AVA

Draft Cost Recovery Implementation 2027-28

Australian Pesticides and Veterinary Medicines Authority

Submission of the
Australian Veterinary Association Ltd

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About the Australian Veterinary Association (AVA)

The AVA is the peak professional body representing veterinary professionals and students across Australia. For more than 100 years we have been the united voice of the veterinary profession.

Veterinarians are among Australia's most trusted and respected professionals, dedicated to safeguarding animal health and welfare and supporting the communities they live in.

Our vison and purpose

***Vision** A thriving veterinary profession*

***Purpose** Building a vibrant future for veterinary professionals.*

At the AVA we champion the veterinary community, advance professional excellence, foster connectivity, and deliver exceptional member experiences to achieve our vision of a thriving profession.

Essential role of the veterinary profession

Veterinary services are essential to Australia's animal health, food security, and economy. They help secure Australia's animal health and livestock supply chain, protecting hundreds of thousands of jobs and easing cost of living pressures through a safe and reliable food supply.

Beyond agriculture, veterinarians support companion animals and their owners, strengthening the human-animal bond and promoting the associated mental and physical health benefits of pet ownership. Animals are not just a part of the Australian way of life; they are deeply embedded in it - socially, culturally, environmentally, and economically, and veterinarians are an essential part of every vibrant Australian community.

Veterinarians play a pivotal role in maintaining the social licence of animal industries, ensuring animal health and welfare meets community expectations. Like human healthcare and education, veterinary services provide both private benefits to individuals and critical public benefits to society, in areas like biosecurity surveillance, wildlife treatment and health and emergency animal disease management.

Recognised among Australia's most ethical and trusted professionals, veterinarians are highly respected and trusted members of their communities. The Governance Institute of Australia's 2025 Ethics Index ranked veterinarians among the nation's top 5 ethical occupations[1].

[1] Governance Institute 2025

Executive Summary

The Australian Veterinary Association (AVA) welcomes the opportunity to provide feedback on the APVMA's proposed Fees and Charges framework for 2027-28.

The AVA supports an appropriately resourced, independent and efficient regulator that is capable of delivering rigorous, timely and science-based assessments of veterinary medicines. We acknowledge the rationale for moving towards a fee structure that more directly aligns regulatory costs with the activities that generate those costs, including a reduction in reliance on ongoing sales levies.

In principle, the AVA supports a cost recovery model that better reflects the costs associated with assessment and registration activities. This approach has the potential to reduce cross-subsidisation between products and provide greater transparency regarding the costs of regulatory services.

However, the AVA has several concerns regarding the proposed implementation of the revised framework and the potential impacts on veterinary medicine availability, innovation and animal health outcomes. In particular, we note concerns relating to:

- Limited transparency regarding the methodology used to calculate proposed fees.
- The potential impact of substantial fee increases on small businesses and products serving niche or unmet veterinary needs.
- The cost of certain administrative applications that appear disproportionate to the regulatory effort involved.
- The absence of mechanisms to incentivise regulator performance and accountability where statutory assessment timeframes are not met.
- The need for stronger regulatory and commercial incentives, including improved data protection arrangements, to support continued investment in veterinary medicines in Australia.

In this submission, the AVA recommends that the APVMA:

- Improve transparency regarding the calculation of proposed fees.
- Consider concessions and incentives for small businesses, niche products and unmet veterinary needs.
- Review fees associated with administrative applications to ensure they are proportionate to regulatory effort.
- Explore performance-based accountability mechanisms, including fee refunds or rebates where timeframes are not met.
- Support innovation through improved data protection and broader regulatory incentives.

- Consider phased implementation of significant fee increases.

The AVA encourages the APVMA to continue working collaboratively with industry and the veterinary profession to ensure that any revised cost recovery framework supports both regulatory sustainability and ongoing access to safe, effective and innovative veterinary medicines.

Discussion

The AVA broadly supports the proposed move towards greater upfront recovery of registration and assessment costs, accompanied by a reduction in sales levies.

The existing framework can result in successful products bearing regulatory costs that are disproportionate to the work undertaken by the regulator, while products with low sales volumes may not recover the full cost of assessment activity. A more activity-based approach therefore has merit.

Nevertheless, any revised framework must be consistent with Australian Government cost recovery principles, including transparency, accountability, stakeholder engagement and the recovery of efficient regulatory costs.

The AVA considers that registrants and other stakeholders should have sufficient visibility of the assumptions, workload calculations and cost allocation methodology underpinning the proposed fees. Without this information it is difficult to assess whether individual fees accurately reflect the effort required for particular regulatory activities.

