



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

# **Cost recovery implementation statement: live animal exports 2026–27**



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### Cataloguing data

This publication (and any material sourced from it) should be attributed as: DAFF 2026, *Cost recovery implementation statement: live animal exports 2026–27*, Department of Agriculture, Fisheries and Forestry, Canberra, June. CC BY 4.0.

This publication is available at [agriculture.gov.au/about/fees/cost-recovery](https://agriculture.gov.au/about/fees/cost-recovery)

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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 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 of the efficient costs of that activity. We therefore impose fees and levy-based charges on the live animal 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 live animal exports cost recovery arrangement. This cost recovery implementation statement (CRIS) provides information on how we 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, with the transition to full cost recovery for live animal exports arrangement occurring over two years. This announcement included adding 5 existing and one new activity, deemed consistent with the Charging Framework, into the exports cost recovery arrangements. The government is also committing \$7.5 million over 4 years to implement regulatory improvements for live animal exports.

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 the removal of fees associated with independent observers for live animal export by sea. It is intended that new prices would commence from 1 July 2027. The objective remains to return to full cost recovery by 2028–29.

This CRIS provides information on how the department implements cost recovery charging for the live animal 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 live animal exports arrangement.

We also provide an overview of the proposed changes intended to 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 live animal 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 live animal exports arrangement are forecast to decrease by \$3.36 million or 13.1% over the next 4 years. Revenue is forecast to increase by \$9.45 million or 73.6% over the same period. The reduction in expense is due to the removal of the independent observer functions from cost recovery. 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 activities 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 live animal exports cost recovery arrangement. It reports actual financial and non-financial performance information for the live animal 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.

## 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 live animal 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 industry sector rather than 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

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

We deliver a range of regulatory services to support the export of live animals and reproductive materials, and the primary function of the live animal exports program is to provide regulatory oversight of the live animal exports industry, and assurances to overseas government authorities through export certification.

Live animal exports certification activity undertaken by the department involves licensing, registration, inspection, audit and certification activities. Exporters of live animals must obtain an export permit prior to the departure of prescribed goods from Australia. Overseas government authorities may require additional certification to verify that the exported products comply with their respective import conditions. To certify 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 licensing and registration, inspection, auditing, verification, and enforcement activities to ensure that the production, storage, handling and transportation of live animals intended for

export comply with the conditions of Australian export controls, and any additional requirements imposed by an importing country

- accrediting and auditing Accredited Veterinarians (AAV) that provide commercial services to livestock export operations
- issuing permits and other documentation necessary to confirm compliance with Australian export controls and any additional importing country requirements
- providing support through our overseas counsellors including assistance with detained consignments, government certification and other issues that result in goods being held at the border
- providing scientific and technical advice to improve, maintain or restore market access to demonstrate adherence to export requirements

Consistent with the framework, regulatory charging is appropriate because export regulatory activity is provided to a clearly identifiable individual, organisation or group that participates in the live animal exports supply chain.

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

The Department of Finance was consulted in the assessment of these functions 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 live animal exports supply chain, including exporters, producers, manufacturers and operators of storage facilities. For details of the fees 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 for 2026–27 and 2027–28, with prices returning to full cost recovery by 2028–29.

## 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 activity is 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 2028 for the live animal exports arrangement.   |
| 2025–26 | Securing the future of agricultural trade          | In the 2025–26 MYEFO, the government committed to providing \$147.5 million over four years from 2025–26 (and \$32.7 million per year ongoing) for the department to sustain agricultural export regulatory and trade functions. This includes supplementation for the live animal exports arrangement as we commence a phased return to full cost recovery over 2 years from 2026–27. The Government will provide ongoing appropriation funding for activities the department undertakes to meet Australian community expectations. The measure also includes the introduction of cost recovery for five existing export regulatory services and an ongoing regulatory efficiency program. |
| 2024–25 | Enabling Agriculture 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.<br><br>\$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.<br><br>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 the 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"> <li>enforcement activities to support compliance with Australian regulation and international import conditions. Activities cost recovered include</li> </ul>  |

| Date | Government decision   | Details   |
|------|---|---|
| 2015 | Department of Agriculture and Water Resources – Comprehensive review of cost recovery | <p>investigations and engagement with clients about compliance but does not include the costs of infringement notice schemes or undertaking litigation.</p> <ul style="list-style-type: none"> <li>• 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 incursion or change in import conditions; and improving existing market access by seeking to reduce import requirements or simplify certification processes.</li> <li>• services provided by overseas counsellors relating to detained consignments, government certification and other issues which result in goods being held at the border.</li> </ul> <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](#).

Legislative instruments are intended to 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 2 years (2026–27 to 2027–28) for the live animal exports arrangement. 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 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 2028–29. Therefore, the prices presented in this CRIS for 2026–27 are unchanged from 2025–26 other than removal of the fees associated with independent observers for live animal export by sea.

## 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 for the live animal exports arrangement will cease at the end of 2027–28 when the arrangement is 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 live animal exports arrangement will return to full cost recovery by 2028–29, following a first price increase in 2027–28.

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 for the live animal exports cost recovery arrangements**

| Financial year | Proportion of 2025–26 revenue gap funded by government supplementation <sup>a</sup> (%) |
|----------------|---|
| 2026–27        | 100   |
| 2027–28        | 50  |
| 2028–29        | 0   |

<sup>a</sup> 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 live animal exports arrangement that have been funded through government appropriations 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 would 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 the 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 live animal exports 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.](#)

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 \$0.11 million to the live animal 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 live animals and reproductive material. There will be no increase to cost recovery within the live animal exports arrangement in 2026–27 to fund this work. In 2027–28, \$53,627 will be included in cost recovery, increasing to \$82,595 in 2028–29 and \$113,191 in 2029–30.

As Micor benefits and is used by all sectors of the live animal export industry, including livestock, non-livestock, and reproductive material exports, the costs have been equally allocated to the livestock licences pricing pool and the non-livestock pricing pool. The livestock licences pricing pool drives costs to livestock licences and renewal and variation of approved arrangements for livestock. The non-livestock pricing pool drives costs to export permits for non-livestock.

## 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, when approving individual persons such as accredited veterinarians.

