



Australian Government
**Department of Agriculture,
Fisheries and Forestry**

Cost recovery implementation statement: horticulture exports 2026–27



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Acknowledgement of Country

We acknowledge the continuous connection of First Nations Traditional Owners and Custodians to the lands, seas and waters of Australia. We recognise their care for and cultivation of Country. We pay respect to Elders past and present, and recognise their knowledge and contribution to the productivity, innovation and sustainability of Australia's agriculture, fisheries and forestry industries.

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Summary

The Department of Agriculture, Fisheries and Forestry performs a range of regulatory activities in support of businesses and individuals who export agricultural products to global markets. Where demand for a government activity is created by identifiable individuals or groups, the Australian Government Charging Framework (Charging Framework) provides that the non-government sector may be charged for some or all the efficient costs of the activity. We therefore impose fees and levy-based charges on the horticulture export industry to recover the cost to the department for performing our regulatory activities. We refer to the framework of fees and charges as the horticulture exports cost recovery arrangement. This cost recovery implementation statement (CRIS) provides information on how we propose to implement cost recovery for the arrangement.

Australia's trading environment is changing faster than ever, and the requirements for exporting agricultural products to overseas markets are becoming more complex. This has increased the costs of providing export regulatory services and means that our previous cost model no longer generates the revenue to match expenses incurred in delivering those export regulatory services.

To address the revenue gap, the government committed \$142.1 million to sustain the delivery of export regulatory services until 30 June 2026. The measure included funding to develop an ongoing sustainable trade funding model to ensure we are appropriately resourced to carry out trade and export activities into the future.

In the 2025–26 Mid-Year Economic and Fiscal Outlook (MYEFO), the government announced plans to return to full cost recovery and provided \$48.7 million in supplementation over 3 years to support a phased transition to full cost recovery. This announcement included adding 5 existing and one new activity, deemed consistent with the Charging Framework, into exports cost recovery arrangements.

On 31 March 2026, in recognition of the disruptions being experienced by farmers and producers due to the conflict in the Middle East, the government announced a further decision to defer revised cost recovery arrangements for export regulatory services until 1 July 2027 by providing additional \$8.2 million in 2026–27. Therefore, the prices presented in this CRIS for 2026–27 are unchanged from 2025–26 other than adjustments to how fees are set for third party authorised officers. It is intended that new prices would commence from 1 July 2027 with the objective remaining to return to full cost recovery by 2029–30.

This CRIS provides information on how the department implements cost recovery charging for the horticulture exports arrangement. It provides details of the fees and levy-based charges applying in 2026–27, noting that these are unchanged from 2025–26. This CRIS also presents a forecast of activity for each of the cost recoverable services covered by the horticulture exports arrangement.

We also provide an overview of the proposed changes that would come into effect from 1 July 2027 and in the following 2 financial years. While not a part of the CRIS applying to the 2026–27 financial year, the future pricing provides visibility of modelled prices and how the horticulture exports arrangement is expected to return to full cost recovery. Included in this is the implementation of charging for activities that have previously been funded through appropriation.

Expenses for the horticulture exports arrangement are forecast to increase by \$2.59 million or 17.5% over the next 4 years. Revenue is forecast to increase by \$3.68 million or 26.7% over the same period. These forecasts are underpinned by assumptions including a 3% annual increase in employee cost and a 2.7% annual increase in supplier cost. To establish prices and expected revenue, we modelled stable export volumes and activities to 30 June 2030.

Stakeholders were consulted on the prices and the underlying assumptions such as the estimates of activity in [section 5](#). A summary of stakeholder feedback and how key issues have been considered is included at [Appendix B](#).

Introduction

Purpose

This cost recovery implementation statement (CRIS) provides information on how the Department of Agriculture, Fisheries and Forestry implements cost recovery charging for the horticulture exports cost recovery arrangement. It reports actual financial and non-financial performance information for the horticulture exports cost recovery arrangement and contains financial and demand forecasts for 2026–27 to 2029–30. This CRIS also describes the proposed fees and levy-based charges for 2026–27 to 2029–30 and how supplementation provided by the government through the 2025–26 Mid-Year Economic and Fiscal Outlook (MYEFO) measure will be used to support the phased transition to full cost recovery.

About the department

Our department is the lead government agency for the agricultural sector (agriculture, fisheries and forestry) in Australia.

Our purpose is to work together to safeguard and grow sustainable agriculture, fisheries and forestry for all Australians. To achieve our purpose, we focus on 3 strategic objectives:

- **Sector growth** – support Australia’s agricultural sector, including the food and fibre industries, to be increasingly prosperous and internationally competitive in an ever-changing world
- **Sector resilience and sustainability** – increase the contribution agriculture, fisheries and forestry make to a healthy, sustainable and low-emissions environment
- **National biosecurity** – strengthen our national biosecurity system to provide a risk-based approach and an appropriate level of protection to Australia’s people, our environment and economy.

As a regulator, we enforce laws and administer export controls relating to agricultural products exported from Australia. This allows us to provide government-to-government assurances, instil greater confidence among Australia’s trading partners, thereby strengthening Australia’s position as a trusted source of premium agricultural products.

We continue to improve our regulatory practice in accordance with the principles of regulator best practice and improving regulator performance, capability and culture as required under the Department of Finance’s Resource Management Guide – Regulator Performance (RMG 128). Effective and efficient regulation enhances Australia’s economy, supports business and benefits the wider community.

The Australian Government Charging Framework

The [Australian Government Charging Framework](#) applies across government. It ensures a consistent approach to policy development and helps determine when it is appropriate to charge for a government activity. The framework consists of:

- the Australian Government Charging Policy (Charging Policy)

- the Australian Government Cost Recovery Policy (Cost Recovery Policy).

The government's default policy position is that the full cost of an activity should be recovered from those creating the effort. The government decides as part of the policy approval for specific cost recovery whether it is full or partial cost recovery.

The Cost Recovery Policy supports consistent, transparent and accountable charging for government activities to ensure public resources are used properly. The Cost Recovery Policy describes how the Australian Government charges the non-government sector some or all of the efficient costs of specific government activities. In this context, efficiency means delivering government activities at the lowest cost while still achieving policy objectives and meeting legislative requirements.

Consistent with the Charging Framework, cost recovery for horticulture exports activities is implemented through fees and levy-based charges. The type of charge is determined by the characteristics of the activities:

- **Fees** – charged when regulation is provided directly to an individual or organisation for the delivery of regulatory activities such as inspections of goods, audit of registered premises, or assessment of export certification.
- **Levy-based charges** – applied when regulation affects an entire industry sector rather than directly to a specific individual or organisation. These charges recover the costs of maintaining regulatory infrastructure and integrity, including program management and administration, assurance and incident management activities.

Description of the regulatory activity

Horticulture exports are regulated in accordance with the *Export Control Act 2020* (Export Control Act) and associated legislative framework.

The primary function of the horticulture export program is to provide regulatory oversight of the horticulture export industry, and assurances to overseas government authorities through export certification. Export certification provides assurance that horticulture products have been produced, sourced and exported consistent with Australia's export legislation and in accordance with importing country requirements.

To certify a product's compliance with Australia's export requirements and the importing country requirements, we undertake a range of activities, including:

- developing, implementing and monitoring of operational policy and systems that ensure compliance with Australian export controls and any importing country requirements. These activities serve to maintain the eligibility of commodities for export from Australia and to protect and promote Australia's reputation for premium agricultural goods, while maintaining existing, and seeking increased, market access opportunities
- providing registration, inspection, auditing, verifying, and enforcement activities to ensure that the production, storage, handling and transportation of horticulture products intended for export comply with the conditions of Australian export controls and any additional requirements imposed by an importing country

- appointing and managing plant export authorised officers, through the development, maintenance and delivery of authorised officer training and assessment, and ongoing support
- issuing permits, export certification and other documentation necessary to confirm compliance with the Australian export controls and any additional importing country requirements
- managing quota allocation and quota certification to enable exporters to access tariff rate concessions offered under trade agreements
- providing support through our overseas counsellors including assistance with detained consignments, government certification and other issues which result in goods being held at the border
- providing scientific and technical advice to improve, maintain or restore market access and to demonstrate adherence to export requirements
- enforcing regulation of certified organic goods exported from Australia.

The full range of activities are described in [Description of cost model activities](#) using the categories in our cost model activity framework ([Appendix A](#)).

The Department of Finance was consulted in the assessment of these activities against the Charging Framework and confirmed that inclusion of activities described in the CRIS is consistent with the framework.

Payers of regulatory fees and charges

This CRIS outlines the regulatory charges that we cost recover from participants in the horticulture exports supply chain, including exporters, producers, manufacturers and operators of storage facilities. For details of the fee and levy-based charges and the prices for 2026–27 to 2029–30, see [CRIS updates](#). The government will continue to provide supplementation funding for a portion of the regulatory activities within the arrangement from 2026–27 to 2028–29, with the objective to return to full cost recovery by 2029–30.

Government policy approval to cost recover

Under the Charging Framework, cost recovery for export regulatory services requires policy approval and legislative authority. This section provides information on government approval of regulatory charging for export regulatory activities and the legislation that enables us to collect fees and levy-based charges.

Regulatory charging is appropriate because exports regulatory activities are provided to a clearly identifiable individual, organisation, or group participating in the agriculture, food and fibre export supply chain. If it were not for the business activities of these entities, the regulatory activities would not be required.

For these reasons, the government has determined regulatory charging to be the most appropriate mechanism for funding exports regulatory activities. Regulatory charging of export regulatory activities is consistent with the Charging Framework. This has been reaffirmed in various measures, including in the 2025–26 MYEFO when the government announced the *Securing the future of agricultural trade* measure.

Table 1 describes key government approvals for continued and expanded regulatory charging for agricultural exports since 2015.

Table 1 Government decisions impacting regulatory charging for agricultural export activities

Date	Government decision	Details
2026–27	Securing the future of agricultural trade	In March 2026, in recognition of the disruptions being experienced by farmers and producers due to the conflict in the Middle East, a further decision of government deferred the revised cost recovery arrangement for export regulatory services until 1 July 2027 by providing additional \$8.2 million in 2026–27. The timeline for achieving full cost recovery of these export regulatory services was confirmed to remain 1 July 2029.
2025–26	Securing the future of agricultural trade	In the 2025–26 MYEFO, the government committed to providing \$147.5 million over 4 years from 2025–26 (and \$32.7 million per year ongoing) for the department to sustain agricultural export regulatory and trade functions. This includes \$65.8 million over 3 years from 2026–27 (and \$25.2 million per year ongoing) to continue export regulatory services while we commence a phased transition to full cost recovery over 3 years from 2026–27 for most agricultural exports cost recovery arrangement. The measure also includes the introduction of cost recovery for 5 existing export regulatory services and an ongoing regulatory efficiency program.
2024–25	Enabling agricultural exports into the future	The government invested an additional \$46.6 million as part of the 2024–25 MYEFO to continue to sustain the delivery of the department’s export regulatory services through 2025–26. This funding supported significant lead time for consultation and engagement on the design and implementation of a fit for purpose sustainable funding model.
2023–24	Securing the future of agricultural trade	In the 2023–24 MYEFO, the government committed \$91.8 million over 2 years to ensure Australia’s regulatory export and trade system remains able to meet the needs of both our exporters and the expectations of our trading partners, while supporting industry to achieve its goals now and into the future. \$3.7 million over 3 years was also provided for the development of an ongoing sustainable funding model to support our export regulatory and trade activities.
2020–21	Busting congestion for agricultural exporters	Policy authority for export regulatory charging was reaffirmed in the 2020–21 Budget when the then government announced the Busting Congestion for Agricultural Exporters package. The package consisted of reforms for the Australian agricultural sector as part of the Economic Recovery Plan to rebuild the economy and recover from the COVID-19 recession. This included \$71.1 million to improve the financial sustainability of export certification services, supporting a stepped return to full cost recovery, and enabling reforms to be rolled out while maintaining existing systems.
2020	Introduction of the <i>Export Control Act 2020</i>	The <i>Export Control Act 2020</i> and related rules and charging regulations for exported commodities, set out the overarching legislative framework for the regulation of exported goods, including food and agricultural products, from Australian territory. A fundamental aspect of this framework is the recovery of costs from exporters for regulatory activities carried out by the department.
2018–19	Expanded cost recovery	In the May 2018 Budget, the government confirmed continuing cost recovery from industry through the Expanded Cost Recovery measure, which commenced on 1 July 2019, and included: <ul style="list-style-type: none"> enforcement activities to support compliance with Australian regulation and international import conditions. Activities that will be cost recovered include investigations and engagement with clients about compliance but does not include the costs of infringement notice schemes or undertaking litigation. provision of scientific and technical advice to improve or maintain existing export markets. Examples include the provision of scientific or technical advice to re-open or maintain market access following a pest or disease

