APVMA has implemented the recommendations made by the Auditor-General.

The committee reported on this matter in May 2018. The majority report outlines four recommendations.

DETAILED RESPONSE TO THE RECOMMENDATIONS OF THE MAJORITY REPORT

RECOMMENDATION 1

The committee recommends that the Auditor-General undertake a further audit of the Australian Pesticides and Veterinary Medicines Authority in 2019, to assess the APVMA's ongoing implementation of regulatory reforms and its management of the relocation program.

The Australian Government notes the recommendation.

As an independent officer of the Parliament, the Auditor-General will respond to the committee separately in relation to Parliamentary recommendations directed to him.

RECOMMENDATION 2

The committee notes and supports the Department of Agriculture and Water Resources in considering, in consultation with industry, the establishment of a board of directors for the Australian Pesticides and Veterinary Medicines Authority. The committee recommends that, if a board is to be established, the Minister for Agriculture should be consulted in relation to the appointment of members to provide additional oversight and further links between the minister and the APVMA.

The Australian Government supports the recommendation.

Legislation before the Parliament in the Government Amendment to the *Agricultural and Veterinary Chemicals Legislation Amendment (Operational Efficiency) Bill 2017* provides for the establishment of a five person skill-based board of directors for the APVMA appointed by the Minister for Agriculture and Water Resources.

RECOMMENDATION 3

The committee recommends that the Department of Agriculture and Water Resources actively consider different funding models for the Australian Pesticides and Veterinary Medicines Authority, to enable it to fulfil its responsibilities in a timely manner.

The Australian Government notes the recommendation.

The APVMA commenced development of a new Cost Recovery Implementation Statement (CRIS) in September 2018. In developing the new CRIS, the APVMA will take into account the work done by PriceWaterhouseCoopers (October 2017) on financial sustainability and look to ensure that its new fee and levy structure reflects the true costs of providing its regulatory services.

RECOMMENDATION 4

The committee recommends that the Chief Executive Officer of the Australian Pesticides and Veterinary Medicines Authority provide to the committee by the first quarter of the 2018-19 financial year the results of the staff survey undertaken in early 2018 and the APVMA's consequential action plan and updated risk assessment matrix relating to its relocation to Armidale.

The Australian Government notes the recommendation

The APVMA has indicated that it will be providing these documents to the committee before the end of the sitting period in December 2018.