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 \$0.04 million to the live animal exports arrangement based on an assessment of the effort required in conducting FPP assessments for participants involved in the export of prescribed livestock, non-livestock and reproductive material. There will be no increase to cost recovery within the live animal exports arrangement in 2026–27 to fund this work. In 2027–28 \$20,358 will be included in cost recovery, increasing to, \$28,051 in 2028–29 and \$36,134 in 2029–30.

The costs associated with this work have been apportioned 80% to the livestock export assessment price pool, and 10% each to the livestock establishments pricing pool and livestock exports licences pricing pool. The livestock export assessment pricing pool drives costs to assessments by

veterinarians and non-veterinarians as well as export permit charges. The livestock establishments pricing pool drives costs to establishment registration charges. The livestock export licences pricing pool drives costs to livestock licences and renewal and variation of livestock approved arrangements.

## 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 \$0.03 million to the live animal exports arrangement based on an assessment of effort performed by the department in undertaking these activities related to preparation and export of live animals. There will be no increase to cost recovery in 2026–27 to fund this work. In 2027–28, \$19,399 will be included in cost recovery, increasing to \$26,414 in 2028–29 and \$33,807 in 2029–30.

We have apportioned 62% of these costs to the exports by sea pricing pool, 27% to the exports by air pricing pool, and 11% to the livestock establishments pricing pool. The exports by sea pricing pool drives costs to throughput charges and applications for export of livestock by sea. The exports by air pricing pool drives costs to throughput charges and applications for export of livestock by air. The livestock establishments pricing pool drives costs to establishment registration charges.

## 1.3 Regulatory prices 2026–27 to 2029–30

Table 4 shows the proposed impact on regulatory prices from 2026–27 to 2029–30, taking into consideration the proposed pathway for sustainable funding of export regulatory services in [section 1.1](#) and [section 1.2](#).

There are several structural changes to the way fees and levy-based charges are applied from 2026–27 compared with 2025–26 and which are described below.

With the phase out of the export of live sheep by sea on 1 May 2028, throughput prices for sheep and goat exported via sea have been removed for financial year 2028–29 onwards.

Noting the government decision as part of the 2025–26 Mid-Year Economic and Fiscal Outlook (MYEFO) to fund activities conducted by Independent Observers (IOs) from 1 July 2026, the associated price points have been removed from the live animal exports arrangement and are no longer referenced in the CRIS.

## Cost recovery implementation statement: live animal exports 2026–27

In line with current charging practices, where a livestock export licence holder has an Approved Arrangement (AA) with operations to prepare prescribed livestock for export via sea and air, the annual AA charge for sea 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 charges for live animal exports regulatory activities, 2025–26 to 2029–30**

| Type of charge    | Cost recovery charges   | Unit         | Current 2025–26 (\$) | Proposed 2026–27 (\$) | Proposed 2027–28 (\$) | Proposed 2028–29 (\$) | Proposed 2029–30 (\$) |
|-------------------|---|--------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Levy-based charge | Approved arrangement - livestock by air only                        | Annual       | 24,868               | 24,868                | 39,553.56             | 49,416.41             | 50,975.27             |
|                   | Approved arrangement - livestock by air only - part year            | Annual       | 12,434               | 12,434                | 19,776.78             | 24,708.20             | 25,487.64             |
|                   | Approved arrangement - livestock by sea, or sea and air             | Annual       | 49,736               | 49,736                | 67,304.88             | 83,816.67             | 86,185.27             |
|                   | Approved arrangement - livestock by sea, or sea and air - part year | Annual       | 24,868               | 24,868                | 33,652.44             | 41,908.33             | 43,092.63             |
|                   | Livestock (premises) registration                                   | Annual       | 12,434               | 12,434                | 11,016.88             | 11,347.52             | 11,689.43             |
|                   | Licence - livestock   | Annual       | 9,550                | 9,550                 | 11,960.77             | 13,731.50             | 14,450.02             |
|                   | Throughput - full unit (sheep/goat) by air                          | Per head     | 1.30                 | 1.30                  | 2.02                  | 2.53                  | 2.61                  |
|                   | Throughput - full unit (sheep/goat) by sea <sup>a</sup>             | Per head     | 1.53                 | 1.53                  | 2.07                  | n/a                   | n/a                   |
|                   | Throughput - full unit (cattle/buffalo/camelid) by air              | Per head     | 5.08                 | 5.08                  | 7.91                  | 9.88                  | 10.20                 |
|                   | Throughput - (cattle/buffalo/camelid) by sea                        | Per head     | 5.96                 | 5.96                  | 8.07                  | 10.04                 | 10.33                 |
|                   | Export permit - non-livestock                                       | Per document | 305                  | 305                   | 366.15                | 376.86                | 388.68                |
|                   | Export permit- livestock without licence                            | Per document | 305                  | 305                   | 366.15                | 376.86                | 388.68                |

