



AgVetLink

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What's coming up

- The ACVM Group offices will be **closed for the Christmas break from Tuesday, 23 December 2003, until Monday, 5 January 2004**. It is likely that the office will not be fully staffed for the first few weeks of 2004 because we are encouraging staff to take longer leave periods in light of the expected influx of work later in the year.
- **AVMAC** meeting dates have been set for the coming year. The next meeting will be 19 February, followed by meetings on 20 May 2004, 19 August 2004 and 18 November 2004.
- **ILG** (Industry Liaison Group) meeting dates have also been set for 2004. They are timed to fit with AVMAC meetings because of the membership overlap. The next two meetings will be 19 February and 19 August 2004.
- **Antibiotic resistance – update of sales information**
The update of the *Regulatory Control of Antibiotics to Manage Antibiotic Resistance* progress report will be published on the ACVM website in December 2003. The report covers sales of products for the calendar year 2002, which is the third year information has been collected.
- The ACVM Group has a further meeting planned in December with the Veterinary Council of New Zealand to progress the development of a memorandum of understanding covering compliance and monitoring, investigations and enforcement, and standards development in areas of mutual interest.
- The ACVM Group is preparing a response to the NZIER (New Zealand Institute of Economic Research) report commissioned by the New Zealand Veterinary Association. *Risk Review: ACVM*

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Standard for Trading in Prescription Animal Remedies was tabled at the recent AVMAC meeting and is based on the June 2003 version of the standard. While the ACVM Group considers it is a good summary of potential risks (almost all of which have previously been raised in the submission process), we believe that the relevant concerns have been dealt with in the subsequent revision of the standard or in plans for implementation. The ACVM Group response should be available prior to the Christmas break and will be made available via the website.

AgVetLink is produced at least six times annually by the New Zealand Food Safety Authority's Agricultural Compounds and Veterinary Medicines Group. The newsletter is of special relevance to those interested or involved in all aspects of agricultural compounds and veterinary medicines. It contains regular updates on implementation of legislation, notifications, new standards and policies, consultation, international agreements, and other information.

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Disclaimer: This publication is intended only as a guide. It is not a legal interpretation of the legislation discussed.

Recent events

■ **ACVM workshops** were held in Wellington recently to work through industry concerns on updating products to the ACVM and HSNO Acts and come up with possible solutions. A special edition *AgVetLink* covering the outcomes of the meeting is being prepared for registrants. ERMA New Zealand staff were an important part of the workshops.

■ An **AVMAC meeting** was held in Wellington on 20 November 2003. The revision of the *ACVM Group Operational Policy on Compliance* and the new *ACVM Standard for Oral Nutritional Compounds* were endorsed by AVMAC at the meeting. Both documents will be available on the website shortly.

AVMAC also discussed the first draft of the *ACVM Standard for Vertebrate Toxic Agents* (known as vertebrate pest control products under the Pesticides Act). This standard is based on the PAR standard and introduces the concept of 'classes' for VTA products (see article on page 3). The draft is now on the website for initial consultation.

■ Maree Zinzley and Debbie Morris from the ACVM Group met with the Executive Committee of **ARPPA** and also attended the **ARPPA AGM** to give a presentation on items of interest regarding the ACVM Act implementation.

■ **Australia/New Zealand VICH Management Committee meeting** was held in Wellington on 4 December. The agenda included a review of the 13th Steering Committee meeting (Washington, October 2003), agreement on the ANZ position for VICH activities post-2005, initial arrangements for the VICH 3 conference to be held in Washington prior to Easter 2005, and discussion on issues for the next meeting of the Steering Committee in Tokyo, May 2004.

Ross Henderson, VMDA (Australia); Peter Holdsworth, Avcare (Australia); Jack Richardson, Agcarm; Gabrielle Deuss, ARPPA; Tim Dyke, APVMA (Australia); Sue Thomas, ERMA New Zealand; and Debbie Morris, ACVM Group, attended the meeting.

■ **Australia/New Zealand Registration Management Committee** met in Wellington on 4 December to progress discussions on the harmonisation of registration requirements between the two countries. Items for discussion on the agenda included:

- Trans Tasman Mutual Recognition Agreement recommendations – discussion on opportunities for cooperation
- mutual recognition of risk assessments for companion animal products
- mutual recognition of GMP for veterinary medicines
- development of a memorandum of understanding for compliance issues.

