

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates November 2014

Agriculture

Question: 49

Division/Agency: Australian Pesticides and Veterinary Medicines Authority

Topic: APVMA Current location

Proof Hansard page: 23

Senator CAMERON asked:

Senator CAMERON: I would like to back to the issue of these agencies being moved around the country. As I understand it, a number of agencies are being considered for moving: the Murray-Darling Basin Authority to Mildura—is that correct, Dr Grimes?

Dr Grimes: The Murray-Darling Basin Authority is not in our portfolio, so I do not have direct knowledge of what might be considered around the Murray-Darling Basin Authority.

Senator CAMERON: Okay. The APVMA to Armidale?

Dr Grimes: As Mr Glyde indicated earlier, the APVMA is one of those agencies on which we have been asked to provide advice.

Senator CAMERON: Where is the APVMA currently?

Dr Grimes: It is located here in Canberra, at Fyshwick.

Senator CAMERON: Is this in dedicated offices?

Dr Grimes: It has a dedicated office. I do not know whether it is technically Narrabundah or Fyshwick. Someone may be able to help me out with that but it is that end of town. Symonston.

Senator CAMERON: How long has it been there?

Dr Grimes: I will see whether an officer here may be able to answer the question. I do not know how long it has been there.

Senator CAMERON: Does anyone here know?

Dr Grimes: We will see whether the officers from the Agriculture Policy Division are now here. If they are, they may be able to help you.

Senator CAMERON: If I do not get around to that tonight, can you take that on notice?

Dr Grimes: We are certainly happy to take it on notice.

Question: 49 (continued)

Answer:

The Government is still considering relocation options and no decision has yet been made.

The Australian Pesticides and Veterinary Medicines Authority (APVMA) is located in Symonston in the ACT.

There is a dedicated office in Symonston. One further APVMA staff member is located in Perth but is co-located with another organisation.

The APVMA has been in Symonston since 2006.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates November 2014

Agriculture

Question: 50

Division/Agency: Australian Pesticides and Veterinary Medicines Authority

Topic: Overview of lease arrangements

Proof Hansard page: 23

Senator CAMERON asked:

Senator CAMERON: If they come I would like to get that, or if someone can tell me I would be interested. Does the government own these offices?

Dr Grimes: I cannot recall, personally. But there will be an officer who will know the answer to that question.

Mr Glyde: My understanding is that the offices or rented.

Senator CAMERON: Someone must be here who can tell me—

Mr Glyde: Senator, I suspect that the people from the Agricultural Policy Division would not know the specific details but the APVMA, who are appearing later on, will have those details.

Senator CAMERON: This is not an APVMA issue, is it? It is an issue for the department.

Mr Glyde: No, but the sort of questions you are asking in relation to location of the offices, what rent they pay—that is the sort of information that I suspect we may not have. The policy about moving the agencies is definitely a responsibility of this department but the questions about specifics of how they currently operate, what their staffing levels are, et cetera, are probably questions that are most accurately answered by the APVMA when they appear later today.

Senator CAMERON: But you have got responsibility for it, ultimately. The hierarchy comes back to you, doesn't it?

Mr Glyde: That is true—

Senator CAMERON: So I am asking you. I am not asking—

Mr Glyde: What I am saying is that I cannot answer the question. We can take it on notice if you wish.

Senator CAMERON: You must have your finance people here. Where are they?

Ms Evans: Yes. We were just looking for the lease arrangements—

Senator CAMERON: This is an issue for you. It is not an issue for anyone else, is it?

Question: 50 (continued)

Ms Evans: We obtain this information from the APVMA directly, so the information I have is that the APVMA—this was a response to a question on notice from the last Senate estimates hearing, so it is already on the public record. The APVMA leases one building. That lease has been active from 26 October 2006 and the lease agreement ends on 26 October 2020. As has been said already, it is in Symonston. I can give you the other information in the question or perhaps we can give you a copy of the question on notice.

Answer:

The APVMA's office is leased. The cost of the lease from 1 June 2014 to 31 October 2014 was \$572 500 (inc GST).

The Government is still considering relocation options and no decision has yet been made.

The original lease term was 19 December 2006 to 18 December 2016. In 2012 building works to add an additional 145 square metres to the floor place were undertaken. As part of the arrangements with the landlord for the additional building work, the landlord contributed to the fit-out of the additional office space and the lease term was extended. The lease expiry date is now 26 October 2020.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates November 2014

Agriculture

Question: 51

Division/Agency: Australian Pesticides and Veterinary Medicines Authority

Topic: Refurbishment of current building

Proof Hansard page: 24

Senator CAMERON asked:

Senator CAMERON: Has there been any recent refurbishment in that building—expenditure on refurbishment?