## Cost recovery implementation statement: live animal exports 2026–27

| Type of charge | Function  | Unit             | Current 2025–26 (\$) | Proposed 2026–27 (\$) | Proposed 2027–28 (\$) | Proposed 2028–29 (\$) | Proposed 2029–30 (\$) |
|----------------|---|------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Fee            | Audit – non-vet                                       | Per quarter hour | 64                   | 64                    | 94.85                 | 118.17                | 121.55                |
|                | Audit – vet   | Per quarter hour | 109                  | 109                   | 161.54                | 201.26                | 207.02                |
|                | Inspection – livestock – vet                          | Per quarter hour | 75                   | 75                    | 166.26                | 207.19                | 213.18                |
|                | Inspection – non-livestock – vet                      | Per quarter hour | 75                   | 75                    | 166.26                | 207.19                | 213.18                |
|                | Inspection – livestock – non-vet                      | Per quarter hour | 49                   | 49                    | 108.62                | 135.37                | 139.27                |
|                | Inspection – non-livestock – non-vet                  | Per quarter hour | 49                   | 49                    | 108.62                | 135.37                | 139.27                |
|                | Inspection – premises or facility                     | Per quarter hour | 49                   | 49                    | 108.62                | 135.37                | 139.27                |
|                | Assessment – livestock – vet                          | Per quarter hour | 75                   | 75                    | 122.68                | 152.92                | 157.39                |
|                | Assessment – non-livestock – vet                      | Per quarter hour | 75                   | 75                    | 122.68                | 152.92                | 157.39                |
|                | Assessment – livestock – non-vet                      | Per quarter hour | 49                   | 49                    | 80.15                 | 99.91                 | 102.83                |
|                | Assessment – non-livestock – non-vet                  | Per quarter hour | 49                   | 49                    | 80.15                 | 99.91                 | 102.83                |
|                | Export permit – livestock – vet                       | Per quarter hour | 75                   | 75                    | 122.68                | 152.92                | 157.39                |
|                | Export permit – non-livestock – vet                   | Per quarter hour | 75                   | 75                    | 122.68                | 152.92                | 157.39                |
|                | Export permit – livestock – non-vet                   | Per quarter hour | 49                   | 49                    | 80.15                 | 99.91                 | 102.83                |
|                | Export permit – non-livestock – non-vet               | Per quarter hour | 49                   | 49                    | 80.15                 | 99.91                 | 102.83                |
|                | Replacement export document                           | Per document     | 551                  | 551                   | 325.53                | 334.93                | 344.60                |
|                | Livestock export licence application                  | Per quarter hour | 49                   | 49                    | 79.74                 | 91.54                 | 96.33                 |
|                | Livestock export licence renewal                      | Per quarter hour | 49                   | 49                    | 79.74                 | 91.54                 | 96.33                 |
|                | Livestock export licence variation                    | Per quarter hour | 49                   | 49                    | 79.74                 | 91.54                 | 96.33                 |
|                | Approved arrangement application – livestock          | Per quarter hour | 49                   | 49                    | 79.74                 | 91.54                 | 96.33                 |
|                | Approved arrangement renewal or variation – livestock | Per quarter hour | 49                   | 49                    | 79.74                 | 91.54                 | 96.33                 |
|                | Approved arrangement exemption – livestock            | Per quarter hour | 49                   | 49                    | 79.74                 | 91.54                 | 96.33                 |

## Cost recovery implementation statement: live animal exports 2026–27

| Type of charge                  | Function   | Unit                        | Current<br>2025–26<br>(\$) | Proposed<br>2026–27<br>(\$) | Proposed<br>2027–28<br>(\$) | Proposed<br>2028–29<br>(\$) | Proposed<br>2029–30<br>(\$) |
|---------------------------------|--|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                 | Registered establishment assessment  | Per quarter hour            | 49                         | 49                          | 79.74                       | 91.54                       | 96.33                       |
|                                 | Registered establishment renewal or variation  | Per quarter hour            | 49                         | 49                          | 79.74                       | 91.54                       | 96.33                       |
|                                 | Veterinarian accreditation assessment – non-vet  | Per quarter hour            | 49                         | 49                          | 80.15                       | 99.91                       | 102.83                      |
|                                 | Veterinarian accreditation assessment – vet  | Per quarter hour            | 75                         | 75                          | 122.68                      | 152.92                      | 157.39                      |
|                                 | Veterinarian accreditation renewal – non-vet   | Per quarter hour            | 49                         | 49                          | 80.15                       | 99.91                       | 102.83                      |
|                                 | Veterinarian accreditation renewal – vet   | Per quarter hour            | 75                         | 75                          | 122.68                      | 152.92                      | 157.39                      |
|                                 | Veterinarian accreditation variation – non-vet   | Per quarter hour            | 49                         | 49                          | 80.15                       | 99.91                       | 102.83                      |
|                                 | Veterinarian accreditation variation – vet   | Per quarter hour            | 75                         | 75                          | 122.68                      | 152.92                      | 157.39                      |
|                                 | ESCAS assessment fee – non-vet   | Per quarter hour            | 49                         | 49                          | 80.15                       | 99.91                       | 102.83                      |
|                                 | ESCAS variation fee – non-vet  | Per quarter hour            | 49                         | 49                          | 80.15                       | 99.91                       | 102.83                      |
| Fee/levy-based charge           | Export document – tariff rate quota certificate – (including fee and levy-based charge) <sup>b</sup> | Per document                | 87                         | 87                          | 135.38                      | 168.40                      | 173.02                      |
|                                 | – Levy-based charge  |                             | 46                         | 46                          | 45.23                       | 56.27                       | 57.81                       |
|                                 | – Fee  |                             | 41                         | 41                          | 90.15                       | 112.14                      | 115.21                      |
| Outside ordinary hour (OOH) fee | Non-Vet – Weekday immediately before or after a fee-bearing activity                                 | Per quarter hour            | 15                         | 15                          | 22.22                       | 22.86                       | 23.51                       |
|                                 | Non-Vet – Weekday - non-continuous (up to 30 minutes)  | Any period up to 30 minutes | 30                         | 30                          | 44.43                       | 45.73                       | 47.02                       |
|                                 | Non-Vet – Weekday - non-continuous (after 30 minutes)  | Per quarter hour            | 15                         | 15                          | 22.22                       | 22.86                       | 23.51                       |
|                                 | Non-Vet – Weekend and public holiday - non-continuous (up to 30 minutes)                             | Any period up to 30 minutes | 40                         | 40                          | 59.25                       | 60.97                       | 62.70                       |

## Cost recovery implementation statement: live animal exports 2026–27

| Type of charge | Function   | Unit                        | Current<br>2025–26<br>(\$) | Proposed<br>2026–27<br>(\$) | Proposed<br>2027–28<br>(\$) | Proposed<br>2028–29<br>(\$) | Proposed<br>2029–30<br>(\$) |
|----------------|--|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                | Non-Vet – Weekend and public holiday – non-continuous (after 30 minutes) | Per quarter hour            | 20                         | 20                          | 29.62                       | 30.49                       | 31.35                       |
|                | Vet – Weekday immediately before or after a fee-bearing activity         | Per quarter hour            | 21                         | 21                          | 27.55                       | 28.35                       | 29.15                       |
|                | Vet – Weekday - non-continuous (up to 30 minutes)                        | Any period up to 30 minutes | 42                         | 42                          | 55.09                       | 56.70                       | 58.30                       |
|                | Vet – Weekday - non-continuous (after 30 minutes)                        | Per quarter hour            | 21                         | 21                          | 27.55                       | 28.35                       | 29.15                       |
|                | Vet – Weekend and public holiday – non-continuous (up to 30 minutes)     | Any period up to 30 minutes | 58                         | 58                          | 73.46                       | 75.60                       | 77.74                       |
|                | Vet – Weekend and public holiday – non-continuous (after 30 minutes)     | Per quarter hour            | 29                         | 29                          | 36.73                       | 37.80                       | 38.87                       |

Note: Modelled prices have been rounded to the nearest cent. **a** Prices are not included for 2028–29 and 2029–30 as live sheep export by sea will cease from 1 May 2028. **b** Export documentation attracts both a fee and a levy-based charge and this CRIS shows the total price followed by each component separately.