Register of nutrients with pharmacological or therapeutic applications

In October 2002 the ACVM Group determined that any veterinary medicine containing green-lipped mussel, deer velvet, shark cartilage, chondroitin sulphate, glucosamine or glycosaminoglycans would be considered therapeutic substances and require registration to be legally imported or sold in New Zealand. The determination was in response to overwhelming numbers of compliance incidents relating to anti-inflammatory and joint therapy claims made in association with the products.

At the time of the determination, the Group indicated it was willing to consider the substances as appropriate for inclusion as additives on the Generally Recognised as Safe (GRAS) register that forms Schedule 7 of the ACVM Regulations 2001. Inclusion on the list would mean that such substances could be included in exempt oral nutritional compounds up to the specified maximum level.

The Group now recognises that these substances are not appropriate to be considered for inclusion on the GRAS register because they do not meet the definition of 'feed additive'. Instead, the Group has developed a Register of Allowable Nutrients with Known Therapeutic Uses in Exempt Oral Nutritional Compounds. The register lists the substances that previously required registration when included in any veterinary medicine but now qualify for exemption. It also specifies the circumstances under which exemption will be considered, e.g. target species and level of inclusion.

The register only applies when substances are included in complete foods and not in supplements, which will continue to require registration.

The register is available for viewing on the ACVM website (www.nzfsa.govt.nz/acvm) and is located with the 'class determination' information.

Registrants should note that the ACVM Group is in the process of developing a Specified Requirements Product Standard specific to oral nutritional compounds containing levels of glucosamine etc. in excess of those permitted. The standard will set out exactly what data and information are required to secure registration of these products and will allow rapid registration at reduced expense over the current system.

Standards update

Standard for Vertebrate Toxic Agents

The ACVM Group has drafted a standard for vertebrate toxic agents (VTAs) for public consideration. VTAs are agricultural compounds used to kill vertebrate pests such as possums, rodents, ferrets and stoats, birds and fish. The VTAs include all the products presently classed as vertebrate pest control (VPC) products specified in the Pesticides (Vertebrate Pest Control) Regulations 1983. These Regulations will be repealed in 2004, and the draft standard must be in place with appropriate conditions on the registrations of relevant products before the Regulations disappear.

The ACVM Group has renamed the class from VPC products to VTAs to make it clear that it includes all products designed to kill vertebrates.

The standard introduces a new classification system and describes the kinds of conditions that would be applied to each class. It also brings the full range of active ingredients under a single regulatory regime.

It includes an intention to approve traders in VTAs as well as to maintain the existing approval for users of certain kinds of products.

While the ACVM Group recognises that there will be controls imposed on VTAs under the HSNO Act, the Group considers that there may be a continuing need for a level of control under the ACVM Act as well. The ACVM Group also wishes to avoid any loss of control in the interim between when the Regulations disappear and when ERMA

New Zealand has established an operational control programme.

The Group is working with ERMA New Zealand to ensure that the separate regulatory programmes are complementary, compatible and avoid any duplication.

The draft standard can be viewed on the website (www.nzfsa.govt.nz/acvm). If you have any comments on the draft, send them by **1 February 2004** to:

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Standard for Own Use

The ACVM Group has drafted a standard for own use of agricultural compounds. It will replace the *Code of Practice for Own Use of Agricultural Compounds*, which was approved under section 28 of the ACVM Act a few years ago. This relates to an exemption from registration in Schedule 1 of the ACVM Regulations 2001. The exemption and the code did not put any limitations on what kinds of substances could be used by persons on their own plants and animals on their own land.

Recent problems with the use of technical grade zinc bacitracin (an antibiotic active ingredient) as an agricultural compound have highlighted the fact that the code of practice should have excluded the use of certain substances or kinds of substances without registration.

The draft standard now puts limitations on what kinds of compounds can be used under the exemption in Schedule 1. It describes the circumstances under which own use would be acceptable. It also notes that, for the purposes of the exemption in Schedule 1, the standard would be approved as a code of practice under section 28. This will provide the statutory basis for excluding some substances from own use.

The draft standard can be viewed on the website. If you have any comments on the draft standards send them to Chris Boland (address above) by **1 February 2004**.

Limited period registrations

The ACVM Group is putting in place the 'limited period registrations' indicated in the last edition of *AgVetLink*. The initial period of a registration will be for up to three years in order to cover the situation until the HSNO Act is fully implemented.