Date	Government decision	Details
		<p>incursion or change in import conditions; and improving existing market access by seeking to reduce import requirements or simplify certification processes.</p> <ul style="list-style-type: none"> services provided by overseas counsellors relating to detained consignments, government certification and other issues which result in goods being held at the border.
2015	Department of Agriculture and Water Resources – Comprehensive review of cost recovery	<p>Over the period 2014–15, we redesigned our cost recovery arrangements as part of a funding strategy for our biosecurity and export certification activities. The review sought to streamline existing frameworks to address inequities, ensure all costs are recovered and reduce the complexity of the department’s fees and levy-based charges. Outcomes of the review were implemented 1 December 2015.</p>

Statutory authority to apply fees and charges

Section 399 of the Export Control Act provides that rules may prescribe fees that may be charged in relation to fee-bearing activities carried out by, or on behalf of, the Commonwealth in the performance of functions or the exercise of powers under the Export Control Act. The specific fees and price points are set out in the [Export Control \(Fees and Payments\) Rules 2021](#).

Cost recovery charges are imposed under the:

- *Export Charges (Imposition—General) Act 2015*
- *Export Charges (Imposition—Customs) Act 2015*
- *Export Charges (Imposition—Excise) Act 2015*.

Details of specific price points and charges payable are included in the:

- [Export Charges \(Imposition—General\) Regulations 2021](#)
- [Export Charges \(Imposition—Customs\) Regulations 2021](#).

It is intended that legislative instruments will be updated to reflect new prices for the cost recovery arrangement from 1 July 2026.

1 CRIS updates

Since the regulatory prices were last set in 2020–21, the rate of change in Australia’s export trade landscape has accelerated. The complexity of market access requirements (the requirements we must meet to get agricultural products into overseas markets) has grown, patterns of demand for Australian agricultural exports have changed, and inflation has continued to increase the costs of delivering services. These changes meant that our previous cost model no longer reflected the real cost of delivering export services. By 2023–24, a revenue gap emerged that required government supplementation to maintain essential trade and export services needed to support agricultural sector exports.

To address the revenue gap, the government committed \$142.1 million to sustain the delivery of export regulatory services until 30 June 2026 (see Table 1). As part of the 2023–24 Budget measure, we received government authority to develop an ongoing sustainable funding model to support our export regulatory and trade activities. We have reviewed export fees and levy-based charges in detail including consideration of future costs, expected volumes of regulatory activity and limited structural or pricing reforms.

In MYEFO 2025–26, the government announced an additional \$48.7 million in supplementation funding to support a phased return to full cost recovery over the next 3 years (2026–27 to 2028–29) for all exports arrangements. The decision also allowed for cost recovery of 5 existing regulatory activities and a new regulatory efficiency program that fall within the scope of the Charging Framework. These include regulatory activities in the maintenance of market access.

On 31 March 2026, in recognition of the disruptions being experienced by farmers and producers due to the conflict in the Middle East, the government announced a further decision to defer revised cost recovery arrangements for export regulatory services until 1 July 2027 by providing additional \$8.2 million in 2026–27. The objective remains to return to full cost recovery by 2029–30. Therefore, the prices presented in this CRIS for 2026–27 are unchanged from 2025–26 other than adjustments to how fees are set for third party authorised officers.

1.1 Phased return to full cost recovery

The MYEFO 2025–26 announcement provided a phased reduction in government supplementation across the exports cost recovery arrangements. The supplementation will cease at the end of 2028–29 when the exports cost recovery arrangements are modelled to return to full cost recovery. An updated decision to provide additional government supplementation in 2026–27 means that prices will be unchanged in 2026–27.

The supplementation means that the meat, dairy, fish and egg, horticulture, and grain and plant products exports arrangements will return to full cost recovery by 2029–30 with stepped increases in pricing after 2026–27.

Table 2 shows the supplementation provided by the government as a proportion of the cost recovery revenue gap that existed as of the 2025–26 budget. Supplementation will be provided in full in 2026–27 and reduce from 1 July 2027. The phasing schedule aims to reduce potential impact on export

businesses from sudden increases in regulatory prices and to provide time to adapt. It also considers the current supply chain uncertainties due to conflict in the Middle East.

Consequently, the indicative prices over the phasing years provided in Table 4 reflect the reductions in government supplementation provided as the arrangements return to full cost recovery.

Table 2 Reduction in government supplementation across dairy, fish and egg, meat, horticulture and grain and plant products exports cost recovery arrangements

Financial year	Proportion of 2025–26 revenue gap funded by government supplementation ^a (%)
2026–27	100
2027–28	50
2028–29	25
2029–30	0

^a Revenue gap in the context of 2025–26 budget.

1.2 Transition of regulatory activities into cost recovery

We have completed a review of the activities that we undertake to deliver our agricultural trade and export regulatory and non-regulatory services. Through this review, we identified 3 existing regulatory activities relevant to the horticulture exports arrangement that have been funded through government appropriation and that are within the scope of current policy authority for export cost recovery and the Charging Framework. To ensure ongoing sustainability of essential regulatory services, we will transition the funding mechanism of the identified activities in [section 1.2](#) into cost recovery. This will occur in a phased manner over 3 years in the schedule specified in Table 3.

Table 3 Schedule for phasing additional regulatory activities into cost recovery arrangement

Financial year	Proportion of cost funded through cost recovery (%)	Proportion of cost funded through appropriation (%)
2026–27	0	100
2027–28	50	50
2028–29	75	25
2029–30	100	0

Relevant to the horticulture arrangement, the regulatory activities to be transitioned into cost recovery are:

- [Manual of Importing Country Requirements sustainment](#)
- [Fit-and-proper-person assessment](#)
- [Non-compliance investigation and triage.](#)

In addition, we will introduce a new and ongoing [regulatory efficiency program](#) into the cost recovery arrangement. Regulatory efficiency programs (such as the plant elements of the Busting Congestion package) are necessary to improve regulatory efficiencies and reduce the cost of exports

arrangements that benefit the sector. The program is therefore deemed appropriate for cost recovery in accordance with the Charging Framework. We will work with industry on program design and governance prior to phasing this work into cost recovery from the 2027–28 financial year.

The costs associated with each of the activities detailed below are included in the proposed fees and levy-based charges presented in Table 4 from 2027–28.

Manual of Importing Country Requirements sustainment

The Manual of Importing Country Requirements (Micor) is a departmental system capturing known trading partner requirements that exporters and the department must meet so that agricultural products exported will be accepted by overseas countries. This system requires ongoing maintenance and user support services.

The maintenance and existence of Micor is critical for ensuring that Australian exports meet the requirements of both the Export Control Act and importing country regulations. The service directly supports industry participants to understand importing country requirements and their obligations. The digital platform is like other digital and web-based information management resource services that exist for the agricultural export industry. Because this service supports efficient decision-making and improves compliance with importing country requirements and the Export Control Act, cost recovering this work is consistent with the Charging Framework and the export CRIS structure.

The forecast cost for sustainment of the Micor system is \$1.16 million in 2029–30 which supports all 7 of the department's exports arrangements. We have attributed \$0.07 million to the horticulture exports arrangement based on an assessment of the effort required for the department to manage information, including infrastructure, security, content updates, licences and usage volume related to the export of prescribed plant products relevant to the horticulture exports arrangement. There will be no increase to cost recovery within the horticulture exports arrangement in 2026–27 to fund this work. In 2027–28, \$32,614 will be included in cost recovery, increasing to \$50,231 in 2028–29 and \$68,838 in 2029-30.

For the horticulture exports arrangement, the costs have been included in the exporter pricing pool which drives costs to documentation charges and tonnage charges associated with export activity.

Fit and proper person assessment

We undertake fit-and-proper-person (FPP) assessments to determine the integrity of certain Australian export supply chain participants. The assessments inform decision-makers when considering different permissions under the Export Control Act, including establishment registrations, export licences, approved arrangements and when approving individual persons such as authorised officers.

This activity relates to our direct intervention services in administering the Export Control Act. Similar activities such as technical assessments undertaken to assess an application under the Export Control Act are currently funded through cost recovery. Cost recovering this work is consistent with the Charging Framework and the export CRIS structure.

The forecast cost for FPP assessments across all exports arrangements is \$1.38 million in 2029–30. We have attributed \$0.14 million to the horticultural exports arrangement based on an assessment

of the effort required in conducting FPP assessments for participants involved in the export of prescribed plant products relevant to the horticulture exports arrangement. There will be no increase to cost recovery within the horticulture exports arrangement in 2026–27 to fund this work. In 2027–28, \$77,062 will be included in cost recovery, increasing to \$106,180 in 2028–29 and \$136,776 in 2029–30.

The costs associated with this work have been apportioned 79% to the assessment price pool, 10% to the horticulture exporters pricing pool, 7% to the horticulture establishment pricing pool, and 4% to the horticulture authorised officer pricing pool. The assessment price pool includes the consideration and assessment of information submitted to, requested, or collected by us when considering an application made under the Export Control Act and the costs of issuing documentation. The exporters pricing pool drives costs to export activity including tonnage charges and phytosanitary certificate charges. The establishment pricing pool drives cost to the application and registration for horticulture establishments. The authorised officer pricing pool drives costs to the application, assessment and appointment of third party authorised officers.

Non-compliance investigation and triage

Under the Export Control Act, we administer direct intervention activities that include investigation and triage related to reported non-compliances with the Act. Our Compliance and Enforcement Division oversees non-compliances and non-compliance trends. They triage and prioritise responses to non-compliances and associated reporting.

Included in the cost recoverable activities are investigations and engagement with clients about compliance and associated case triage. Policy authority for cost recovery of these activities was included in the decision of government in the 2018–19 Budget. Activities to issue fines and penalties or those associated with prosecutions are not cost recoverable under the Charging Framework and are therefore not included.

The forecast cost associated with the work is \$0.78 million in 2029–30 across all 7 exports arrangements. We have attributed \$0.19 million to the horticulture exports arrangement based on an assessment of the effort performed by the department in undertaking these activities related preparing and exporting prescribed plant and prescribed plant products relevant to the horticulture exports arrangement. There will be no increase to cost recovery in 2026–27 to fund this work. In 2027–28, \$108,878 will be included in cost recovery, increasing to \$148,251 in 2028–29 and \$189,747 in 2029–30.

These costs have been allocated 96% to the horticulture establishments pricing pool and 4% to the horticulture authorised officers pricing pool. The establishment pricing pool drives cost to the application and registration charges for horticulture establishments. The authorised officer pricing pool drives costs to the application, assessment and appointment of third party authorised officers.

Regulatory efficiency program

This program represents an activity that would be new to cost recovery arrangements. The program is aimed at ensuring the regulatory system is contemporary, efficient and effective. Historically, we undertook short-term and ad-hoc activities to implement improvements to regulatory systems through specifically provided funding. Ongoing capability and capacity do not exist under the current

funding arrangements, and this is intended to provide ongoing support to drive regulatory efficiency, in partnership with the sector.