## 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 live animal 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% in 2026–27)
- a low-risk rating for the type of charges as only fees are affected by the proposal
- A low-risk rating for changes to regulatory charges as the proposal only involves changes to the level of existing regulatory charges
- a medium-risk rating for legislative changes due updates to legislative mechanisms for charging, including removal of charging for independent observers and management of approved arrangements
- a low-risk rating for the level of impact of cost recovery on payers as regulatory charges will not be changing in 2026–27
- a low-risk rating for the level of complexity in implementing 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 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 live animal exports industry.

From February to April 2024, we sought feedback from stakeholders across the export supply chain, including peak industry bodies, primary producers 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 a phased return to cost recovery over the next 2 years for the live animal exports arrangement. 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 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 live animal export industry provided written submissions through our Have Your Say platform as well as feedback through an all-industry live webinar, face-to-face meetings (including in regional centres) and industry consultative meetings such as the Live Animal Export Finance Industry Consultative Committee (LAEFICC) and Horse Industry Consultative Committee (HICC).

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 or fact sheets
- how 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 live animal exports

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

### 4.1 Cost base assumptions

The 2025–26 budget was used as the starting point for determining the cost base applied in the CRIS. The cost base was modelled to reflect the full cost of delivering regulatory services to support the live animal 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 model 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

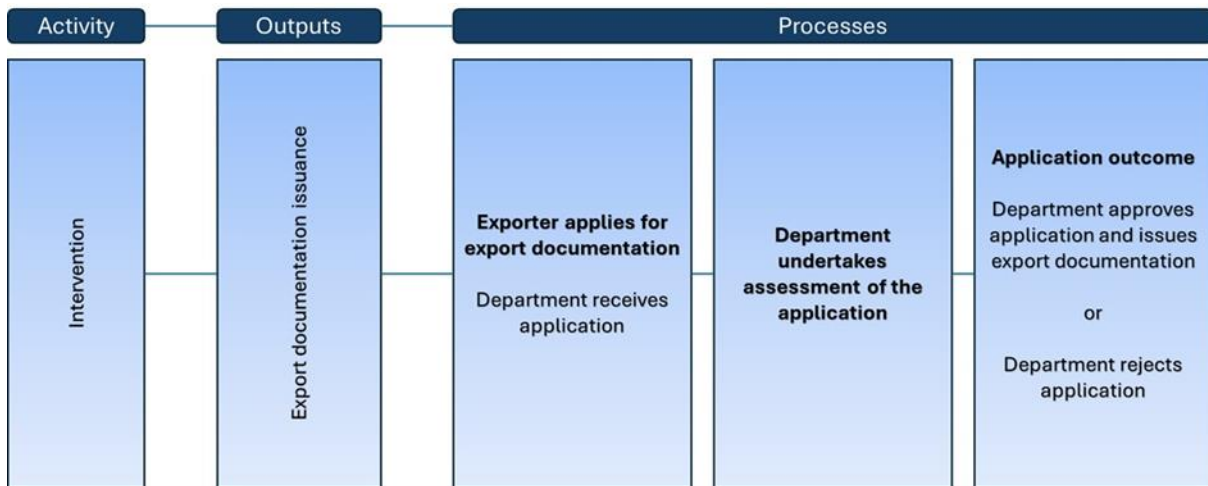
In preparing this CRIS, we reviewed the cost base for the live animal exports arrangement fees and levy-based charges, including consideration of future costs, the expected volume of regulatory activity, [Phased return to full cost recovery](#) and [Transition of regulatory activities into cost recovery](#). 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 live animal exports arrangement cost base for 2026–27.

The cost base of \$20.5 million comprises:

- \$14.1 million in levy-based charge-related activities
- \$6.5 million in fee-related activities.

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

**Table 5 Cost base, live animal exports cost recovery arrangement, 2026–2027**

| Charge type            | Activity  | Expense (\$)      | Cost recovery charges  |
|------------------------|---|-------------------|--|
| Levy-based charges     | <ul style="list-style-type: none"> <li>• Program management and administration               <ul style="list-style-type: none"> <li>– Workforce and business administration</li> <li>– Business system administration</li> <li>– Stakeholder engagement</li> <li>– Policy and instructional material</li> <li>– Business improvement</li> </ul> </li> <li>• Assurance               <ul style="list-style-type: none"> <li>– Risk management</li> <li>– Verification</li> <li>– Surveillance</li> </ul> </li> <li>• Incident management               <ul style="list-style-type: none"> <li>– Incident management</li> <li>– Investigative support</li> <li>– Corrective action</li> </ul> </li> </ul> | 14,078,147        | Annual registration, export documentation, throughput, application and management of approved arrangements |
| Fee                    | Intervention – assessment   | 5,065,022         | Assessment   |
|                        | Intervention – inspection   | 1,021,994         | Inspection   |
|                        | Intervention – export documentation issuance  | 55,662            | Documentation  |
|                        | Intervention – audit  | 320,060           | Audit  |
| <b>Total cost base</b> | –   | <b>20,540,886</b> | –  |

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, live animal exports cost recovery arrangement, 2026–27**

| Category     | Expense                             | Forecast (\$)     |
|--------------|-------------------------------------|-------------------|
| Direct       | Employee                            | 13,380,290        |
|              | Operating                           | 1,325,069         |
|              | Other                               | 513,787           |
|              | <b>Subtotal</b>                     | <b>15,219,146</b> |
| Indirect     | Digital Services                    | 2,025,547         |
|              | Finance and Investment              | 923,704           |
|              | Legal                               | 281,201           |
|              | People, Property & Security         | 1,941,180         |
|              | Strategy Performance and Engagement | 150,108           |
|              | <b>Subtotal</b>                     | <b>5,321,739</b>  |
| <b>Total</b> | –                                   | <b>20,540,886</b> |