In the intervening time the ACVM Group will be considering arguments from registrants for periods of up to five years for certain groups of products.

Change in policy in regard to agricultural context for plant compounds

The ACVM Group intends to adjust its operational definition of an ‘agricultural compound’ to incorporate a broader interpretation of agricultural context. This change affects the class determination of a number of products (i.e. some home garden products) that are not presently regarded as agricultural compounds.

While the current policy (*Operational definitions of agricultural compounds and prescribed risks areas* – February 2000) does not include an operational interpretation of agricultural context, the ACVM Group has interpreted the word ‘agricultural’ to mean production of primary produce for sale. It has based exclusion of home garden products on this interpretation. Consequently, only

products that were formulated and packaged for use on plants for commercial production and for the production of food offered for sale were considered agricultural compounds.

The interpretation was based on the overall regulatory environment prior to the commencement of the ACVM and HSNO Acts and the establishment of the New Zealand Food Safety Authority. Some assumptions were made at that time:

- Management of the safety of domestic food supplies was a Ministry of Health focus, not a Ministry of Agriculture and Forestry focus.

- Regulatory control under the ACVM Act would be additive to control imposed under the HSNO Act.

- Public health risks in the home environment appeared to be more within the scope of the HSNO Act than the ACVM Act, while risks related to commercially traded produce appeared to be more relevant to the ACVM Act.

- Home garden products that had previously been controlled under the Pesticides Act 1979 would be adequately controlled under the HSNO Act with no need for additional controls being imposed under the ACVM Act.

- Characteristics that could be used to make a clear distinction between home garden and commercial production products related to the impractical commercial use of the products (i.e. small weight/volume pack size, low concentration etc.).

The inclusion of the word ‘agricultural’ in the ACVM Act seemed to reinforce

these assumptions. It seemed to imply that ACVM regulatory attention could concentrate on agrichemicals used in commercial production. After consultation on this interpretation at the time it was proposed, it was accepted with reservations. Consequently, when it came to making class determinations of products used to manage plants (i.e. plant compounds), the ACVM Group determined that trade name products that had the characteristics of home garden products would not be agricultural compounds.

A number of developments have prompted the ACVM Group to reconsider its operational policy in this area.

With the creation of the New Zealand Food Safety Authority, the ACVM Group’s interests in the safety of the home grown foods for personal consumption as well as domestic and international trade in both foods and primary produce has been heightened.

The responsibility for setting maximum residue limits, along with development and maintenance of domestic food safety standards, has now been placed with the NZFSA.

The assumption that there were characteristics that could distinguish home garden from commercial production products is no longer valid because more produce from small production units is being marketed either by the producers or by larger retailers.

It has also become apparent that the management of food safety risks posed by the use of agrichemicals in the home garden are not likely to be adequately managed via HSNO regulatory controls alone – the management of residues is a primary focus of the NZFSA rather than of ERMA New Zealand.

Updated documents

The following documents have been updated and the new versions are available on the ACVM website:

- *ACVM Registration Standard and Guideline for the Chemistry of Veterinary Medicines*
- *Registration and Product Data Sheet – Veterinary Medicines*
- *Registration and Product Data Sheet – Plant Compounds*
- *New Zealand Labelling Guide for Veterinary Medicines Requiring Registration*
- *New Zealand Labelling Guide for Plant Compounds Requiring Registration*

POLICY INTERPRETATION

Given the change in the regulatory agencies and marketplace, the ACVM Group considers that its present operational interpretation is no longer sustainable.

Under the new interpretation, which is still consistent with the purpose of the ACVM Act as stated in section 4, products used on any commercial crop will still be considered agricultural compounds. In addition, products used in the production of food or feed in any context (i.e. with any claims for a food or feed crop or claims for control of pests or weeds that could be associated with food or feed crops), including personal consumption as well as

commercial sale, would be considered agricultural compounds subject to regulatory control under the ACVM Act.

The ACVM Group recognises that this change in operational interpretation is different from the public advice that has been provided by the Group since 1999.

Although this may cause some inconvenience to proprietors of home garden products who have been told that their products are not agricultural compounds, the ACVM Group considers that Government regulatory arrangements and market developments are sufficient to reconsider the original interpretation.