The scope of activities under this function could include:

- developing approaches that use data and analytics to support a risk-based, digitally enabled regulatory system that simplifies compliance for exporters, focuses regulatory effort on higher risk activities, and could support reductions in compliance requirements such as audit frequency recognising industry processes and alternative verification technologies that achieve equivalent regulatory outcomes and reduce regulatory burdens on businesses
- simplifying regulatory systems, making them easier for businesses to navigate reducing the time and cost for businesses to interact with the system
- streamlining processes for regulated entities and the department in delivering export services to businesses, and corporate functions related to cost recovery.

Trade growth and increasing complexity in the export regulatory system and the requirements of trading partners heighten the need to maintain a strong and responsive export regulatory system to support the sector and exporters. For example, through our work under the Busting Congestion package we partnered with industry to assess and recognise the commercial arrangements industry has in place to manage phytosanitary risk. This led to horticulture registered establishments and accredited properties that maintain certification against a Global Food Safety Initiative approved scheme having a more streamlined audit - saving time during the audit and in preparing for the audit. Further, the department now recognises commercial arrangements between horticulture packhouses and their grower suppliers under the new Packhouse Grower Supplier Model. This means for businesses operating under the model ongoing compliance with export requirements are verified by packhouse representatives, reducing the frequency of departmental audits. Without stable and sustainable investment, it would not be possible to keep pace with the growing demand for export services.

The decision of government in the 2025–26 Budget provided policy authority to include \$2.49 million into cost recovery across the dairy, fish and egg, meat, horticulture, and grain and plant products exports arrangements. Cost recovery would commence in 2027–28 with 50% of the final planned revenue, increasing to 75% in 2028–29 and 100% from 2029–30.

We have split this across those 5 exports arrangements and will phase in these new costs over 3 years. This will result in \$234,079 being included in cost recovery for the horticulture exports arrangement in 2027–28, increasing to \$389,094 in 2028–29 and \$497,555 in 2029–30. These costs would be allocated only to the horticulture exporters pricing pool.

Throughout 2026–27, we will work closely with industry consultative committees to design the structure, scope and priorities of the program for the horticulture exports arrangement, including the principles that will guide investment. This collaborative design process will ensure the program delivers benefits for government and industry, while maintaining the integrity and effectiveness of the regulatory system.

1.3 Regulatory prices 2026–27 to 2029–30

Table 4 shows the regulatory prices from 2026–27 to 2029–30, taking into consideration the proposed pathway for sustainable funding of export regulatory services described in [section 1.1](#) and [section 1.2](#). These prices reflect several structural changes to reflect where demand for services is created and how the program operates.

The fee for applying to become an authorised officer has now been split with one fee specific to new applicants while the other for existing AOs wishing to vary their authorisation to add new functions. This reflects that there are differences in the process for a new application compared with varying an existing appointment.

Similarly, authorised officer training and assessment components have now been split into individual fee bearing items. This split ensures that authorised officer applicants only pay for training and assessment delivered by the department per function they have applied for.

We have removed the previously listed fees for additional training and re-assessment. Where additional training and re-assessment is required (i.e. an authorised officer applicant is not found competent), individual training and assessment fees per applicable function will apply.

Starting from 1 July 2030, prices would be adjusted utilising an indexation mechanism based on the wage price index (WPI). Alongside these adjustments, annual cost base reviews will take place to monitor performance of the arrangement and to inform any future actions, including any adjustments to regulatory pricing. Importantly, the prices for 2027–28 to 2029–30 reflect current modelling of costs and export activity. Changes to the costs, underlying assumptions about inflation, or export activity may warrant future prices to be revisited. Changes to prices would require legislative amendments which may impact how quickly any revised price modelling can be completed and implemented.

Table 4 Fees and levy-based charges for horticulture exports regulatory activities, 2025–26 to 2029–30.

Type of charges	Cost recovery charges	Unit	Current 2025–26 (\$)	Proposed 2026–27 (\$)	Proposed 2027–28 (\$)	Proposed 2028–29 (\$)	Proposed 2029–30 (\$)
Levy-based charges	Establishment registration – grower or exporter	Annual	1,180	1,180	1,281.69	1,413.16	1,518.89
	Establishment registration – simple	Annual	5,900	5,900	6,408.45	7,065.82	7,594.47
	Establishment registration – simple – part year	Annual	2,950	2,950	3,204.23	3,532.91	3,797.23
	Establishment registration – complex	Annual	11,799	11,799	12,815.82	14,130.44	15,187.64
	Establishment registration – complex – part year	Annual	5,899.50	5,899.50	6,407.91	7,065.22	7,593.82
	Establishment application	Per application	786	786	853.74	941.31	1,011.74

Cost recovery implementation statement: horticulture exports 2026–27

Type of charges	Cost recovery charges	Unit	Current 2025–26 (\$)	Proposed 2026–27 (\$)	Proposed 2027–28 (\$)	Proposed 2028–29 (\$)	Proposed 2029–30 (\$)
	Authorised officer annual charge	Annual	983	983	1,915.39	2,090.76	2,209.95
	Tonnage charge – non protocol rate	Per tonne	1.28	1.28	1.98	2.14	2.28
	Tonnage charge – protocol rate	Per tonne	2.56	2.56	3.96	4.29	4.56
Fee	Core inspection	Per quarter hour	47	47	58.61	63.80	67.71
	Inspection by departmental authorised officer	Per quarter hour	98	98	122.21	133.03	141.19
	Audit – authorised officer	Per quarter hour	47	47	62.76	68.20	72.09
	Audit – accredited property	Per quarter hour	47	47	62.76	68.20	72.09
	Audit – establishment	Per quarter hour	47	47	62.76	68.20	72.09
	Authorised officer application	Per application	328	328	807.86	880.09	928.38
	Authorised officer approval	Per approval	328	328	538.58	586.73	618.92
	Authorised officer training per function ^a	Per person delivered training	n/a	216	673.22	733.41	773.65
	Authorised officer assessment per function ^a	Per person delivered assessment	n/a	216	673.22	733.41	773.65
	Authorised officer – application to vary authorisation (add function) ^a	Per application	328	328	504.92	550.06	580.24
	Authorised officer eLearning ^a	Per person	n/a	130	403.93	440.05	464.19
	Export document – manually-issued phytosanitary certificate	Per document	197	197	169.00	147.63	157.48
	Export document – manually-issued permit	Per document	197	197	169.00	147.63	157.48
	Export document – other manually-issued	Per document	197	197	169.00	147.63	157.48
	Export document – other electronically-issued	Per document	24	24	5.15	4.50	4.80
	Export document – electronically-issued permit	Per document	24	24	5.15	4.50	4.80

Cost recovery implementation statement: horticulture exports 2026–27

Type of charges	Cost recovery charges	Unit	Current 2025–26 (\$)	Proposed 2026–27 (\$)	Proposed 2027–28 (\$)	Proposed 2028–29 (\$)	Proposed 2029–30 (\$)
	Replacement export document	Per document	574	574	220.54	192.66	205.52
Fee/levy-based charge	Export document – electronically-issued phytosanitary certificate – (including fee and levy-based charge) ^b	Per document	99	99	121.17	130.17	138.53
	– Levy-based charge		75	75	116.03	125.67	133.73
	– Fee		24	24	5.15	4.50	4.80
	Export document – tariff rate quota certificate – (including fee and levy-based charge) ^b	Per document	87	87	37.24	38.24	39.29
	– Levy-based charge		46	46	6.55	6.72	6.91
	– Fee		41	41	30.69	31.52	32.38
OOH fee	Weekday continuous	Per quarter hour	15	15	23.50	24.16	24.84
	Weekday non-continuous (up to 30 minutes)	Any period up to 30 minutes	30	30	47.00	48.32	49.68
	Weekday non-continuous (after 30 minutes)	Per quarter hour	15	15	23.50	24.16	24.84
	Weekend and public holiday non-continuous (up to 30 minutes)	Any period up to 30 minutes	40	40	62.67	64.43	66.24
	Weekend and public holiday non-continuous (after 30 minutes)	Per quarter hour	20	20	31.33	32.22	33.12
Organics ^c	Organic certifying body	Annual	8,608	8,608	8,455.25	8,588.96	8,863.99
	Organic certifying body – part year	Annual	4,304	4,304	4,227.63	4,294.48	4,432.00
	Application charge for organic goods certification operation	Per application	689	689	384.32	390.39	402.90
	Audit fee for organic good certification operations	Per quarter hour	39	39	49.96	50.75	52.38
	Assessment of applications or approvals	Per quarter hour	39	39	49.88	50.68	52.31

Note: Modelled prices have been rounded to the nearest cent. **a** Existing fees for third party authorised officers would be split into separate fee bearing items and so there are no equivalent prices for 2025–26. **b** Export documentation attracts both a fee and a levy-based charge and this CRIS shows the total price followed by each component separately. **c** Organic certifiers support a small number of exporters in each of the export arrangements (excluding live animal exports) and therefore the prices have been reflected in each CRIS.

2 Risk assessment

2.1 Charging Risk Assessment

In accordance with the [Australian Government Charging Policy](#), we have undertaken a Charging Risk Assessment (CRA), involving the ongoing assessment and management of risk at each phase of the cost recovery process. The CRA applies to the 2026–27 financial year and for the horticulture exports cost recovery arrangement the implementation risk has been rated as medium, which is based on an assessment of each component, including:

- a low-risk rating for the expected percentage change in total annual revenue (less than 10% in 2026–27)
- a low-risk rating for the expected change in total value of annual revenue (less than \$10 million in 2026–27)
- a low-risk rating for the highest percentage increase in price a payer may experience (less than 5%)
- a low-risk rating for the type of charges as the changes proposed apply only to fees
- a medium-risk rating for changes to regulatory charges as the proposal involves changes to the structure of existing regulatory charges
- a medium-risk rating for legislative changes as there would be changes to the existing charging mechanisms for third party authorised officers training and assessments
- a low-risk rating for the level of impact of cost recovery on payers as regulatory charges will not be increasing in 2026–27
- a low-risk rating for the level of complexity in working with other government entities to deliver the regulatory functions
- a medium-risk rating for consultation as the CRIS was consulted with stakeholders and issues raised have been addressed for the 2026–27 CRIS.

2.2 Revenue variability

In line with the Charging Framework, complexity, materiality and sensitivity are considered in assessing and managing the risk associated with the cost recovery process. Variation in revenue from cost-recovered activities may arise due to complexity of the processes (activities) within arrangements and factors beyond our control. This includes changing demand for regulatory services where fluctuations will contribute to variability in the revenue stream. For example, demand for commodities, overseas economic factors and climatic events can all impact regulatory effort, costs and volumes of activities. Challenges of projecting revenue from fees and levy-based charges may translate into risk of further revenue gap over the forward years.

2.3 Accumulated results

Regulatory charging is set to recover reasonable costs. However, several factors – including volume variances and changes in expenses based on risk profiles – can affect the difference between

revenue and expenses. The differences that may be accumulated within an arrangement at the end of a financial year are referred to as accumulated results.

Accumulated results help keep revenue, expenses and forecast volumes aligned, and we have been recording these amounts since the start of the arrangement. We do not use any excess amounts we collect to subsidise shortfalls in other arrangements or our non-cost recovered functions.

Under-recoveries result from the arrangement not recovering the full costs of regulatory activities. This results in the arrangement operating at a loss and adversely impacts the accumulated result for the arrangement at the end of the year. Ongoing under recovery will lead to the need for further review of the regulatory charging arrangement to ensure its return to sustainable recovery for all regulatory costs. This excludes any accumulated deficits, which are not factored into future price setting, consistent with the Cost Recovery Framework.

3 Stakeholder consultation

Stakeholder engagement plays an important role in the development and management of cost recovery arrangements. We acknowledge that our stakeholders have unique insights into how our regulatory activities impact their businesses and help us design efficient cost recovery frameworks for these activities. The purpose of our stakeholder engagement strategy is to work with industry to update the CRIS as needed and provide information on the performance of the cost recovery arrangement.

This strategy helps us to plan, design, undertake and evaluate stakeholder engagement activities in a transparent and accountable way.