Ms Evans: That I do not know. I would have to take it on notice myself, but the APVMA, when they appear, would be able to answer that for you immediately.

Senator CAMERON: If we do not get to them, could you take it on notice—

Ms Evans: We can take that on notice.

Senator CAMERON: These issue are your responsibility—not just the APVMA—

Ms Evans: I am certainly happy to provide the information.

Senator CAMERON: So I am asking you to provide me details. If you could get them now I would be happy: details of any refurbishment costs, any expenses for that building since 2006. How much have we spent on that building since 2006? What is the annual rental cost?

Ms Evans: The rental budget for the APVMA is \$318,175.

Senator CAMERON: Who is it rented from?

Ms Evans: That, again, is not something I have with me right now, but we can find that on notice for you.

Senator CAMERON: Okay, that is good. We have a lease till when? 2020?

Ms Evans: That is correct.

Senator CAMERON: What are the legal implications of breaking that lease—or what are the financial implications of breaking that lease? I am not asking for legal advice.

Ms Evans: Again, I do not have that with me now. We certainly have considered that in the context of these relocations, so we can take that on notice too.

Senator CAMERON: Wouldn't you have expected someone to ask that?

Question: 51 (continued)

Dr Grimes: As Ms Evans has indicated, it is a relevant question, but we are able to take it on notice. We are being as helpful as we possibly can. Obviously, it would be a consideration that the government would have to take into account. We would have to take that question on notice. We do not have the details here with us at the moment, to the best of my knowledge.

Senator CAMERON: Is it \$318,000 per annum?

Ms Evans: The information I have is that that is the rental budget.

Senator CAMERON: Is there a cost escalation on that?

Ms Evans: Again, sorry, I do not have that in front of me, but we can find out.

Senator CAMERON: Can you find that out for me? Would I be wrong to say that, if it is roughly \$300,000 a year and we are left with five years, it would be over a million and a half dollars that we would have to pay in contractual rent?

Ms Evans: I am not familiar with the terms of that particular lease agreement, so I would not want to speculate on exactly what the cost is without looking back.

Senator CAMERON: Who can take me to that?

Dr Grimes: I suspect that is a matter will have to take on notice, consult with the APVMA and then provide you with the information that we can provide.

Answer:

Costs associated with the refurbishment of current location of the APVMA are set out below:

Financial Year	Total excl. GST	Fitout	Refurbishment	Purpose
2006/2007	1 883 516.36	1 883 516.36		
2007/2008	40 472.45		40 472.45	Fitout adjustments
2008/2009	Nil		-	
2009/2010	95 283.00		95 283.00	Additional storage area
2010/2011	94 555.00		94 555.00	Fit out adjustments
2011/2012	Nil		-	
2012/2013	Nil		-	
2013/2014	94 189.00		94 189.00	Fitout adjustments for reform implementation
Total	\$2 208 015.81	\$1 883 516.36	\$324 499.45	

Question: 51 (continued)

The current annual rental for the property at Symonston is \$1.3 million.

The original lease term was 19 December 2006 to 18 December 2016. In 2012 building works to add an additional 145 square metres to the floor space were undertaken. As part of the arrangements with the landlord for the additional building work, the landlord contributed to fit-out of the additional office space and the lease term was extended. The lease expiry is now 26 October 2020.

The rent for the property increases by 3.75 per cent, per annum.

If the APVMA terminates the lease, the agency is liable for the rent until termination date or until the property is re-let.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates November 2014

Agriculture

Question: 52

Division/Agency: Australian Pesticides and Veterinary Medicines Authority

Topic: Lease-break fees

Proof Hansard page: 34

Senator CAMERON asked:

Ms Evans: As I said, APVMA has estimated that the lease-break fee is approximately \$2.6 million over two years, assuming that the building was vacant for that period.

Dr Grimes: I think the point the chair has made is that, in any full consideration, you would have to consider the likelihood of any leasing of the building in that period.

Senator CAMERON: Do you take into account the renewal of office furniture and fit out? What are the estimated fit-out fees for a move?

Dr Grimes: Senator, you are going to very specific costs and, again, that goes to matters that are currently under consideration. I imagine that there would be some consideration given to those matters. As to the amount, the officers concerned would be in a better position than me to respond. In fact, they would be in a position to provide specific estimates on those sorts of matters today.