## 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 [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 Live animal 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 derived from the financial modelling methodology described in [Cost recovery model for live animal exports](#). The prices, modelled revenue 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, live animal exports cost recovery arrangement, 2026–27**

| Type of charge    | Cost recovery charges                                   | Unit     | Modelled Revenue (\$) | Modelled volume (unit) | 2026–27 price (\$) |
|-------------------|---|----------|-----------------------|------------------------|--------------------|
| Levy-based charge | Approved arrangement - livestock by air only            | Annual   | 198,944               | 8                      | 24,868             |
|                   | Approved arrangement - livestock by sea, or sea and air | Annual   | 1,143,928             | 23                     | 49,736             |
|                   | Livestock (premises) registration                       | Annual   | 609,266               | 49                     | 12,434             |
|                   | Licence – livestock                                     | Annual   | 334,250               | 35                     | 9,550              |
|                   | Throughput – full unit (sheep/goat) by air              | Per head | 43,891                | 33,762                 | 1.30               |
|                   | Throughput – full unit (sheep/goat) by sea              | Per head | 177,980               | 116,327                | 1.53               |
|                   | Throughput – full unit (cattle/buffalo/camelid) by air  | Per head | 20,127                | 3,962                  | 5.08               |

## Cost recovery implementation statement: live animal exports 2026–27

| Type of charge | Cost recovery charges                        | Unit             | Modelled Revenue (\$) | Modelled volume (unit) | 2026–27 price (\$) |
|----------------|--|------------------|-----------------------|------------------------|--------------------|
|                | Throughput – (cattle/buffalo/camelid) by sea | Per head         | 4,327,234             | 726,046                | 5.96               |
|                | Export permit – non-livestock                | Per document     | 2,925,255             | 9,591                  | 305                |
|                | Export permit- livestock without licence     | Per document     | 3,660                 | 12                     | 305                |
| Fee            | Audit – non-vet                              | Per quarter hour | 71,552                | 1,118                  | 64                 |
|                | Audit – vet                                  | Per quarter hour | 111,834               | 1,026                  | 109                |
|                | Inspection – livestock – vet                 | Per quarter hour | 255,975               | 3,413                  | 75                 |
|                | Inspection – non-livestock – vet             | Per quarter hour | 87,750                | 1,170                  | 75                 |
|                | Inspection – livestock – non-vet             | Per quarter hour | 4,067                 | 83                     | 49                 |
|                | Inspection – non-livestock – non-vet         | Per quarter hour | 41,258                | 842                    | 49                 |
|                | Inspection – premises or facility            | Per quarter hour | 2,548                 | 52                     | 49                 |
|                | Assessment – livestock – vet                 | Per quarter hour | 397,425               | 5,299                  | 75                 |
|                | Assessment – non livestock – vet             | Per quarter hour | 99,000                | 1,320                  | 75                 |
|                | Assessment – livestock – non-vet             | Per quarter hour | 204,869               | 4,181                  | 49                 |
|                | Assessment – non-livestock – non-vet         | Per quarter hour | 637,196               | 13,004                 | 49                 |
|                | Export permit – livestock – vet              | Per quarter hour | 2,475                 | 33                     | 75                 |
|                | Export Permit – non-livestock – vet          | Per quarter hour | 1,225,500             | 16,340                 | 75                 |
|                | Export Permit – livestock – non-vet          | Per quarter hour | 147                   | 3                      | 49                 |
|                | Export Permit – non-livestock – non-vet      | Per quarter hour | 4,067                 | 83                     | 49                 |
|                | Replacement export document                  | Per document     | 46,835                | 85                     | 551                |
|                | Livestock export licence application         | Per quarter hour | 1,813                 | 37                     | 49                 |
|                | Livestock export licence renewal             | Per quarter hour | 637                   | 13                     | 49                 |
|                | Livestock export licence variation           | Per quarter hour | 3,626                 | 74                     | 49                 |
|                | Approved arrangement application – livestock | Per quarter hour | 7,938                 | 162                    | 49                 |

## Cost recovery implementation statement: live animal exports 2026–27

| Type of charge        | Cost recovery charges  | Unit             | Modelled Revenue (\$) | Modelled volume (unit) | 2026–27 price (\$) |
|-----------------------|--|------------------|-----------------------|------------------------|--------------------|
|                       | Approved arrangement renewal or variation – livestock  | Per quarter hour | 32,585                | 665                    | 49                 |
|                       | Approved arrangement exemption – livestock   | Per quarter hour | 1,862                 | 38                     | 49                 |
|                       | Registered establishment assessment  | Per quarter hour | 6,174                 | 126                    | 49                 |
|                       | Registered establishment renewal or variation  | Per quarter hour | 4,557                 | 93                     | 49                 |
|                       | Veterinarian accreditation assessment – non-vet  | Per quarter hour | 1,029                 | 21                     | 49                 |
|                       | Veterinarian accreditation renewal – non-vet   | Per quarter hour | 784                   | 16                     | 49                 |
|                       | Veterinarian accreditation variation – non-vet   | Per quarter hour | 1,029                 | 21                     | 49                 |
|                       | ESCAS assessment fee – non-vet   | Per quarter hour | 2,058                 | 42                     | 49                 |
|                       | ESCAS variation fee – non-vet  | Per quarter hour | 44,835                | 915                    | 49                 |
| Fee/levy-based charge | Export document – tariff rate quota certificate (including fee and levy-based charge) <sup>a</sup> | Per document     | 30,537                | 351                    | 87                 |
|                       | – Levy-based charge  |                  |                       |                        | 46                 |
|                       | – Fee  |                  |                       |                        | 41                 |
| <b>Total</b>          |  |                  | <b>13,116,497</b>     |                        |                    |

Note: <sup>a</sup> 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 live animal exports cost recovery arrangement are provided in Table 8.