Our stakeholder engagement is designed to meet the requirements of the:

- [Australian Government Charging Framework](#)
- [Australian Government Guide to Regulation](#)
- [Australian Public Service Framework for Engagement and Participation](#).

3.1 Principles

Our principles for engagement are to listen, be genuine and be transparent. We will achieve this by:

- engaging with a diverse group of stakeholders to ensure a clear explanation of the objectives and context
- communicating what aspects are in scope and out of scope for consultation
- providing sufficient time for stakeholders to engage in the consultation processes
- communicating challenges and outcomes
- explaining how stakeholder feedback has been considered.

3.2 Methodology

Throughout 2024 and 2025, the department held more than 98 engagement sessions across 12 different industry consultation groups, including providing policy position papers and conducting online public consultation. Fourteen of these sessions were for or included the horticulture industry.

From February to April 2024 we sought feedback from stakeholders across the export supply chain, including peak industry bodies, primary producers, packers and exporters through our [Have Your Say platform](#). We also provided additional updates through the regular industry consultative meetings and industry briefings during 2024 and 2025. The government considered the feedback received when deciding on a future sustainable funding model for agricultural trade and export functions.

On 30 October 2025, we held an industry briefing to share information on the cost base analysis of our exports cost recovery arrangements. Preliminary feedback from industry indicated they would like to receive further details of the cost base. Industry engaged on our proposed options to achieve financial sustainability and sought assurance that productivity and efficiency are incorporated into

the pricing model. Some stakeholders expressed concern that the increasing prices of export regulatory services would contribute to elevated input costs and affect viability of export businesses.

On 12 December 2025, the government announced the decision to introduce a new cost recovery arrangement for export regulatory functions from 1 July 2026, including phased return to cost recovery over the next 3 years for most export arrangements. We held an industry briefing on that day to provide industry with information about the decision and further background can be found in [Export cost recovery reform for sustainable trade funding](#).

We held a 7-week formal industry consultation process from 29 January 2026 to 20 March 2026. We invited stakeholders to provide comments on the impact of proposed changes to cost recovery arrangements. During the consultation period, the horticulture export industry provided feedback through an all-industry live webinar, face-to-face meetings and industry consultative meetings such as the Horticulture Export Industry Consultative Committee (HEICC).

We have consulted with industry stakeholders on:

- the new proposed price structure for export regulatory services including tables comparing current and proposed fees and levy-based charges over the full phasing timeframe
- the rationale and explanation of the changes including the drivers of change to the cost base, and description of activities being transitioned from appropriation funded to cost recovery set out in consultation papers of fact sheets
- how the proposed fees may impact businesses.

We have addressed comments received as part of the consultation process for the finalisation of this CRIS. A summary of our responses is included in [Appendix B](#).

4 Cost recovery model for horticulture exports

This section describes the horticulture exports cost recovery model and additional financial information associated with audit, inspection and certification activities for horticulture exports.

4.1 Cost base assumptions

The 2025–26 budget was used as the starting point for determining the cost base applied in this CRIS. The cost base was modelled to reflect the full cost of delivering regulatory services to support the horticulture export industry. We have identified that the key cost driver for permit and assessment-based activities is complexity, which determines the amount of time and effort spent on a regulatory output. We also note that employee-related costs are the largest part of our regulatory activity cost. External suppliers and operating support for our export IT systems are the other major direct costs.

Compared to the previous financial model developed in 2020–21, new assumptions made in the current financial modelling are:

- 3% annual increase in employee related expenses in line with public sector wage settings in recent years
- 2.7% annual increase in supplier cost to account for inflation, which is within the anticipated range of headline inflation.

4.2 Modelled cost base

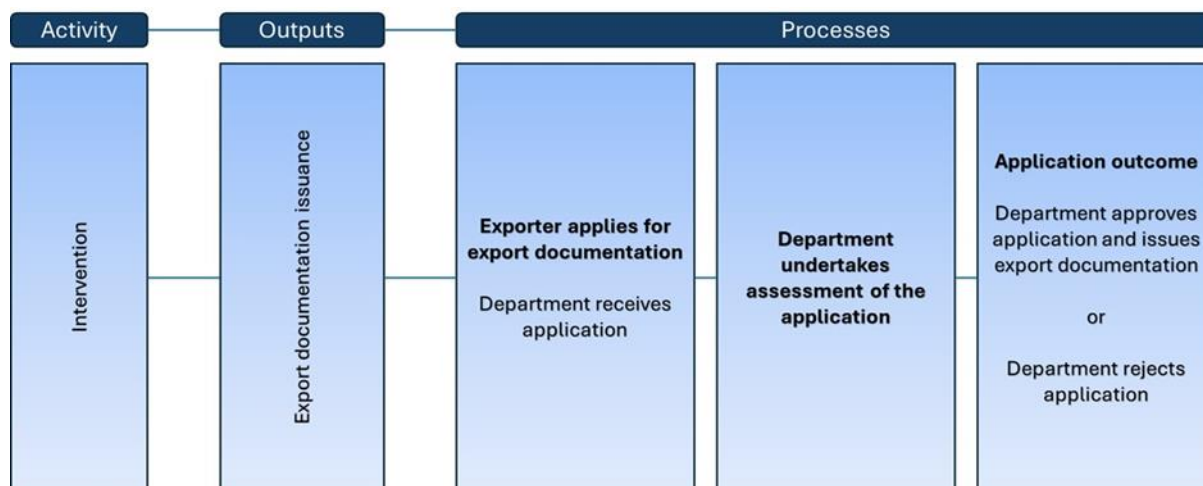
In preparing this CRIS, we reviewed the cost base for horticulture exports arrangement fees and levy-based charges, including consideration of future costs, the expected volume of regulatory activity, [Phased return to full cost recovery](#) and [Transition of regulatory activities into cost recovery](#). The cost bases used in our modelling to establish pricing are represented in Table 5, Table 6 and Table 7. We allocate employee, supplier, system and corporate costs to each type of regulatory activity (see [Appendix A](#)).

Direct costs

Direct costs are primarily the costs for employees who provide regulatory activities. In addition to the employee costs, it also includes supplier costs, such as direct capital expenses. Direct costs are allocated to the regulatory activity, which best reflects the activity undertaken.

Figure 1 provides an example of the connection between the activity of intervention and output of export documentation for an exported good.

Figure 1 Example intervention activity process for regulated entities



Indirect costs

Indirect costs are enabling costs, which cannot be attributed to a specific activity or output. These include information and communications technology, maintenance, office accommodation, and costs for finance and corporate services needed for regulatory staff to do their job. We include indirect expenses in the cost base to reflect the systems and processes which exist to support efficient administration and benefit the cost-recovered arrangements. Indirect costs are allocated to cost recovered and appropriated activities using cost drivers, such as headcount and full-time equivalents (FTE), in line with our cost allocation policy.

Capital costs

Capital costs included in the operating costs of business processes are depreciation of property, plant and equipment (including furniture, IT hardware and infrastructure), amortisation of IT systems and software, non-capital software development costs, and accommodation.

Table 5 shows the horticulture exports arrangement cost base for 2026–27. The cost base of \$16.3 million comprises:

- \$11.1 million in charge-related activities
- \$5.2 million in fee-related activities.

A description of cost activities and the methodology for attributing costs to these activities are provided in [Appendix A](#).

Table 5 Cost base, horticulture exports cost recovery arrangement, 2026–27

Charge type	Activity	Expense (\$)	Cost recovery charges
Levy-based charge	<ul style="list-style-type: none"> • Program management and administration <ul style="list-style-type: none"> – Workforce and business administration – Business system administration – Stakeholder engagement – Policy and instructional material – Business improvement • Assurance <ul style="list-style-type: none"> – Risk management – Verification – Surveillance • Incident management <ul style="list-style-type: none"> – Incident management – Investigative support – Corrective action 	11,070,451	Annual registration, export documentation, throughput, application and management of approved arrangements
Fees	Intervention – assessment	2,006,927	Assessment
	Intervention – export documentation issuance	1,428,375	Documentation
	Intervention – inspection	86,095	Inspection
	Intervention – authorised officer program	362,501	
	Intervention – audit	1,331,016	Audit
Total cost base	–	16,285,364	–

Figures in Table 6 are sourced from modelling based on the 2025–26 budget with updates as part of the mid-year budget process. This modelling has been used to establish the cost base and for determining future prices.

Table 6 Cost type breakdown, horticulture exports cost recovery arrangement, 2026–27

Category	Expense	Forecast (\$)
Direct	Employee	10,466,874
	Operating	1,174,082
	Other	469,271
	Subtotal	12,110,228
Indirect	Digital Services	1,460,785
	Finance and Investment	832,171
	Legal	242,273
	People, Property & Security	1,510,615
	Strategy Performance and Engagement	129,294
	Subtotal	4,175,137
Total	–	16,285,364

5 Design of regulatory charges

This CRIS includes a mix of fees and levy-based charges for regulatory activities. These charges are made under the [Export Control \(Fees and Payments\) Rules 2021](#), the [Export Charges \(Imposition – General\) Regulations 2021](#) and the [Export Charges \(Imposition – Customs\) Regulations 2021](#).

Fees are charged when regulation is provided directly to an individual or organisation for delivery of regulatory activities, such as inspection of goods, audit of registered premises, or assessment of export certification (see [Direct intervention activities](#)).

Levy-based charges are applied when regulation is imposed on an industry sector rather than directly to a specific individual or organisation. These charges recover the costs of maintaining regulatory infrastructure and integrity through program management and administration, assurance, and incident management activities (see [Program management and administration activities](#)).

5.1 Horticulture exports fees and charges

Fees and levy-based charges are legislated in the Export Control (Fees and Payments) Rules 2021, the Export Charges (Imposition – General) Regulations 2021 and the Export Charges (Imposition – Customs) Regulations 2021.

The prices set between 2026–27 and 2029–30 are derived from the financial modelling methodology described in [Cost recovery model for horticulture exports](#). The prices, modelled cost and volume for 2026–27 are shown in Table 7.

We have not included outside ordinary hour fees in this table as these volumes are not typically forecast.

Table 7 Fees, charges and volumes, horticulture exports cost recovery arrangement, 2026–27

Type of charges	Cost recovery charges	Unit	Modelled revenue (\$)	Modelled volume (unit)	2026–27 price (\$)
Levy-based charges	Establishment registration – grower or exporter	Annual	37,760	32	1,180
	Establishment Registration – simple	Annual	1,244,900	211	5,900
	Establishment Registration – simple – part year	Annual	14,750	5	2,950
	Establishment registration – complex	Annual	1,215,297	103	11,799
	Establishment application	Per application	18,078	23	786
	Authorised officer annual charge	Annual	268,359	273	983
	Tonnage charge – non protocol rate	Per tonne	542,647	423,943	1.28
	Tonnage charge – protocol rate	Per tonne	870,856	340,178	2.56

Cost recovery implementation statement: horticulture exports 2026–27

Type of charges	Cost recovery charges	Unit	Modelled revenue (\$)	Modelled volume (unit)	2026–27 price (\$)
Fee	Core inspection	Per quarter hour	24,534	522	47
	Inspection by departmental authorised officer	Per quarter hour	40,670	415	98
	Audit – authorised officer	Per quarter hour	77,362	1,646	47
	Audit – accredited property	Per quarter hour	526,024	11,192	47
	Audit – establishment	Per quarter hour	190,679	4,057	47
	Authorised officer application	Per application	22,960	70	328
	Authorised officer approval	Per approval	57,072	174	328
	Authorised officer training per function	Per person delivered training	25,488	118	216
	Authorised officer assessment per function	Per person delivered assessment	25,488	118	216
	Authorised officer – application to vary authorisation ^a	Per application	0	0	328
	Authorised officer eLearning	Per person	15,340	118	130
	Export document – manually issued phytosanitary certificate	Per document	14,775	75	197
	Export document - manually issued permit	Per document	23,246	118	197
	Export document – other manually issued	Per document	3,594,856	18,248	197
	Export document – other electronically issued	Per document	1,920	80	24
	Export document - electronically issued permit	Per document	1,333,264	55,553	24
	Replacement export document	Per document	24,682	43	574
Fee/levy-based charge	Export document - electronically issued phytosanitary certificate – (including fee and levy-based charge) ^b	Per document	4,175,647	42,178	99
	– Levy-based charge				75
	– Fee				24
	Export document – tariff rate quota certificate (including fee and charge) ^b	Per document	111,708	1,284	87
	– Levy-based charge				46
	– Fee				41

Cost recovery implementation statement: horticulture exports 2026–27

Type of charges	Cost recovery charges	Unit	Modelled revenue (\$)	Modelled volume (unit)	2026–27 price (\$)
OOH fee	Weekday continuous	Per quarter hour	1,560	104	15
	Weekday non-continuous (up to 30 minutes)	Any period up to 30 minutes	22,110	737	30
	Weekday non-continuous (after 30 minutes)	Per quarter hour	2,010	134	15
	Weekend and public holiday non-continuous (after 30 minutes)	Any period up to 30 minutes	31,480	787	40
	Weekend and public holiday non-continuous (up to 30 minutes)	Per quarter hour	7,920	396	20
Total			14,563,441		

Note: **a** A forecast volume of zero for this price point has been presented, reflecting that both new applications and applications to add functions have historically been charged under the same 'Authorised officer application' price point. The same total volume of activity at the same price is expected but will be split between the price points. **b** Export documentation attracts both a fee and a levy-based charge and this CRIS shows the total price followed by each component separately. Volumes and revenue for the separate components are not presented here.