Impacts on innovation and access to veterinary medicines

The AVA is concerned that substantial increases in upfront registration costs may have unintended consequences for veterinary medicine availability in Australia.

Australia is a relatively small market for veterinary medicines. Regulatory costs are an important factor in decisions about whether new products are introduced, maintained or expanded within the Australian market. Higher upfront fees may disproportionately affect:

- Small and medium-sized businesses.
- Products intended for niche animal health conditions.
- Minor-use and lower-volume products.
- Products intended for species or sectors with limited commercial returns.
- Innovative therapies addressing emerging or unmet veterinary needs.

Veterinarians rely on access to a diverse range of registered veterinary medicines to support animal health and welfare outcomes. Barriers to registration may reduce the availability of important therapeutic options and potentially increase reliance on alternative pathways that provide less certainty of long-term supply.

Administrative changes and proportionality of fees

The AVA supports a risk-based and proportionate regulatory framework.

Several proposed fees appear to apply equally to activities involving substantial technical assessment and activities that are primarily administrative in nature. The AVA is concerned that some administrative changes may attract charges that are disproportionate to the regulatory effort required.

An example relates to the removal of a manufacturing site or manufacturer from a registration. Such changes generally do not increase risk and involve limited technical assessment. The AVA considers that purely administrative amendments should attract lower-cost pathways reflecting the reduced workload involved.

Regulatory performance and accountability

The AVA supports the principle that regulated entities should contribute to the costs of an efficient regulatory system.

Where stakeholders are being asked to bear a greater proportion of regulatory costs through increased fees, there should also be a strong focus on regulatory performance, service standards and accountability.

Predictable and timely assessment processes are critical for the veterinary sector. Delays in regulatory decision-making can have significant commercial impacts and may postpone access to important veterinary medicines.

The AVA therefore encourages consideration of mechanisms that strengthen accountability for regulatory performance, including whether refunds, rebates or other remedies may be appropriate in circumstances where statutory or published regulatory timeframes are not met without reasonable justification.

Supporting innovation through data protection

The AVA supports regulatory fees being considered alongside the broader policy settings that influence investment decisions.

As registration costs increase, the overall attractiveness of the Australian market will increasingly depend on the regulatory incentives available to innovators. The AVA shares industry concerns that improved data protection arrangements are an important consideration in supporting investment in new veterinary medicines and technologies.

Strong and predictable intellectual property protections help encourage companies to invest in developing, registering and maintaining innovative veterinary products in Australia.

Implementation considerations

Should the proposed fee framework proceed, the AVA encourages implementation arrangements that minimise disruption and unintended market impacts.

A sudden increase in application fees may encourage a significant increase in application submissions immediately before commencement, potentially creating additional workload pressures for both applicants and the regulator.

Phased implementation could help businesses adapt to the revised framework while reducing transition risks.

Recommendations

1. The APVMA should provide greater transparency regarding the assumptions, workload estimates and cost allocation methodologies used to calculate proposed fees and charges.

2. The APVMA should consider mechanisms to support the registration and retention of products serving niche markets, minor uses and unmet veterinary needs.

3. The APVMA should investigate fee concessions, phased fee increases or alternative incentives for small businesses and products with demonstrable animal health or welfare benefits where commercial returns are limited.

4. The APVMA should review application categories and fee structures to ensure that administrative changes are subject to proportionate regulatory requirements and charges.

5. The APVMA should identify opportunities to expand low-cost notification pathways for changes that do not require technical assessment.

6. The APVMA should explore options to strengthen performance accountability, including consideration of partial fee refunds, rebates or other mechanisms where regulatory timeframes are not achieved.

7. The Australian Government should review veterinary data protection settings to ensure they continue to support innovation, investment and access to new veterinary medicines.

8. The APVMA should consider transitional arrangements, including phased implementation of significant fee increases, to minimise adverse impacts on applicants, innovation and product availability.

Conclusion

The AVA supports a sustainable funding model for the APVMA and acknowledges the rationale for moving towards a fee structure that more closely aligns regulatory costs with regulatory activities.

However, successful implementation will require transparency, proportionality and careful consideration of impacts on innovation, competition and access to veterinary medicines.

The AVA looks forward to continued engagement with the APVMA on the development of a cost recovery framework that supports both effective regulation and ongoing access to veterinary medicines that are essential to animal health and welfare in Australia.

Contact

Dr Robyn Whitaker

Senior Advocacy Officer

Email: publicvetaffairs@ava.com.au