**Table 8 Financial estimates, live animal exports cost recovery arrangement, 2025–26 to 2029–30**

| Finance element                    | 2025–26 (\$) | 2026–27 (\$) | 2027–28 (\$) | 2028–29 (\$) | 2029–30 (\$) |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue = X                        | 12,841,930   | 13,116,497   | 17,520,100   | 21,645,553   | 22,290,819   |
| Expenses = Y                       | 25,652,814   | 20,540,886   | 21,088,100   | 21,645,553   | 22,290,819   |
| Balance = X - Y                    | (12,810,884) | (7,424,389)  | (3,568,000)  | 0            | 0            |
| Appropriation funding <sup>a</sup> | 12,810,884   | 7,424,389    | 3,568,000    | 0            | 0            |
| Balance after appropriation        | 0            | 0            | 0            | 0            | 0            |
| Forecast opening balance           | (33,822,117) | (33,822,117) | (33,822,117) | (33,822,117) | (33,822,117) |
| Transfer                           | 0            | 0            | 0            | 0            | 0            |
| Forecast closing balance           | (33,822,117) | (33,822,117) | (33,822,117) | (33,822,117) | (33,822,117) |

Note: Numbers in brackets are negative. <sup>a</sup> 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](#)
- 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
- removal of costs and revenue for the independent observer program
- 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 commence 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 live animal exports cost recovery arrangement is provided in Table 9.

**Table 9 Financial performance, live animal exports cost recovery arrangement, 2021–22 to 2024–25**

| Finance element                         | 2021–22 (\$)        | 2022–23 (\$)        | 2023–24 (\$)        | 2024–25 (\$)        |
|---|---------------------|---------------------|---------------------|---------------------|
| Revenue = X                             | 7,741,005           | 12,151,984          | 14,504,319          | 14,154,282          |
| Expenses = Y                            | 19,797,593          | 19,902,029          | 21,258,658          | 23,905,019          |
| <b>Balance = X – Y</b>                  | <b>(12,056,588)</b> | <b>(7,750,045)</b>  | <b>(6,754,339)</b>  | <b>(9,750,737)</b>  |
| Remissions, rebates and adjustments = Z | 12,056,588          | 4,303,364           | 6,754,339           | 9,750,737           |
| Net balance = balance + Z               | 0                   | (3,446,681)         | 0                   | 0                   |
| <b>Balance</b>                          | <b>(30,375,436)</b> | <b>(33,822,117)</b> | <b>(33,822,117)</b> | <b>(33,822,117)</b> |

### 7.2 Summary financial performance 2024–25

The live animal exports 2024–25 CRIS forecast a deficit of \$5.4 million. Actual expenditure totalled \$23.9 million with cost recovery from participants returning \$14.2 million, resulting in a deficit of \$9.8 million (Table 10).

**Table 10 Summary of financial position for live animal exports cost recovery arrangement, 2024–25**

| Category                     | Actual (\$)         | CRIS (\$)          | Variance (\$)      | Variance (%) |
|------------------------------|---------------------|--------------------|--------------------|--------------|
| Revenue                      | 14,154,282          | 15,797,256         | (1,642,974)        | (10)         |
| Expenses                     | 23,905,019          | 21,209,883         | 2,695,136          | 13           |
| <b>Net surplus/(Deficit)</b> | <b>(9,750,737)</b>  | <b>(5,412,627)</b> | <b>(4,338,110)</b> | <b>(80)</b>  |
| Appropriation                | 9,750,737           | n/a                | n/a                | n/a          |
| <b>Balance</b>               | <b>(33,822,117)</b> | <b>n/a</b>         | <b>n/a</b>         | <b>n/a</b>   |

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

|                      |   |
|----------------------|---|
| <b>Measure SG-01</b> | 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><br><i>Portfolio Budget Statements 2024–25</i><br>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<br>Partially achieved – not applicable<br>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 |
| <b>Measure SG-02</b> | 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><br><i>Portfolio Budget Statements 2023–24</i><br>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<br>Partially achieved – not applicable<br>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

|                      |  |
|----------------------|--|
| <b>Measure SG-04</b> | 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   |
| Source               | Corporate Plan 2024–25<br>Portfolio Budget Statements 2024–25<br>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<br>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<br>Not achieved – the department cannot provide any examples of opening, improving, maintaining or restoring access to any markets or commodities |
| <b>Measure SG-05</b> | 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)   |
| Source               | Corporate Plan 2024–25<br>Portfolio Budget Statements 2024–25<br>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)<br>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)<br>Not achieved – the department does not participate in-person at any of the WTO, OECD, WOA, FAO (IPPC and Codex)  |
| <b>Measure SG-06</b> | Effective delivery of regulatory responsibilities for relevant export applications under the Export Control Act 2020   |
| Measure type         | Quantitative, effectiveness and regulatory   |

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|                      |   |
|----------------------|---|
| Target               | Establish a baseline  |
| Source               | <i>Corporate Plan 2024–25</i>   |
|                      | <i>Portfolio Budget Statements 2024–25</i><br>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 Export Control Act 2020<br>Partially achieved – over 85% of all relevant export applications are completed within the requisite consideration period specified by the Export Control Act 2020<br>Not achieved – under 85% of all relevant export applications are completed within the requisite consideration period specified by the Export Control Act 2020 |
| <b>Measure SG–07</b> | 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><br>Programs: 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<br>Partially achieved – 1–1.99% increase<br>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.

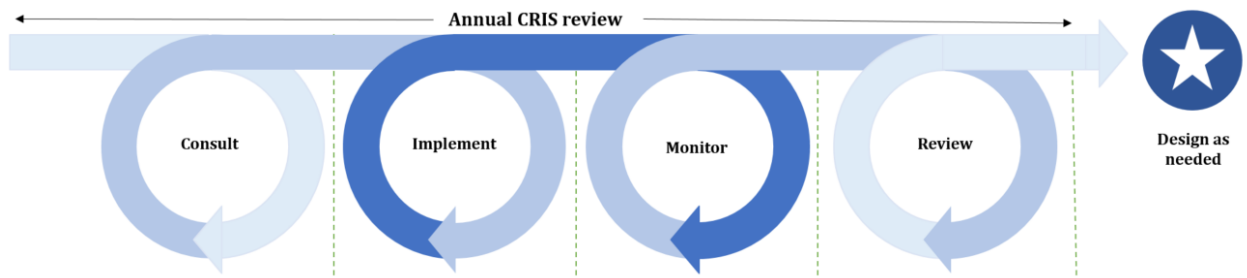
We are working with the Department of Finance to conduct a portfolio charging review (PCR). A PCR is a periodic review required under the Charging Framework and administered by the Department of Finance. PCRs are generally conducted every 5 years and are intended to provide assurance that an entity's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

| <b>Date of change</b> | <b>CRIS change</b>        | <b>Approver</b>  | <b>Basis for change</b>   |
|-----------------------|---------------------------|--|---|
| 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