6 Financial estimates

6.1 Financial estimates

The financial estimates of the horticulture exports cost recovery arrangement are provided in Table 8.

Table 8 Financial estimates, horticulture exports cost recovery arrangement, 2025–26 to 2029–30

Finance element	2025–26 (\$)	2026–27 (\$)	2027–28 (\$)	2028–29 (\$)	2029–30 (\$)
Revenue = X	13,749,270	14,563,441	15,743,903	16,352,216	17,425,475
Expenses = Y	14,835,034	16,285,364	16,874,940	16,778,363	17,425,475
Balance = X - Y	(1,085,764)	(1,721,923)	(1,131,038)	(426,147)	0
Appropriation funding ^a	1,085,764	1,721,923	1,131,038	426,147	0
Balance after appropriation	0	0	0	0	0
Forecast opening balance	(8,082,193)	(8,082,193)	(8,082,193)	(8,082,193)	(8,082,193)
Transfer	0	0	0	0	0
Forecast closing balance	(8,082,193)	(8,082,193)	(8,082,193)	(8,082,193)	(8,082,193)

Note: Numbers in brackets are negative. a. Appropriation allocated from 2025–26 to 2028–29 is notional until financial results are finalised and published in the department's annual report.

Notable movements between 2025–26 and forward estimates from 2026–27 are due to:

- inflation where employee related expenses increase by 3% per annum and supplier costs increase by 2.7%
- updates to the department's cost base to incorporate ongoing operational expenses (e.g. maintaining security of ICT systems through the CapSTAR program)
- change of funding mechanism, from appropriation to cost recovery, for existing regulatory activities described in [section 1.2](#)
- inclusion of the new regulatory efficiency program described in [section 1.2](#) into the cost recovery arrangement
- regulatory prices remaining unchanged for 2026–27 through continued full supplementation for the cost recovery revenue gap that existed as of the 2025–26 budget
- we have heard from horticulture industries and exporters that assessment activities for export consignments are no longer meeting their business needs for fast harvest-to-departure contracts and exporting 7 days a week. We have included an additional \$650,000 in 2026–27 and 2027–28 into the cost base of this arrangement to drive regulatory effectiveness and efficiency while supporting reliable, scalable export services that better meet industry needs. This funding will be used for activities that modernise our assessment and certification systems so regulatory processes are faster, more consistent and easier for exporters to navigate. The

draft CRIS also proposed a \$450,000 addition to the cost base in 2028–29 and 2029–30 for this work. Recognising feedback about this proposal, the department is only including the first two years of funding in the CRIS to deliver this reform. There will be further discussion with the horticulture industry about funding for the final 2 years.

- expected uplift in revenue through adjustments in price and volume as cost recovery for additional regulatory activities are phased into the arrangement and phased reduction of revenue gap commencing in 2027–28, as described in [CRIS updates](#).

7 Financial and non-financial performance

This section provides an overview of our performance in recovering forecast costs and meeting regulatory objectives.

7.1 Financial performance

The financial performance for the previous 4 financial years for the horticulture exports cost recovery arrangement is provided in Table 9.

Table 9 Financial performance, horticulture exports cost recovery arrangement, 2021–22 to 2024–25

Finance element	2021–22 (\$)	2022–23 (\$)	2023–24 (\$)	2024–25 (\$)
Revenue = X	9,494,735	11,274,927	12,794,297	13,563,101
Expenses = Y	10,916,857	11,456,216	12,029,771	14,710,265
Balance = X – Y	(1,422,122)	(181,288)	764,526	(1,147,164)
Remissions, rebates and adjustments = Z	1,422,122	100,664	0	1,147,164
Net balance = balance + Z	0	(80,624)	764,526	0
Balance	(8,766,095)	(8,846,719)	(8,082,193)	(8,082,193)

7.2 Summary financial performance 2024–25

The horticulture exports 2024–25 CRIS forecast a deficit of \$874,227. Actual expenditure totalled \$14.7 million with cost recovery from participants returning \$13.6 million, resulting in a deficit of \$1.1 million Table 10.

Table 10 Summary of financial position for horticulture exports cost recovery arrangement, 2024–25

Category	Actual (\$)	CRIS (\$)	Variance (\$)	Variance (%)
Revenue	13,563,101	11,234,258	2,328,843	21
Expenses	14,710,265	12,108,485	2,601,780	21
Net surplus/(Deficit)	(1,147,164)	(874,227)	(272,937)	31
Appropriation	1,147,164	n/a	n/a	n/a
Balance	(8,082,193)	n/a	n/a	n/a

n/a Not applicable

7.3 Non-financial performance

Our [Annual report 2024–25](#) provides comprehensive information on performance measures and performance results. Rather than duplicating information from the *Annual report 2024–25*, this section highlights the key objectives and performance results relevant to exports cost recovery

arrangements. Non-financial performance measures are given as high-level objectives and are not reported at a level specific to each arrangement.

For a complete picture of our performance, see *Annual report 2024–25*, Part 1: Annual performance statements – Our performance measures.

Objective 1 Sector growth

Support Australia’s agricultural sector, including the food and fibre industries, to be increasingly prosperous and internationally competitive in an ever-changing world.

Key activity 1.1 Support sector productivity growth and innovation.

Measure SG-01	Greater growth in average agricultural productivity (adjusted for climate and weather effects) for the past 10 years, compared with average annual market sector productivity growth over the same period
Measure type	Quantitative effectiveness measure
Target	Greater than 0 per cent difference over past 10 years
Sources	<i>Corporate Plan 2024–25</i> <i>Portfolio Budget Statements 2024–25</i> Programs: 1.1, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.12.
Result	Achieved – agricultural productivity growth was sustained at a higher rate (0.80%) than the average annual market sector growth rate (0.19%)
Tolerances	Achieved: average annual growth in the agricultural productivity (climate-adjusted) series exceeds average annual market sector productivity growth over the same period Partially achieved: not applicable Not achieved: average annual growth in the agricultural productivity (climate-adjusted) series is lower than average annual market sector productivity growth over the same period
Measure SG-02	Equal or reduced cost of levies administration compared with levies disbursed
Measure type	Quantitative effectiveness and regulatory measure
Target	Cost is less than or equal to 1.2% of levies disbursed
Sources	<i>Corporate Plan 2024–25</i> <i>Portfolio Budget Statements 2023–24</i> Programs: 1.1, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.12
Result	Achieved – cost was \$6.94 million or 1.10% of levies disbursed
Tolerances	Achieved: levies administration cost is less than or equal to 1.2% of levies disbursed Partially achieved: not applicable Not achieved: levies administration cost is more than 1.2% of levies disbursed

Key activity 1.2 Regulate exports and enable, improve and protect access to international markets

Measure SG-04	Grow access to a diverse range of international markets for Australian exporters of agricultural, fisheries and forestry products
Measure type	Qualitative output
Target	Each year, the department can qualitatively describe the impact of technical market access achievements and how these achievements grow access for Australian agricultural, fishery and forestry (AFF) producers. Achievements may include opening, improving, maintaining or restoring access
Sources	<i>Corporate Plan 2024–25</i> <i>Portfolio Budget Statements 2024–25</i> Program: 1.13
Result	Achieved – technical market access was either opened, improved, restored or maintained across 79 export pathways: opened 10 new export pathways, improved 44 export pathways, maintained 17 export pathways and restored 8 export pathways
Tolerances	Achieved: the department provides examples of opening, improving, maintaining and restoring technical market access for different markets and different commodities. Examples of market access changes have been implemented and are available to AFF exporters. Partially achieved: the department provides examples of opening, improving, maintaining or restoring access but not all 4. Alternatively, if the examples do not demonstrate that clear benefits have been achieved for different markets and commodities (i.e. examples are all focused on a single market or commodity, or the achievements are not of value to Australian exporters). Examples of market access changes have been implemented and are available to AFF exporters. Not achieved: the department cannot provide any examples of opening, improving, maintaining or restoring access to any markets or commodities
Measure SG-05	Significant representation of Australian interests on multilateral standard-setting bodies
Measure type	Quantitative proxy
Target	At least one meeting, with in-person attendance, to each of the multilateral trade standard-setting bodies (WTO, OECD, WOA, IPPC, and Codex)
Sources	<i>Corporate Plan 2024–25</i> <i>Portfolio Budget Statements 2024–25</i> Program: 1.13
Result	Achieved – representatives of the department attended 7 meetings with the WTO, 12 with the OECD, 8 with the WOA, 15 related to the IPPC and 6 with CODEX
Tolerances	Achieved: there is evidence the department has represented in-person at each of the multilateral trade standard-setting bodies WTO, OECD, WOA, FAO (IPPC and Codex) Partially achieved: there is evidence the department has represented in-person at least one, but not all, of the WTO, OECD, WOA, FAO (IPPC and Codex) Not achieved: the department does not participate in-person at any of the WTO, OECD, WOA, FAO (IPPC and Codex)
Measure SG-06	Effective delivery of regulatory responsibilities for relevant export applications under the Export Control Act 2020

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Measure type	Quantitative, effectiveness and regulatory
Target	Establish a baseline
Sources	<i>Corporate Plan 2024–25</i>
	<i>Portfolio Budget Statements 2024–25</i> Program: 1.13
Result	Achieved – 99.83% of all relevant export applications were completed within the requisite consideration period. This sets the baseline
Tolerances	Achieved: over 95% of all relevant export applications are completed within the requisite consideration period specified by the <i>Export Control Act 2020</i> Partially achieved: over 85% of all relevant export applications are completed within the requisite consideration period specified by the <i>Export Control Act 2020</i> Not achieved: under 85% of all relevant export applications are completed within the requisite consideration period specified by the <i>Export Control Act 2020</i>
Measure SG-07	Increase in the number of electronic certificates issued for export
Measure type	Quantitative efficiency and regulatory
Target	Plus 2% of what the final 2023–24 eCert number is
Sources	<i>Corporate Plan 2024–25</i>
	<i>Portfolio Budget Statements 2024–25</i> Program: 1.13
Result	Achieved – 12.5% increase in the number of electronic certificates issued for export (84,180 in 2024–25 compared with 74,661 in 2023–24)
Tolerances	Achieved: 2% or more increase Partially achieved: 1–1.99% increase Not achieved: less than 1% increase

8 Review process

We continue to consider and be guided by the Australian Government policies outlined in the [Australian Government Charging Framework](#) section, as we analyse, design and, as appropriate, implement a new funding model for our export regulatory and non-regulatory trade services. We review all cost recovery arrangements and update our CRISs annually. Figure 2 outlines the annual CRIS review process.