Senator CAMERON: All of those issues are on notice.

Answer:

The cost of the possible renewal of office furniture and fit out has not been specifically included in the break lease estimate. An accurate estimate of these costs could be provided once a decision has been made by government.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates November 2014

Agriculture

Question: 53

Division/Agency: Australian Pesticides and Veterinary Medicines Authority

Topic: Legal advice regarding change of policy

Proof Hansard page: 129

Senator BULLOCK asked:

Senator BULLOCK: This is the application of the law, as you say. It was a big decision, because it has had serious consequences. Presumably, given that it is a legal question, you took some legal advice.

Ms Arthy: Yes. As in nearly everything that we do, we take advice. You are right: this was a big decision.

Senator BULLOCK: Quite. Could you produce that advice for the committee?

Ms Arthy: I will have to talk to my counsel, because it is not usual. I need to ensure that I do not waive privilege.

Senator Colbeck: It is not normal to release legal advice, so we would have to take that on notice. I am just letting you know that it is not normal to release legal advice.

Senator BULLOCK: I can understand that, but, when that has resulted in a change of policy like this, I think the committee is entitled to see the advice.

Senator Colbeck: I do not think it is correct to talk about a change in policy. As Ms Arthy said, it is about application of the law.

Senator BULLOCK: Exactly. It is a legal question. Given that it is the application of the law, it is a legal topic.

Senator Colbeck: Correct. It is about application of the law, and IP law is not simple law. It is quite complicated.

Senator BULLOCK: I dare say. But presumably the advice was written in such a way that it was able to be understood and applied.

Ms Arthy: I can help here.

Senator BULLOCK: I put that on notice.

Question: 53 (continued)

Answer:

The Government does not generally disclose the content of legal advice received by the Government or its agencies. It is important for any government to be able to make fully informed decisions based on comprehensive and confidential legal advice.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates November 2014

Agriculture

Question: 54

Division/Agency: Australian Pesticides and Veterinary Chemicals Authority

Topic: Section 162

Proof Hansard page: 130

Senator LEYONHJELM asked:

Senator LEYONHJELM: Section 162 has been in the act, your legislation, for quite a long time—more than a decade, I understand?

Ms Arthy: I do not know. I would have to take that on notice, if you want the exact date.

Answer:

Section 162 was included in the Agricultural and Veterinary Chemicals Code, scheduled to the *Agricultural and Veterinary Chemicals Code Act 1994*, when it was originally enacted.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates November 2014

Agriculture

Question: 55

Division/Agency: Australian Pesticides and Veterinary Medicines Authority

Topic: Possible redundancies stemming from the potential relocation to Armidale

Proof Hansard page: 132

Senator BULLOCK asked:

Senator BULLOCK: Take me through a sort of medium line of possible redundancies. How many redundancies did you think you might incur?

Dr Grimes: Senator, I think this actually does go to matters that are under consideration. I think they can be taken on notice, similar to some of the other elements of this. If Ms Arthy is minded to do so, they can be taken on notice.

Senator BULLOCK: If she is minded to do so.

Dr Grimes: It would be a call for Ms Arthy to make.

Senator BULLOCK: I am not sure it would. I think it is a call for us to determine what questions are asked and for you to answer them.

Dr Grimes: It would be a question for Ms Arthy as to how she might want to answer those with you.

Senator BULLOCK: Directly would be good.

Ms Arthy: Senator, I will take that on notice. We can come back to you.

Answer:

The Government is still considering relocation options and no decision has yet been made. Once a decision is made the impacts on the operation of the Australian Pesticides and Veterinary Medicines Authority (APVMA) will be considered.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates November 2014

Agriculture

Question: 56

Division/Agency: Australian Pesticides and Veterinary Medicines Authority

Topic: Potential effect of any staff losses on the effectiveness of operations

Proof Hansard page: 132

Senator BULLOCK asked:

Senator BULLOCK: All right. Could you also, then, consider and respond to the question of what effect any substantial number of staff losses due to redundancy would have on the effectiveness of your operation, if there were to be significant staff losses, and whether or not—as I believe is proposed—the costs associated with any relocation could be met out of your current budget without an additional allocation? If you could take all that on notice and respond, that would be very good, thank you.

Answer:

The Government is still considering relocation options and no decision has yet been made. Once a decision is made the impacts on the operation of the Australian Pesticides and Veterinary Medicines Authority will be considered.