

SCOPE OF WORK FOR THE COST BENEFIT RISK ANALYSIS OF THE POTENTIAL RELOCATION OF THE APVMA

The Department of Agriculture and Water Resources (the department) is commissioning an independent cost-benefit risk analysis (the analysis) of the potential relocation of the Australian Pesticides and Veterinary Medicines Authority (APVMA) from Canberra, ACT to Armidale, NSW.

The analysis should consider the costs, benefits and risks of the APVMA moving from Canberra to Armidale compared to the APVMA remaining in Canberra.

The APVMA is an Australian Government statutory authority of around 200 staff, established in 1993 to centralise the registration of all agricultural and veterinary chemical products into the Australian marketplace. Its principal responsibilities are described in the *Agricultural and Veterinary Chemicals (Administration) Act 1992* and the *Agricultural and Veterinary Chemicals Code Act 1994*.

The analysis should consider the benefits, costs and risks of the APVMA moving from Canberra to Armidale compared to the APVMA remaining in Canberra.

It should consider relevant background including:

- policy objectives of the National Registration Scheme for Agricultural and Veterinary Chemicals (NRS)
- role of the APVMA in the achievement of the objectives of the NRS;
- specialist nature of the functions of the APVMA
- technical qualifications and expertise required of the APVMA's operational staff to perform those functions
- degree to which access to chemicals contributes to the success of Australian agriculture, and to the return at farm gate.

The analysis should quantify direct and indirect costs and benefits including:

- the potential national benefits to Australian agriculture of collocating the APVMA with a leading agricultural science research university, the University of New England (UNE), which is also host to a number of specific animal husbandry-related research centres and organisations
- how the move might affect the APVMA's relationships and work with its key stakeholders and clients, including chemical companies, academic institutions and producers who use agricultural and veterinary chemicals and what actions can be undertaken to mitigate any concerns
- the potential to leverage Armidale's extensive NBN infrastructure for the APVMA's increasing use of electronic registration and other electronic processes in dealing with its clients

- possible greater relevance for the regulator through its proximity to the end users of agvet chemicals and improved understanding of their need for timely access to safe chemicals, rather than physical proximity to multinationals' Australian head offices that can change
- UNE's track record in attracting high quality academic and research staff, and likely capacity to support recruitment of research, technical and other expert staff to the APVMA, as needed
- premises to accommodate the APVMA in Armidale (including fitout), taking into consideration the Commonwealth Property Management Framework and associated Resource Management Guides (RMGs) including best practice approaches such as those outlined in the RMG 502 and RMG 503
- potential for lower accommodation costs for offices and staff over time (costing over 10–20 years) from location in Armidale compared to Canberra (where the future APVMA accommodation arrangements might necessitate changed or upgraded premises). This should also account for the Canberra accommodation lease tail cost
- transferring equipment, staff and their families from Canberra to Armidale, including any additional recruitment and staffing costs and relinquishing accommodation space in Canberra and fit-out (if applicable)
- any potential effects on the delivery of the APVMA's legislated functions
- the scale of the potential economic benefits to Armidale and its surrounding New England region of hosting the APVMA
- the scale of the potential loss of the APVMA from the economy of Canberra
- any other benefits or costs identified during the analysis.

The analysis should outline the key risks of relocation including:

- minimising any loss of technical expertise to the APVMA, likely timeframes and strategies for replacing staff and returning staff levels to full capacity
- maintaining continuity of the APVMA's services during relocation
- supporting the APVMA's capacity to deliver the reform agenda expected by Government.

The analysis should also outline whether there are effective mitigation strategies or plans that could address identified risks.

The analysis, including risk mitigation strategies, should take the form of a report to the department.