Updates to CRISs may result from:

- changes in cost inputs (increasing or decreasing)
- changes in operating environment
- stakeholder feedback
- policy changes
- internal monitoring and evaluation.

This ensures charging activity remains aligned with government policy priorities, relevant legislation and the minimum efficient cost of departmental effort.

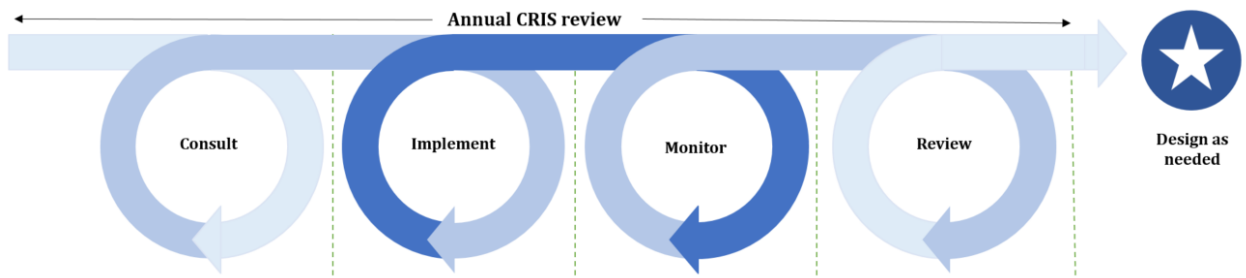
We are working with the Department of Finance to conduct a portfolio charging review (PCR). A PCR is a periodic review required under the Charging Framework and administered by the Department of Finance. PCRs are generally conducted every 5 years and are intended to provide assurance that an entity's charging activities remain appropriate, transparent and consistent with government policy.

The PCR considers whether activities that fall within the scope of the Charging Framework are being charged appropriately, whether charging arrangements remain fit for purpose, and whether governance, transparency and financial management practices support sound cost recovery outcomes. Where relevant, a PCR may also consider whether any chargeable activities are not currently subject to charging and, if so, whether the department has the authority to bring forward charging proposals through the Budget process. The PCR outcomes may inform future CRIS development.

For exports cost recovery arrangements, the current PCR has been scoped to avoid duplicating the work undertaken in developing the sustainable funding model for export regulatory activities. It complemented the work on sustainable funding by providing high-level assurance that export charging activities are appropriately classified, governed and aligned with the Charging Framework.

To ensure transparency and accountability in the CRIS development process, we will seek feedback from affected parties through stakeholder consultation prior to implementation of future CRISs.

Figure 2 Annual CRIS review process



9 CRIS approval and change register

Table 11 tracks the changes to the CRIS as a result of changes to the regulatory charging activity.

Table 11 CRIS approval and change register

Date of change	CRIS change	Approver	Basis for change
8 May 2026	Certification of the CRIS	Secretary, Department of Agriculture, Fisheries and Forestry	Confirmation of regulatory charging activity and validation of cost model
21 May 2026	Approval of CRIS	Minister for Agriculture, Fisheries and Forestry	

Appendix A: Cost recovery model

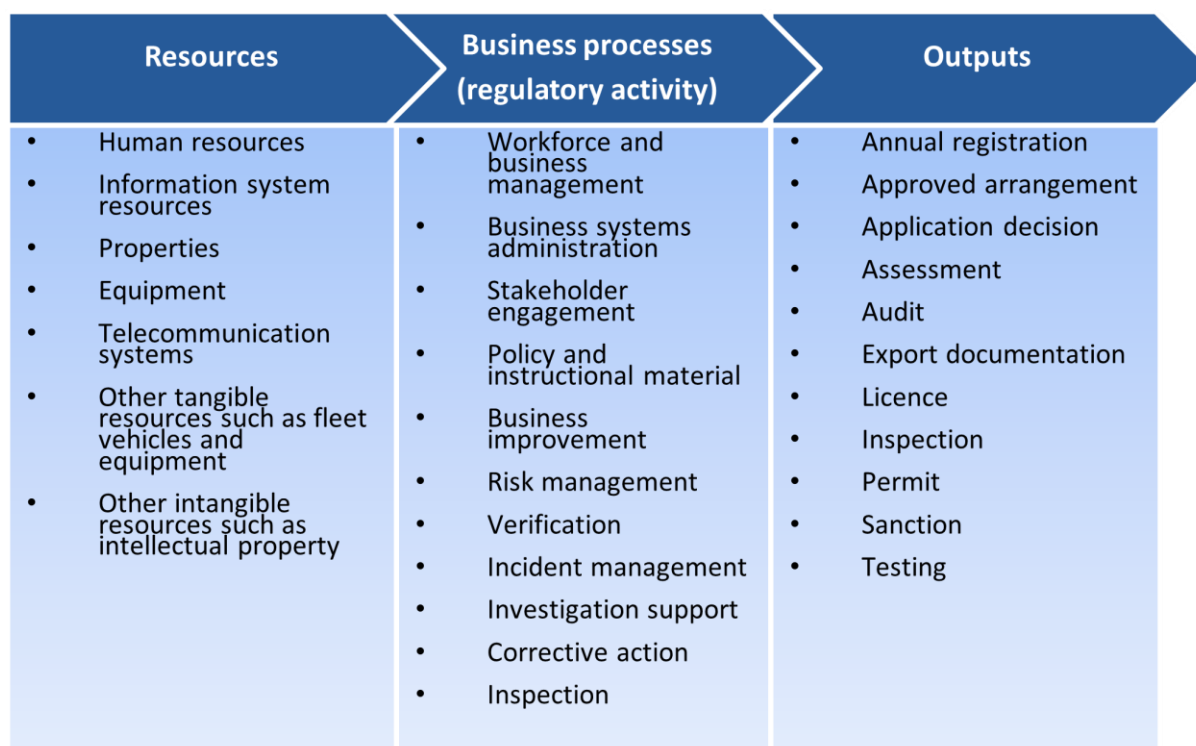
Regulatory charging activity outputs and business processes

The key policy objectives of our cost recovery arrangements are to:

- safeguard Australia’s animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries
- support more sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved market access.

Our cost recovery arrangements describe how we use resources (such as people, IT, property and equipment) to undertake business processes (regulatory activities). These processes enable us to provide outputs that meet our policy objectives (Figure A1).

Figure A1 Regulatory charging activity outputs and business processes



The processes listed in Figure A1 are grouped into 4 categories:

- 1) **Direct regulatory intervention** – activities provided directly to an individual, business or organisation to meet export regulatory activity requirements.

- 2) **Program management and administration** – administrative activities that support and deliver our export regulatory activity commitments.
- 3) **Assurance** – activities that mitigate risks to collective user groups by assessing departmental controls of systems and processes to ensure they operate in accordance with their intended design.
- 4) **Incident management** – activities that respond to incidents concerning alleged breaches of Australian regulation or international import conditions.

Costs of regulatory charging activity

Cost allocation process

To determine the cost of regulatory activities, we use an activity-based costing (ABC) system endorsed by the Department of Finance. The ABC system allows for complex cost allocation calculations while also being efficient and effective to administer.

The 2 expense categories are:

- 1) **Direct expenses** – these can be directly attributed to the provision of an activity (e.g. inspections). They comprise staff salaries and supplier costs, including direct capital expenses.
- 2) **Indirect expenses** – these are not directly linked to an activity we provide. They include corporate employee salaries and overheads, such as information technology, finance, human resources costs, and indirect capital expenses.

The cost allocation process apportions the costs of support functions (indirect expenses) and direct expense to the processes and activities defined in [Description of cost model activities](#). We include indirect expenses in the cost base to reflect the systems and processes that exist to help with efficient administration, which benefit the cost-recovered arrangements. This methodology for allocation of indirect costs to cost recovery arrangement is consistent with our cost allocation policy. This methodology is also used for the allocation of indirect costs into functions funded by government appropriation.

The ABC system allocates costs in a staged approach.

Stage 1 Cost base by cost centre

Cost centre managers in regulatory areas set budgets in accordance with the resources required to perform their function. Indirect costs such as property, finance, information technology, human resources and divisional executives are then allocated to these direct cost centres using a cost driver, which estimates the relative usage of each of the corporate services. Cost drivers for corporate services include:

- **Work points** – distributes costs based on space occupied, with the work point count reflecting the space where a person may be able to work.
- **Full-time equivalent (FTE)** – distributes costs based on each program's full-time equivalent staff numbers.
- **IT assets** – distributes costs based on the number of IT assets (including PCs, laptops, tablets and printers) in a program.

- **Transactions** – distributes costs based on the number of transactions incurred over a period. This driver is used to allocate expenses related to the functions of accounts receivable and accounts payable.
- **Headcount** – allocates costs based on the number of staff that a program area has as a proportion of the total number of staff in the department.
- **Custom drivers** – allocate costs to specific cost centres, primarily based on usage for shared program resources.
- Cost drivers are reviewed annually, or as required. Changes to cost drivers are substantiated through effort analysis or other supporting data.

Stage 2 Allocation of costs to activities and programs

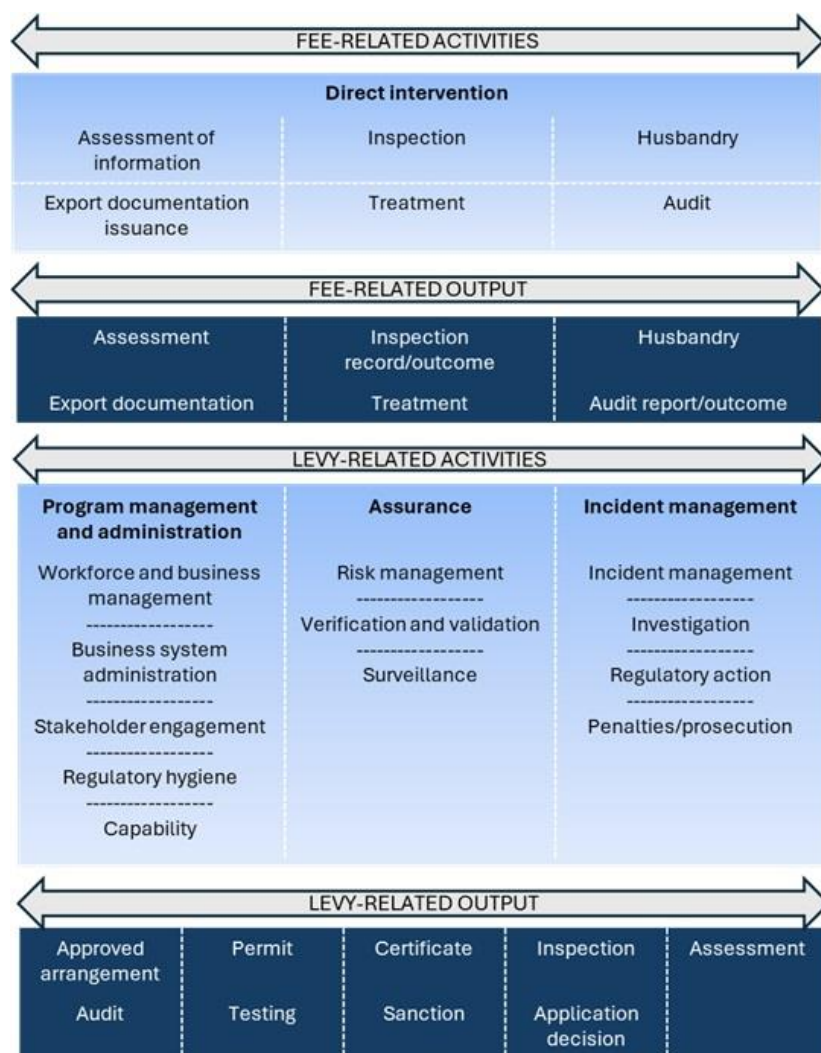
Direct cost centres (including the indirect costs allocated in Stage 1) are allocated to the activity and cost-recovered arrangements, that best reflect the activity undertaken. For example, food safety auditors undertake audits across multiple arrangements. Time-recording systems allow the accurate allocation of effort to specific activities and arrangements, particularly to intervention activities.