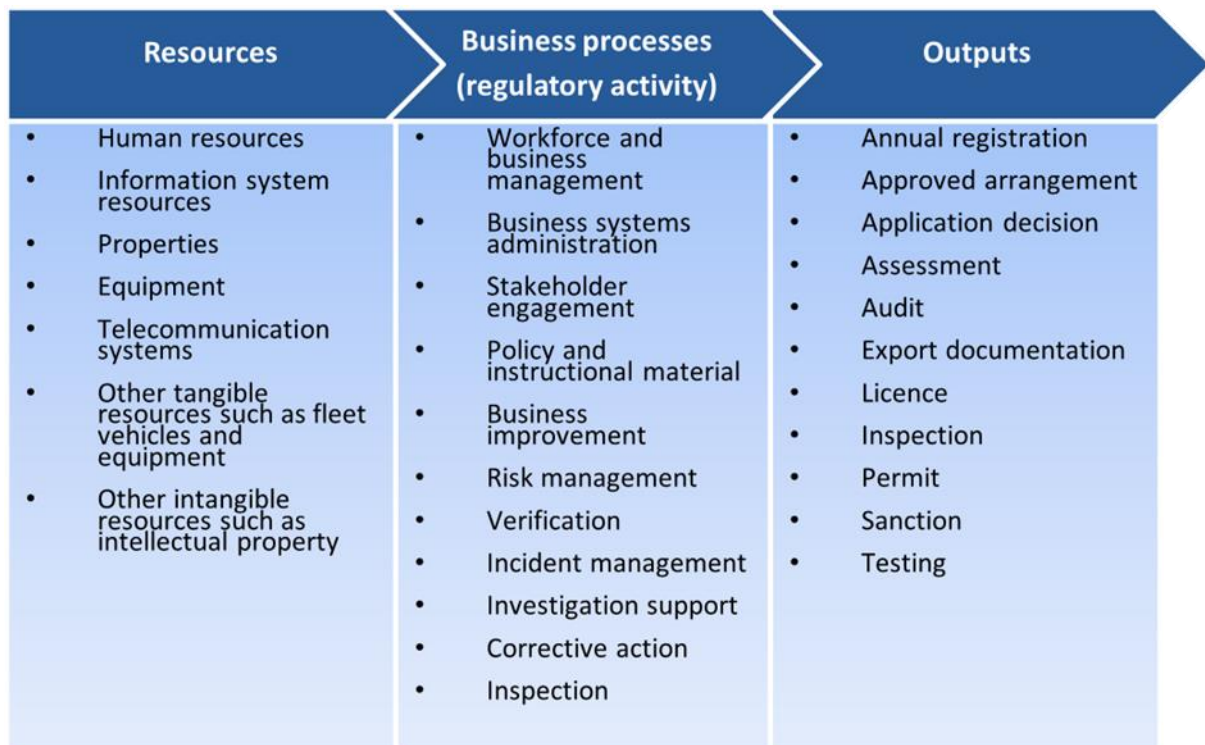
## Regulatory charging activity outputs and business processes

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 the department’s 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 provided by the department. 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, and 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**

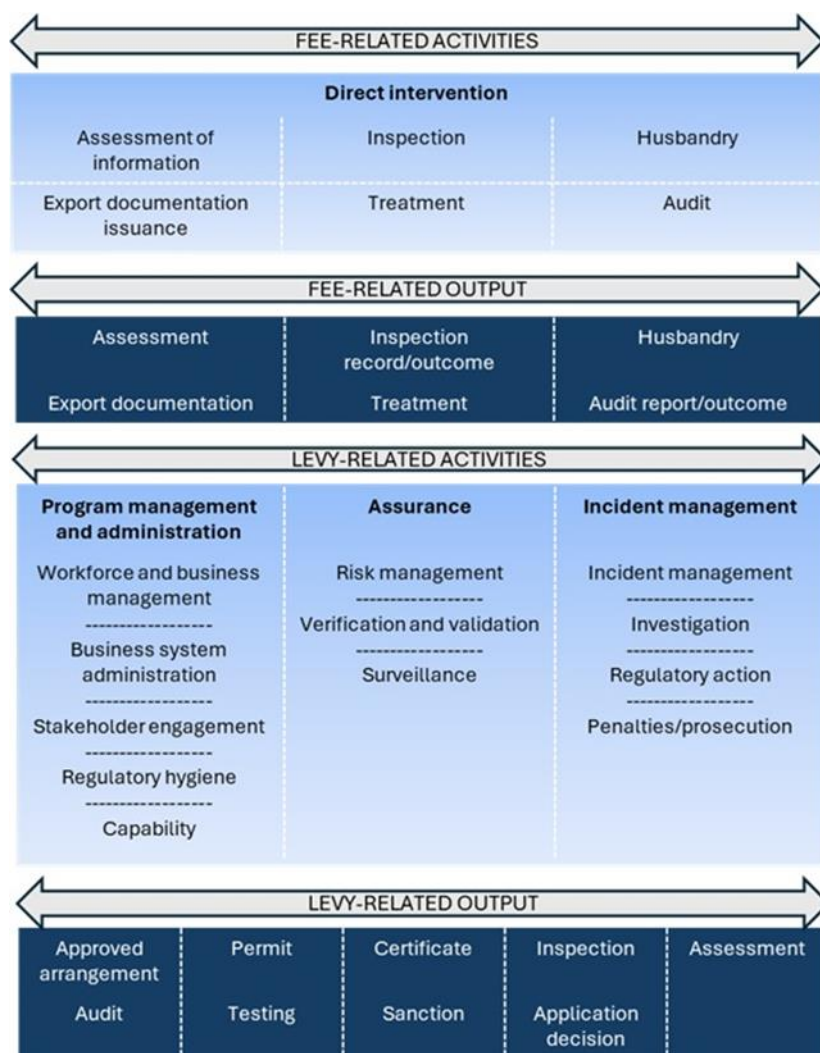
Direct cost centres (including the indirect costs allocated in Stage 1) are allocated to the activity and cost-recovered arrangements that best reflect the activity undertaken. For example, food safety auditors undertake audits across multiple arrangements. Time-recording systems allow the accurate allocation 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** – 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** – billing and accounting, budgeting, charges and payments, collections and receivables, debt management, financial accounts, reporting and policy development.
- 4) **Information management** – 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 2020 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   |
|------------------|--|---|
| Timing and audit | Stakeholders requested a recruitment freeze for the Live Animal Export branch and an independent audit of the departments export regulatory cost base.   | <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 requiring broad policies such as recruitment freezes or requiring additional audits.</p> <ul style="list-style-type: none"> <li>• Parliament: The department is accountable to Parliament and accounts for its performance, the expenditure of public funds and how decisions are made.</li> <li>• <a href="#">Budget Process Operational Rules</a> (BPORs): BPORs are mandatory rules that outline the major administrative and operational arrangements for managing the Budget and its related processes.</li> <li>• Australian National Audit Office (ANAO): The ANAO examines and reports on the departments actions and whether public resources are being used economically, efficiently, effectively and ethically.</li> <li>• 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.</li> <li>• 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 Charging Reviews (PCR) or at other times agreed by the Finance Minister.</li> <li>• 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.</li> </ul> <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>As a result of this decision, the 2025–26 export CRIS prices will largely stay in place, and full cost recovery is still scheduled to be in place from 1 July 2029.</p>   |
| Efficiency       | Stakeholders gave feedback that they did not have confidence in the department’s   | The department is required under the Australian Government Charging Framework to recover the efficient  |