Applications to register or to update registrations must be lodged with the ACVM Group before 1 July 2004. Proprietors of products known to the ACVM Group that were not considered to be agricultural compounds under the previous interpretation of agricultural context will be notified that their products may have to be registered (or remain registered) under the new policy.

Other parties who may have affected products that are not known to us should contact the Group to progress registration of their products.

The ACVM Group is also contacting all parties who have had class determinations for affected products over the last two years to advise of the change.

New Zealand MRLs and setting withholding periods

The ACVM Group uses the New Zealand Food Standard (or the New Zealand MRL) in the first instance to set the withholding period for ACVM products.

However, for products that are used on animals and produce exported to the European Union (sheep, beef etc.), the NZFSA has to ensure compliance with the importing country's requirements. In the absence of an identification system (such as the one that we have in place to manage HGP) to separate animals exported to the EU from those for the domestic and other markets, we use the EU MRL to derive the withholding period. (This is where the 'maximum permissible levels' [MPLs] under the Animal Products Act, which reflect the EU or other trading partner MRL, are taken into account in the ACVM Group's process.) We use this mechanism to manage the risks to trade identified in the ACVM Act.

There is a similar situation for other major trading partners. Adjustment of the withholding period to meet the importing country's requirements for produce is the most cost effective way for us to ensure compliance.

New Zealand's official assurances under the Veterinary Agreement are based on equivalence with EU legislation and, unfortunately, they (and indeed most other countries) do not accept Codex MRLs for imported produce. This is why the withholding period on some New Zealand registered products is set to meet the European (or other importing country) MRL rather than to meet the Codex MRL or the New Zealand MRL.

For any food sold in New Zealand the MRL that is directly applicable is that stated in the New Zealand Food Standard.

MRL UPDATE

In September the NZFSA consulted on new MRLs for lasalocid sodium in poultry and doramectin in pigs. The new MRLs were gazetted on 20 November.

The fourth round of public consultation in 2003 started on 10 November and proposes a new MRL for doramectin in milk and an exemption from an MRL for canola oil. Submissions close on 10 December. Refer to the NZFSA website (www.nzfsa.govt.nz/policy-law/consultation/index.htm) for details of the consultation.

ACVM Group liaison with:

Ministry of Health ERMA New Zealand

The last meeting of the Ministry of Health Antibiotic Resistance Expert Working Group produced a number of recommendations and actions.

- The advisory group agreed that it should encourage research to underpin decision making criteria for the safety of animal remedies.
- The advisory group commended the NZFSA antibiotic resistance surveillance initiative and offered support through its surveillance subcommittee. The chair is to nominate a surveillance subcommittee member to participate in the project design. The ACVM Group is to progress discussions with the Ministry of Health, industry sectors and other interested parties to develop an initial proposal.
- The advisory group recommended additional support to Medsafe in developing principles and guidelines regarding the use of antibiotics in animals to minimise the development of antibiotic resistance.
- It was agreed that the advisory group should meet more frequently and be more active in providing advice and guidance.

Since this meeting, the ACVM Group has experienced operational difficulties with the Ministry of Health's risk management concerns on products being updated to the ACVM Act.

A meeting held in November resulted in a number of actions to try and resolve concerns about the range of antibiotics used in veterinary medicines, as well as in the management of bees, and for fire-blight in tomatoes and apples.

We have recently identified an issue of concern with the ERMA New Zealand process relating to the setting of PDEs (potential daily exposures) for food for excipient products. This issue has come to light with a recent ERMA New Zealand decision on a substance as a new registration. Other similar products are caught by the transitional provisions but have not been affected to date because there have been no equivalent limits set for these substances.

The product contains a relatively common excipient product (identified as 'Component B'). Some of the issues that we have identified to date are:

- Setting an ADE (acceptable daily exposure) and a PDE_{food} for an excipient creates a difficult situation for the ACVM Group if that excipient is in several pesticides and veterinary medicines used in the production of food. The final residue in any food at harvest will be from the sum of residues from all trade name products (TNPs) with that excipient in them used in the production of that food (less any breakdown). It will generally **not** be related to the residue that is found in any trial of each individual TNP, and the latter residue information is the only data that we can require any individual registrant to provide. This means that the ACVM Group will not be able to require the provision of residue data reflecting the true residue at harvest, and hence will not be in a position to know if the requirement that the PDE_{food} not be exceeded by the potential daily intake of that excipient is actually met or not. It also means that the current method of controlling products by conditions on registration is unlikely to be effective.
- One practical way of telling the actual residue at harvest would be for the Government to fund the residue trials because the need to sample sufficient produce from sufficient producers would be prohibitive for each excipient. This is likely to be extremely costly and has not been taken into account in the ERMA New Zealand costs/benefits consideration for the substance.
- No other regulatory authority that we are aware of seeks such data, and the difficulty of requiring its provision, as outlined in the first point, is probably one of the reasons why. Excipients are generally looked at in a generic manner and decisions made to allow their use or not. New Zealand is not likely to ever be the first to consider the suitability of an excipient, and those used have almost always been put through regulatory processes overseas.
- Many excipients will not have full toxicology data available for them, and their loss is likely to see the related TNPs disappear from New Zealand rather than see companies invest in their 'defence' for a market the size of New Zealand.
- There is also a potential problem in whether a PDE_{food} is or is not a 'food residue standard'. If it is, then it must be taken into account in the consideration of the registration of a TNP. But, as described above, we have no way of ascertaining whether a use on a food crop could lead to a breach of the PDE_{food} .

The ACVM Group has had initial discussions with ERMA New Zealand staff who understand the problem, but at this stage are required by the Regulations to follow the prescribed process. The next step is for the NZFSA Policy and ACVM Groups and ERMA New Zealand to initiate discussions with the Ministry for the Environment to try to develop some solutions.

ACVM Group liaison with: Commerce Commission

A recent complaint to the ACVM Group was passed on to the Commerce Commission for their consideration.

The claims made regarding the product in question are considered by the ACVM Group to possibly be misleading because they are not consistent with the current approval for the product under the ACVM Act. The claims, however, are unlikely to lead to a significant breach of the thresholds agreed for risks managed under the ACVM Act (i.e. risks to trade in primary produce, risks to animal welfare and risks to agricultural security), so it was not considered appropriate for them to be dealt with by the Group. However, the ACVM Group considers that the nature of the claims possibly breaches consumer legislation.

Select Committee, when considering the ACVM Act in its early stages, noted that there was no need for the ACVM Act to consider consumer protection for its own sake because this was already adequately covered in existing legislation. This was a change from the previous legislation (the Animal Remedies Act) where advertising of registered products had a level of control exerted by the Animal Remedies Board. Therefore, the ACVM Group has passed on the complaint to the Commerce Commission for consideration of the legal status of the claims. The Group has provided a brief summary of the claims and will provide further technical advice if this is required.

Note for registrant companies: change to invoice date for annual fees

Each year the ACVM Group collects annual fees for each registered product and each product of an agricultural compound listed in Schedule 3. This annual charge, paid in advance, is an amount that covers a 12 month period from 1 July to 30 June of any given year.

Historically, this charge has been collected from the issue of invoices in July of each year and monies are collected over the subsequent months. This has resulted in various problems from the non-payment of fees through to part-refunds due to timing of cancellations.

Consequently, in line with section 4(3) of the Agricultural Compounds and Veterinary Medicines (Fees and Charges) Regulations 2002, payment of annual fees will now be required to be paid in advance of 1 July each year. Where payment has NOT been received before 1 July, the trade name products and products listed as agricultural compounds in Schedule 3 will be prohibited from being imported or manufactured and will incur appropriate penalties as described in the ACVM debt management process.

Compliance update

Following a complaint regarding a pharmacist who was compounding for veterinarians, we have conducted an investigation that has highlighted the lack of pharmacists' knowledge of the ACVM Act. It was also evident from this investigation that the manufacturing of 'finished' product may be a fairly common practice, so there is a 'slice of life' audit underway into the compounding of medicines on behalf of veterinarians. The ACVM Group will consider what further action to take following the report from the Compliance and Investigation Group (CIG) on the issue.

In addition to the investigation above, the NZFSA is following up on complaints regarding homeopathic products. Some homeopathic remedies and the claims or advertising surrounding them are causing concern in the farming industry where the products may be touted as an effective alternative to veterinary medicines.

Recently the ACVM Group has been advised of a number of situations where companies are advertising claims that have not been approved. We are taking action to resolve these on a case by case basis.