Volumetric forecasts are then applied to estimate the total amount of activity within each arrangement. For example, in the case of food safety audits this includes the number of audits and average time for an audit of each arrangement. The associated costs are allocated to the arrangements and audit function based on total audit hours.

Stage 3 Allocation of costs to regulatory services (charge points)

Activity and arrangement costs (from Stage 2) are allocated to charge points, which identifies the cost associated with that charge. We use a combination of cost recovery fees and levy-based charges. Figure A2 shows the categorisation of cost-recovered levy-based charge and fee activities and outputs.

Figure A2 Category of activities



Description of cost model activities

This section details the cost model activities undertaken in our cost recovery arrangements.

Direct intervention activities

Assessment of information

Assessment of information we received for consideration of an application made under the Export Control Act.

Export documentation issuance

Involves the systems and processes for issuance of an export document (including government certificate, export permit, tariff rate certificate) under the Export Control Act.

Inspections

Examination (or supervision of), whether physical or otherwise, of a good, conveyance, place or process to determine compliance with Export Control Act, subordinate legislation, relevant policies, and importing country requirements.

Treatment

Includes the physical treatment of cargo, vessels, plants, animals, food, biological and genetic material, other conveyances or premises, to ensure requirements of the Export Control Act, subordinate legislation, relevant policies, and importing country requirements are satisfied.

Husbandry

Includes activities relating to the care of plants and animals, such as transport, housing, daily monitoring, feeding, cleaning of facilities, administering of medication, bookings and client assistance.

Audit

The examination of a legislative permission holder's systems, process, or performance under Part 1, Chapter 9 of the Export Control Act to determine whether activities and related results comply with legislation, policies and importing country requirements.

Program management and administration activities

Workforce and business management

This activity has 4 categories:

- 1) **Workforce management** – staff supervision, allocating workforce resources, managing employee performance, leave, training and other conditions, managing work, health and safety requirements, recruitment and termination.
- 2) **Business management activities** – business planning and continuity; requesting legal advice; procurement and contracts; program and project administration, assurance, design and management; management of fixtures, facilities, equipment, supplies and logistics.
- 3) **Financial management activities** – billing and accounting, budgeting, charges and payments, collections and receivables, debt management, financial accounts, reporting and policy development.
- 4) **Information management activities** – data management, information and records management, and information sharing and collaboration.

Business systems administration

Includes developing, acquiring, testing, implementing and supporting applications and business systems. It encompasses technical support and maintenance of all business systems, communication technology, and system changes necessary to meet importing country requirements.

Stakeholder engagement

Involves engagement with any person, business, organisation (including peak industry bodies) or country competent authority for the purpose of administering and delivering export regulatory systems and services – including any associated travel, secretariat support and attendance at industry consultative committee meetings, country competent authority meetings, publishing website content and other information.

Capability

Includes development, delivery, review and validation of training and assessment programs to support regulatory capability uplift, legislative and importing country requirement compliance.

Regulatory hygiene

Includes activities to review, develop and maintain a contemporary and fit for purpose export regulatory framework and system including:

- export control legislation
- regulatory, operational, and corporate policies
- scientific and technical advice
- instructional material such as guidelines; work instructions and templates
- initiatives to monitor and improve regulatory system performance.

Assurance activities

Risk management

Involves identifying, assessing, and managing risks posed to Australia's agricultural export system, trade, and market access, including regulatory risk exploration, risk assessment and compliance monitoring. This includes communication of risk analysis results, modelling and forecasting to operational areas and the collection, receipt and use of data, information, and intelligence to meet compliance objectives. This work also includes associated travel and client assistance, such as assessment of risks associated with cargo, vessels, plants, animals, food, biological and genetic material.

Verification and validation

Includes activities providing confidence and assurance that controls Australia's industry and regulatory systems and processes are operating in accordance with their intended design and associated documentation and are addressing, controlling or mitigating identified risk.

Surveillance

Oversight and delivery of national or targeted monitoring and detection programs necessary to underpin Australia's pest, disease or food safety status and ensure Australian exports comply with importing country requirements, to maintain market access.

Incident management activities

Incident management

Includes coordination and management of any incident such as food safety, domestic pest or disease outbreak or post-export matter. This activity falls within the objects of the Export Control Act and is for the purpose of maintaining market access. This includes all associated pre- and post-work, trading partner engagement, travel and client assistance in relation to an incident, whether there is an alleged non-conformance or otherwise.

This definition does not include work associated with the consideration or decision on any application, which may be made under the Export Control Act in relation to the incident (this work effort is accounted for in the 'intervention' category).

Investigation

Includes investigation support for enforcement activities relating to an alleged breach of portfolio legislation, including any related client assistance and travel.

Regulatory action

Includes all activities taken in response to alleged non-conformance and non-compliance with or in contravention of export legislation or procedures, including follow-up, investigation, briefing, decision-making and implementing regulatory action or sanctioning.

This definition does not include those activities carried out under the penalties and prosecutions definition.

Penalties and prosecutions

Activities carried out to manage or deliver civil and criminal penalties and prosecutions (unless covered by cost recovered incident management).

Appendix B: Summary of stakeholder feedback

Table B1 Stakeholder feedback for the 2026–27 CRIS

Key theme	Stakeholder feedback	Department response
Consultation	<p>Stakeholders conveyed that the initial consultation period was too short given the complexity of information, and requested a longer period of time to provide submissions.</p> <p>Stakeholders commented that they would have liked further consultation in the lead up to the decision of government.</p>	<p>The department recognises the importance of providing industry with clear information and the genuine opportunity to comment on how cost recovery arrangements are implemented. The department extended the submission timeframe by an additional 2 weeks until Friday 20 March 2026.</p> <p>Budget decisions are made by government through Cabinet. The Australian Government has made the decision to return to full cost recovery. That decision was compliant with the Budget Process Operational Rules (BPORs), which include several requirements related to the impacts of government decisions.</p> <p>Consultation focused on implementation of that decision. The draft cost recovery implementation statements (CRIS) consultation offered the opportunity for industry to provide feedback on the cost modelling, assumptions and fees and levy-based charges.</p>
Timing and audit	<p>Stakeholders requested reconsidering the pace of fee increases, such as a 12 month pause on cost recovery changes and an independent audit of the department export regulatory cost base.</p>	<p>The department notes that the Australian Government made the decision to provide additional supplementation to defer the phased return to full cost recovery by 12 months, until 1 July 2027. This decision recognised the disruptions being experienced by Australia’s farmers and producers due to the conflict in the Middle East.</p> <p>The department is held accountable through various mechanisms for proper use of financial resources. The department considers these mechanisms are sufficient to ensure the proper use of financial resources without additional audits required.</p> <ul style="list-style-type: none"> • Parliament: The department is accountable to Parliament and accounts for its performance, the expenditure of public funds and how decisions are made. • Budget Process Operational Rules: BPORs are mandatory rules that outline the major administrative and operational arrangements for managing the Budget and its related processes. • Australian National Audit Office (ANAO): The ANAO examines and reports on the department’s actions and whether public resources are being used economically, efficiently, effectively and ethically. • Australian Government Charging Framework: The department applies this framework to all activities that deliver goods, services or regulation to an individual or organisation in the non-government sector. • Portfolio Charging Review: The department must examine all activities in-scope of the Charging Framework within the portfolio at least every 5 years, in accordance with the published schedule of Portfolio

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Key theme	Stakeholder feedback	Department response
		<p>Charging Reviews (PCR) or at other times agreed by the Finance Minister.</p> <ul style="list-style-type: none"> Industry consultative committees (ICCs): The department regularly engages with industry on significant operational and financial developments affecting specific arrangements through established ICCs. This provides an opportunity for industry feedback. <p>The department is committed to ongoing discussions with industry to improve understanding of departmental expenses and enhancing financial and non-financial reporting and monitoring.</p>
Timing	Stakeholders raised concerns about impacts from the current Middle East conflict, and whether the timing of the implementation could be extended to accommodate the current global uncertainty and impacts on access to farm inputs and supply chains.	<p>The department notes that the Australian Government made the decision to provide additional supplementation to defer the phased return to full cost recovery by 12 months, until 1 July 2027. This decision recognised the disruptions being experienced by Australia’s farmers and producers due to the conflict in the Middle East.</p> <p>The 2025–26 export CRIS prices will largely stay in place. This comes with additional supplementation from government to fill the gap along with the current revenue raised from export cost recovery to continue to deliver export regulatory services.</p> <p>Full cost recovery is still scheduled to be in place from 1 July 2029.</p>
Efficiency	Stakeholders noted that they did not have confidence in the department’s management of budgets or ability to operate efficiently (including with digital costs) and that the Sustainable Trade Funding Taskforce review has been focused on revenue and insufficiently looked at cost base, delivery costs and operational efficiency.	<p>The department is required under the Australian Government Charging Framework to recover the efficient cost of delivering regulatory services whilst meeting regulatory requirements and service standards. Internal budgets are set according to this standard and monitored by the department’s Finance and Investment Division and internal governance.</p> <p>Factors such as wage growth and increasing regulatory complexity have driven an increase in the cost of providing services and therefore no overall direct reduction in program cost has been observed.</p> <p>The department has also been making capital investments in its enabling capability from appropriation funding, that drive efficiencies into regulatory activities. Efficiencies include implementing flexible working arrangements at regional offices, investing in ICT security uplifts, and converting contractors performing enabling activities to APS employees. Current pricing reflects a reassessment of the true cost of service delivery, and that previous systemic under (or over) recovery should not continue.</p>
Efficiency	Stakeholders queried what action the department has taken after the 2020 Ernst and Young report on efficiency and effectiveness for cost recovered processes.	The department notes that industry representatives were given the opportunity to comment on the 2020 Ernst and Young review. The department has been actioning the recommendations of the review, with the Sustainable Trade Funding Taskforce in particular working to clarify roles, responsibilities and accountabilities across groups; improve transparency of cost drivers and allocations; and increase use of data and performance information in decision-making.
Efficiency	Stakeholders raised queries about the methodology of allocating costs and indirect costs (corporate overheads), with some concerned about	Cost allocations for direct and indirect costs are based on approved cost drivers, such as full-time equivalent staff (FTE), headcount, work points, IT assets, transactions, or custom drivers that are designed to fairly reflect usage while