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| Key theme         | Stakeholder feedback   | Department response   |
|-------------------|--|---|
|                   | 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>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.</p> <p>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 the methodology of modelling and allocating costs and indirect costs (corporate overheads).   | <p>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 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.</p>   |
| Regulatory reform | Stakeholders raised concerns about the department’s ability to implement effective reform and concerns the department is adding layers of complexity to compliance requirements.   | <p>The department works to deliver efficient services while ensuring effectiveness in meeting our regulatory obligations and service standards.</p> <p>Some examples of regulatory efficiencies that the department has delivered include:</p> <ul style="list-style-type: none"> <li>• Implementation of a risk-based, streamlined process for assessing Notices of Intention to export (NOIs). This achieved an average assessment time reduction of 35% and an average cost saving of \$89 per NOI for exporters.</li> <li>• Implementation of a National Livestock Identification System (NLIS) tag check automation process for China cattle consignments. This achieved an average assessment time reduction of 4.3 hours and an average cost reduction of \$500 per NOI for exporters.</li> </ul> <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.</p> <p>The live animal exports regulatory programs have been provided minimal funding in the past from government to enable broad scale reform, with continued efforts being focused on small changes usually related to livestock incidence remediation. The funding received from government for live animal exports regulatory reform will be wholly focused on live animal exports and ensuring that</p> |

Cost recovery implementation statement: live animal exports 2026–27

| Key theme              | Stakeholder feedback   | Department response  |
|------------------------|--|--|
|                        |  | <p>processes are right sized to account for the live sheep phase out in 2028. Stakeholders will be kept informed of this project through its lifecycle.</p> <p>The department is committed to continuing to work with industry to make regulatory service improvements that meet their needs and our regulatory requirements.</p> <p>The department will consider feedback on service standards and performance reporting.</p>   |
| Price structure        | Stakeholders sought further details on how fees and levies are calculated and why they are different, supplementation, costs around Micor, travel costs, why the quarter hour charge has been used, and how overtime is charged.   | Further information on pricing pools and charge points, the quarter hour charge and overtime charging and the difference between fees and levies were communicated through in-location and industry meetings, and information published on the Have Your Say page.   |
| Rationale for charging | Stakeholders queried why some identified activities were moved out from being cost recovered and were no longer being charged through the arrangement, with mixed feedback from stakeholders about this change.  | The department confirms that the decision of government on the cost recovery arrangements included confirming government supplementation for certain activities with the ongoing provision of appropriation funding instead. The activities were removed from cost recovery due to them being considered community obligations. Activities include the Australian Standard for the Export of Livestock (ASEL), additional departmental reporting requirements to parliament, staff costs around governance, review and implementation of the Inspector General of Animal Welfare and Live Animal Exports recommendations, and Independent Observer program costs.  |
| Rationale for charging | Stakeholders queried the impacts on the cost base from the phase out of live sheep exports by sea, and whether fees would go down when the live sheep trade ceases.  | <p>Further work has been announced to re-assess the regulatory framework for live animal exports, with the intention to implement a new or amended framework and supporting cost recovery arrangement to account for the phase out of live sheep exports by sea.</p> <p>The department will continue to monitor the drivers after implementation that would impact any changes to the fees and levy-based charges.</p>   |
| Rationale for charging | Stakeholders queried how these costs compare to similar exporting countries and requested a formal benchmarking exercise to compare live animal exports.   | The department has reviewed costs of similar countries, and 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 with 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.  |
| Rationale for charging | 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>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 these activities. 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> |

## Cost recovery implementation statement: live animal exports 2026–27

| Key theme                     | Stakeholder feedback  | Department response   |
|-------------------------------|---|---|
| Regulatory Efficiency Program | Stakeholders gave feedback that they wanted more detail on the Regulatory Efficiency Program, including governance arrangements, any savings and action around it.  | The department has taken on board the feedback received during consultation and will work with industry on program design and governance. There will be no cost recovery for this program in 2026-27.   |
| Impact of price increase      | <p>Stakeholders gave feedback that significant cost increases would have impacts on industry, including the inability to employ additional staff or potentially close businesses.</p> <p>Feedback was received on the effects on export competitiveness, and ensuring export competitiveness is paramount.</p> <p>Feedback was also raised on negative impacts on market behaviour.</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 includes 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. The department acknowledges this could also affect market behaviour.</p> <p>These cost increases are being phased in with supplementation from government over a 12 month period, with supplementation continuing for 2026–27, and phasing in 2027–28 to support industry with the transition.</p> <p>The department notes that the changing export future will impact on cost model assumptions and will continue to monitor this after implementation.</p> |