There have been a number of queries about the outcomes of the 'slice of life' audit process. The ACVM Group is working with the CIG and the NZFSA Communications team to produce a public document to summarise the findings and recommendations of each audit, along with the ACVM/NZFSA response.

We would stress that the function of these audits is to assist in monitoring the effect of the ACVM legislation. They rely to a large extent on the goodwill of those selected, and it is not intended (unless there is a significant breach) that sanctions or prosecutions would follow any findings. As is stated in the Compliance Policy, we would work in the first instance on an education process to rectify any concerns.

Regulations prohibiting use of certain substances as agricultural compounds

The ACVM Group is working with the NZFSA Policy team to recommend to Government new Regulations under section 75(1)(f) of the Agricultural Compounds and Veterinary Medicines Act 1997 prescribing substances that are prohibited from use as agricultural compounds or as ingredients in agricultural compounds.

For a range of reasons, the following substances were prohibited for use as agrichemicals under the Pesticides Act:

- Aldrin
- BHC
- Chlordane
- Dieldrin
- DDT
- HCB (except as an impurity)
- Heptachlor
- Lindane
- Mirex
- Inorganic arsenics
- Nicotine sulphate
- Nitrofen
- Strychnine.

Some of these were not strictly prohibited but were subject to a permit requirement under the previous legislation.

With the repeal of the Pesticides Act 1979, the basis for the previous restriction is no longer valid. However, the need to prohibit their use is still relevant, and it seems prudent to use the powers provided in the ACVM Act to do so.

Considering the loss of the statutory basis for regulatory control of these substances, it has become essential to make these Regulations as soon as possible.

AVMAC was consulted at the November meeting and endorsed the making of the Regulations, especially given that they do not result in any additional restrictions for agricultural compounds.

This set of Regulations will clarify and resolve potential issues with the exemption Regulation that we have in place for 'own use' of products. It will also reduce the potential for confusion with updates being made to the HSNO Act for some of the substances listed above.

The ACVM Group is in the process of developing standards (see 'Standard for Own Use', page 3) that refer to the prohibitions and create obligations and expectations in regard to the prohibitions.

In developing the policy base for the Regulations, NZFSA will be asking advice on the list at left and on whether there should be any other substances, including active ingredients in veterinary medicines, that should be added to the list. Keep an eye on the ACVM part of the website for developments.

Class Determinations

With the change in 'agricultural context' definition (see article on page 4), a number of previously issued class determinations will not be valid after 1 July 2004.

The ACVM Group will be writing to all those affected by the change, but if you have made your own determination, we would suggest you revisit this to ensure compliance with the ACVM Act.

Changes to GRAS application process

This month sees the trial run of the recently re-vamped GRAS application process. In the past applications have taken up to six months to process because this is a non fee paying activity, which means all other business has priority over it.

The old process was set up to allow 30 days for an expert panel to assess the substances proposed followed by 30 days for public discussion. After this, John Reeve (Programme Manager – Toxicology and Residues) would hold all proposed substances for finalisation, and the accepted substances would then be put onto the GRAS list. The approximate time scale was six months.

The new and improved process places the expert approval and public discussion time frames together, thus decreasing the first part of the process by a month. When this deadline has been reached, a meeting is held between Richard Dickson-Lowe (Assessor, Technical Standards – Toxicology) and John Reeve to finalise and sign off. Accepted substances are then put on to the GRAS list, and the approximate time scale will be two months.

Hopefully, this new process, which allows for a more rapid insertion of deserved substances on to the GRAS list, benefits everyone.

Financial report and budget

The figures below are consolidated figures for the financial year ended 30 June 2003. The result at the end of the financial year is an almost balanced budget due to the ability to defer revenue to cover work yet to be completed on applications received in the final three months of the year. As the applications revenue chart demonstrates, the level of revenue received was slightly higher than the previous year, although total revenue received was considerably lower than budgeted.

Expenditure in all areas was less than budgeted. This was due to a number of budgeted vacancies remaining unfilled at year end and the flow-on effect of this personnel saving into operating costs. Because applications revenue was down this year, the contract costs have also been less than budgeted (expenditure in this area is dependent on the number of assessments sent out to external consultants, which is directly influenced by the number of applications received).