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Key theme	Stakeholder feedback	Department response
	arrangements supporting broader department costs unrelated to budget shortfall.	remaining efficient to administer. These drivers are reviewed at least annually, with any changes requiring evidence, and Chief Financial Officer (CFO) approval. The overall approach balances accuracy, transparency, and administrative efficiency in reporting the net cost of delivering government outcomes and programs.
International comparison	Stakeholders queried how these costs compare to similar exporting countries.	The department notes that high-income agricultural exporting countries, such as the United States and New Zealand also apply full cost recovery for export regulatory services, broadly consistent to Australia's approach. For lower income competitors, such as India and South Africa, they apply different cost structures and regulatory settings for the export of agricultural commodities.
Small Horticulture Producers Registered Establishment program	Stakeholders queried progress on a review of the threshold levels for the Small Horticulture Producers Registered Establishment reduced annual fee.	The department is not changing the threshold levels at this point, and a review of the program is not currently underway. The Horticulture Export Industry Consultative Committee will discuss possible next steps, considering relative priorities for industry and the department.
Regulatory reform	Stakeholders raised concerns about the department's ability to implement effective reform or improvements to regulation or programs. Stakeholders requested various reforms to regulatory processes, including improving overtime costs for services, more streamlined verification, avoiding duplicate fees, improving audits and inspections, surge staffing and better service standards, increased transparency and using performance measures.	The department works to deliver efficient services while ensuring effectiveness in meeting our regulatory obligations and service standards. Partnering with industry under the Busting Congestion for Plant Exports Program to assess and recognise the commercial controls industry has in place to manage phytosanitary risk the following initiatives have been delivered: <ul style="list-style-type: none"> • recognition of Global Food Safety Initiative approved schemes to streamline departmental audits for horticulture registered establishments and accredited properties, reducing duplicative compliance requirements • implementation of the Packhouse Grower Supplier Model to recognise commercial arrangements between horticulture packhouses and grower suppliers, with packhouse representatives verifying ongoing compliance and reducing the frequency of departmental audits. The department is committed to continuing to work with industry to make regulatory service improvements that meet their needs and our regulatory requirements.
Price structure	Stakeholders sought further details on how fees and levies are calculated, and why they are different, as well as more details on indirect costs.	Further information on pricing pools, charge points, the difference between fees and levies and more specific costing questions were communicated through in-location and industry meetings, and information published on the Have Your Say page.
Price structure	Stakeholders queried why the department assumed a flat volume of trade product to calculate future costs in the arrangements, and whether including a growth per annum would better reflect costs.	The department has used conservative, stable volume assumptions to support prudent pricing and revenue modelling. Assuming stable volumes reduces the risk of under-recovery if projected growth does not materialise. Modelling was predicted based on export volumes over the past four financial years between 2021 and 2025. This has been verified with regulatory program areas within the department.
Price structure	Stakeholders queried whether another metric could be used rather than tonnage charges given the variability	Export volume (measured by weight) has been used as a consistent and measurable proxy for aggregate demand on regulatory services across horticulture commodities, including assessment, certification, inspection and

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Key theme	Stakeholder feedback	Department response
	of weight for different types of horticulture commodities.	<p>supporting systems. This approach has been applied because export weight scales with overall export activity and system throughput and can be reliably captured using existing export data.</p> <p>The tonnage charging approach is used alongside the levy-based charge for phytosanitary certificates.</p> <p>In response to feedback, the department has examined other options including container-based rates for sea freight. At this time no change has been made, and enhanced data collection would be required to assess the feasibility of such an option.</p> <p>Any alternative method would still need to recover the underlying cost of delivering the regulatory services and would require us to model or demonstrate connection between that activity and regulatory service we provided. The department will discuss feasibility of alternatives with the Horticulture Export Industry Consultative Committee.</p>
Price structure	Stakeholders queried whether registration periods could be reduced to better reflect shorting exporting periods.	The department notes that from a costing perspective, we recognise that every business's export activity can fluctuate throughout the year. The costs modelled by the department reflect the ongoing administration and support required for horticulture establishments, regardless of whether a business is exporting for one month, six months, or the full year. While we acknowledge that shorter registration periods may seem fairer for businesses, these periods would not substantially affect the actual costs involved in supporting exporting businesses or the resultant charge.
Price structure	Stakeholders queried why the Authorised Officer charges were raised significantly, and noted that third party Authorised Officers which are not linked to companies would be significantly more impacted. Some stakeholders requested 2 tiers of charges for Authorised Officer fees.	The department has apportioned costs in the draft export CRIS to accurately reflect costs of delivering regulatory services across the arrangements. As part of the process we have been working with the teams that administer these programs to understand the work they perform for each function. Authorised Officer charges have increased in line with other costs.
Rationale for charging	Stakeholders raised concerns that there were significant cost increases and wanted to understand why these costs would be increasing in this way.	<p>The cost of providing export regulatory services has been greater than cost recovery revenue since the 2017-18 financial year. Government has supplemented the revenue from industry to ensure export regulatory services continue to be delivered. Since the last substantial CRIS update in 2020–21 there has continued to be increases in the complexity of importing country requirements, cost base pressures such as supplier cost and wages, and increases in export volume and demand for services.</p> <p>In developing the CRIS, the fees and levy-based charges for the horticulture arrangement have been calculated based on the effort required across the arrangement and allocated to the relevant charge point, such as certification, documentation, registration and audit. The increase in prices reflects the cost of delivering these services and/or the relative under recovery in recent years. The other factor in prices being different between exports arrangements is the difference in activity volumes.</p> <p>Each fee or levy-based charge is determined by dividing the cost of providing that service within an arrangement by the number of times the activity is charged. Where a cost is fixed or relatively inelastic, a smaller volume of activity would be</p>

Cost recovery implementation statement: horticulture exports 2026–27

Key theme	Stakeholder feedback	Department response
Rationale for charging	<p>Stakeholders questioned whether the 5 new activities – Micor sustainment (Manual of Importing Country Requirements), CIFER (China Import Food Enterprise Registration), Fit and Proper Persons assessments, market maintenance regulatory activities, and non-compliance investigation and triage - should be included in cost recovery, or should remain as government funded, as they considered the activities as part of export infrastructure and as a public good.</p> <p>The new regulatory efficiency program was also considered a public good.</p>	<p>reflected in a higher fee or charge. This emphasises the importance of reasonable activity volumes within the CRIS.</p> <p>These cost increases are being phased in with supplementation from government over a 2-year period, with supplementation continuing for 2026–27, and phasing in 2027–28 and 2028–29 to support industry with the transition.</p> <p>The department has identified 5 existing regulatory activities that are currently funded by government meet the eligibility requirements for cost recovery under the principles of the Australian Government Charging Framework.</p> <p>The department confirms the default position of the Australian Government Charging Framework is to charge for regulatory activities where demand is created by an identifiable group, unless government decides otherwise.</p> <p>In this case, the demand from exporters drives the need for export services work for activities such as Micor and CIFER. As exporters directly create the demand for these services, technically they are not considered a public good.</p> <p>These activities and rationale for cost recovery are outlined in the draft CRIS documents and fact sheets.</p>
Rationale for charging	<p>Stakeholders raised queries about whether digital costs, including cyber security, had been factored into prices increases.</p>	<p>The department has conducted detailed analysis and modelling of the department’s functions and costs with a comprehensive understanding of the department’s cost base, including digital costs.</p> <p>Digital costs, including cyber security costs are recognised as increasing across government and industry. There are certain government obligations and guidelines the department must follow to manage cyber security risks. Cyber security hazards for the Commonwealth have been increasing in recent years.</p> <p>Separate government capital funding has been provided for cyber security remediation and uplift, and these capital investments are not being passed on to industry through cost recovery. However, some ongoing costs to sustain digital services are passed onto industry through cost recovery. Ongoing cyber security costs over the forward years are assumed to be contained within standard public sector cost growth assumptions (around 2–3 per cent), and the department considers its current cyber cost base to be relatively stable after several years of increased investment. Future cyber risks however cannot be predicted with certainty, but mitigation and stabilisation measures are in place.</p>
Impact of price increase	<p>Stakeholders gave feedback that with significant cost increases, costs would be passed on to growers and the supply chain, and would negatively impact on businesses with thin margins and then on to regional communities.</p> <p>Feedback was received on the effects on export competitiveness and for new and emerging exporters. Noting that increased fees could be an insurmountable barrier for new</p>	<p>The Australian Government has made the decision to return to full cost recovery. That decision was compliant with the Budget Process Operational Rules, which include several requirements related to the impacts of government decisions. Consultation was focused on implementation of that decision.</p> <p>The department acknowledges there are broad industry concerns about rising costs and notes the feedback from industry that significant fee increases could undermine export competitiveness or impact new and emerging businesses. The department acknowledges this could also affect market behaviour.</p>

Cost recovery implementation statement: horticulture exports 2026–27

Key theme	Stakeholder feedback	Department response
	<p>exports, especially given the constraints from domestic markets on horticulture businesses.</p> <p>Feedback was also raised on impacts on market behaviour, noting that while markets appreciate Australian quality products, they ultimately want to pay low prices for high quality product and could move to secure their supply from our competitors.</p>	<p>The department notes that the changing export future will impact on cost model assumptions and will continue to review and revise it after implementation.</p>
Impact of price increases	<p>Stakeholders raised concerns that the small-scale organics sector would be disproportionately impacted compared with larger commodity sectors.</p> <p>Stakeholders raised that the public benefits of organic agriculture to areas such as emissions reduction and biodiversity should be recognised through an offset in prices.</p>	<p>The department acknowledges there are specific organic sector concerns about rising costs, noting the price changes in the export CRIS apply to all users of the department's export regulatory services. The development of the costing model has determined the cost of delivering the regulatory services which includes effort that does not vary by the size or nature of the organisation.</p> <p>The department will continue to monitor impacts after implementation.</p> <p>The department confirms the default position of the Australian Government Charging Framework is to charge for regulatory activities where demand is created by an identifiable group, unless government decides otherwise. As exporters and operators create the demand for export regulatory services the department is obliged to cost recover for these services.</p>
Rationale for charging	<p>Stakeholders queried specific links of services to the <i>Export Control Act 2020</i>, and how those services implement the Act.</p>	<p>Each service proposed for cost recovery is linked to a statutory function under the <i>Export Control Act 2020</i>, including certification, compliance monitoring, registration, and assurance that exports meet importing country requirements. Section 399 of the Act provides authority for the department to make rules prescribing fees for services such as issuing export permits and certificates, with the specific fees and charges set out in the <i>Export Control (Fees and Payments) Rules 2021</i>. These charges are imposed through supporting legislation such as the <i>Export Charges (Imposition—General)</i>, <i>(Customs)</i>, and <i>(Excise) Acts</i>, ensuring cost recovery is legally grounded.</p>
Rationale for charging	<p>Stakeholders also raised queries about what the cost allocation policy is and what it contains.</p>	<p>The Cost Allocation Policy is an internal document explaining how the department allocates corporate, program overhead, and direct costs to ensure accurate budgeting, transparency, and accountability. It sets out a consistent framework for attributing both direct and indirect costs to outcomes and programs in line with Australian Government budgeting and cost recovery requirements. The policy is summarised in the Horticulture Exports CRIS and other export CRISs.</p>
Rationale for charging	<p>Stakeholders queried why establishment registrations, authorised officer approvals, establishment applications, phytosanitary certificates and non-compliance investigations and triage are levy-based charges rather than fee for service.</p>	<p>These activities are classified as charges because they are integral to the ongoing operation, assurance and integrity of Australia's export regulatory system under the <i>Export Control Act 2020</i>, and their delivery supports the collective ability of Australian exporters to access and maintain international markets. While these activities result in an outcome for an individual entity (such as a registration, approval or certificate), they are not a standalone service delivered on request. Instead, they are the regulatory outputs of broader, system wide activities including regulatory system management, assurance, compliance</p>

Cost recovery implementation statement: horticulture exports 2026–27

Key theme	Stakeholder feedback	Department response
Regulatory efficiency program	Stakeholders wanted more detail on the regulatory efficiency program, including governance arrangements. There was mixed feedback whether this new program should be government funded rather than cost recovered.	oversight and market maintenance, which must be delivered consistently regardless of individual demand. As such, the costs of these activities are appropriately recovered through levy-based charges that distribute costs across the benefiting export cohort. The department has taken on board feedback received from industry and will work with industry on program design and governance. There will be no cost recovery for this program in 2026-27.
Horticulture arrangement reform	Stakeholders queried whether the horticulture assessment reform costs were to be included in the Regulatory Efficiency Program costs.	The department notes that the regulatory efficiency program is a separate initiative to the project identified to deliver assessment reform in the horticulture arrangement. Additional funding has been proposed in the 2026–27 Horticulture CRIS. It is proposed this funding be for activities that modernise our assessment and certification systems so regulatory processes are faster, more consistent and easier for exporters to navigate. It is proposed that the department would engage with industry through the Horticulture Export Industry Consultative Committee to identify potential activities. For the horticulture assessment reforms, the department has adjusted the funding terms based on stakeholder feedback and has only included the first two years of funding (rather than four years) in the CRIS at this time to deliver this reform. There may be further discussion with the horticulture industry about funding for the final 2 years. Note that this is not an ongoing element of the Horticulture CRIS, and this funding will cease.