CONSOLIDATED REVENUE AND EXPENDITURE for year ended 30 June 2003			
REVENUE			
	Actual	Budget	Variance
	\$NZ	\$NZ	\$NZ
External Revenue	1,972,480	2,628,905	656,425U
Crown Funding	638,746	637,771	975F
TOTAL REVENUE	2,611,226	3,266,676	655,450U
EXPENDITURE			
	Actual	Budget	Variance
	\$NZ	\$NZ	\$NZ
Personnel	967,135	1,211,129	243,994F
Operating Costs – Direct	551,895	674,675	122,780F
IT Contractors	7,230	10,000	2,770F
External Contracts	108,724	336,000	227,276F
Internal Contracts	79,120	104,055	24,935F
Indirect Costs	893,137	930,859	37,722F
TOTAL EXPENDITURE	2,607,242	3,266,718	659,476F
NETT PROFIT/(LOSS)	3,984	(42)	4,026F

Reminder:

Registrants are reminded that they have until 1 July 2004 to update products under the ACVM Act. Any products not updated by then will not be able to be imported, manufactured, sold or used. A special edition *AgVetLink* explaining the process and what happens if products are not updated will be sent to all registrants in December.

ACVM GROUP BUDGET for 1 July 2003 to 30 June 2004

Revenue

Crown Funding	\$ 920,354
External Sales	\$ 2,165,244
Total Revenue	\$ 3,085,598

Expenditure

Personnel Expenses	\$ 1,158,032
Operating Costs	\$ 352,736
Travel Overseas	\$ 115,500
Travel within NZ	\$ 112,000
IT Contractors	\$ 85,000
Int/Ext Contracts	\$ 357,000
Indirect Costs	\$ 905,330
Total Expenditure	\$ 3,085,598

Profit/(Loss)	\$ -
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Notes for the Budget

- **Revenue:** based on last year's figures for applications, actual annual fees figure less 15%, as invoiced on 1 July 2003, and estimates for Compliance and Chemical Approvals (ACVM Group activity undertaken under the Animal Products Act).
- **Personnel Expenses:** based on actual salaries as at 1 July 2003 plus 4%; three vacant positions were budgeted for as well.
- **Operating Costs:** most are based on last year's actuals, with a few exceptions – PC leases are based on equipment on the updated inventory schedule and depreciation figures provided by MAF.
- **Travel Overseas:** based on the approved International Travel Programme.
- **Travel within New Zealand:** based on last year's actuals.
- **IT Contractors:** based on estimates for work to be completed in the financial year.
- **Indirect Costs:** most are allocated according to Budgeted Salaries and FTEs, and the remainder have been allocated directly.

Profiling:

Tracey Ward (Assessor, Technical Standards – Veterinary Medicines)



I grew up initially in England, then on a farm south of Auckland. I graduated from Massey in 1987, and married a vet! I had a year in small animal practice in Manurewa, then we went overseas for six years. During that time we travelled and worked in a variety of veterinary practices.

We returned to New Zealand after our son was born in 1993, and bought a small animal practice in Havelock North, Hawkes Bay. We had eight excellent years there enjoying the challenge of building the practice, and all the nice things Hawkes Bay has to offer! We decided a change and a new challenge was needed last year, sold the practice, and came to Wellington with my husband's new career. We now live in Eastbourne and enjoy the lifestyle offered by living close to the vibrant city of Wellington!

I have worked part-time for the Animal Products Group of the NZFSA, overseeing National Microbiological Database administration, and project managed the IT upgrade for that database for the last year. This role will be ongoing for me on a reduced time basis in the short term. Now I am excited to be working part-time with the ACVM Group and looking forward to working with the team here.

Away from work, I enjoy skiing, tramping, outdoor things, socialising and spending time with my family.

Claire Moore (Joint Support Team)



I left South Africa in '97 to go on my travels. After three years in London, one year in OZ and a bit of time in Asia, I finally ended up in lovely New Zealand! I've been here for two and a half years now and am loving it. My winters here have been spent snowboarding and my summers travelling around New Zealand doing a bit of cycling. I've almost completed seeing all of the South Island and will be trying to finish off the North Island over Christmas.

I've enjoyed my first month as part of the joint support team and look forward to the rest of my time here.

Season's Greetings

The ACVM Group would like to take this opportunity to wish all of you a very merry Christmas, and a safe and happy New Year.

Don't forget the New Zealand Foodsafe Partnership message of the four 'cs' –

clean hands and food preparation surfaces

cook food thoroughly

cover food until ready to eat, and

chill food correctly and quickly.

