

Introduction



Agenda

- 12.15 pm - Presentation
- 1.05 pm - Afternoon tea
- 1.20 pm - Panel discussion
- 2.20 pm - Break
- 2.30 pm - Wrap up
- 2.40 pm - Close



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

Enabling agricultural exports into the future

Draft Cost Recovery
Implementation statement
(CRIS) consultation

11 February 2026

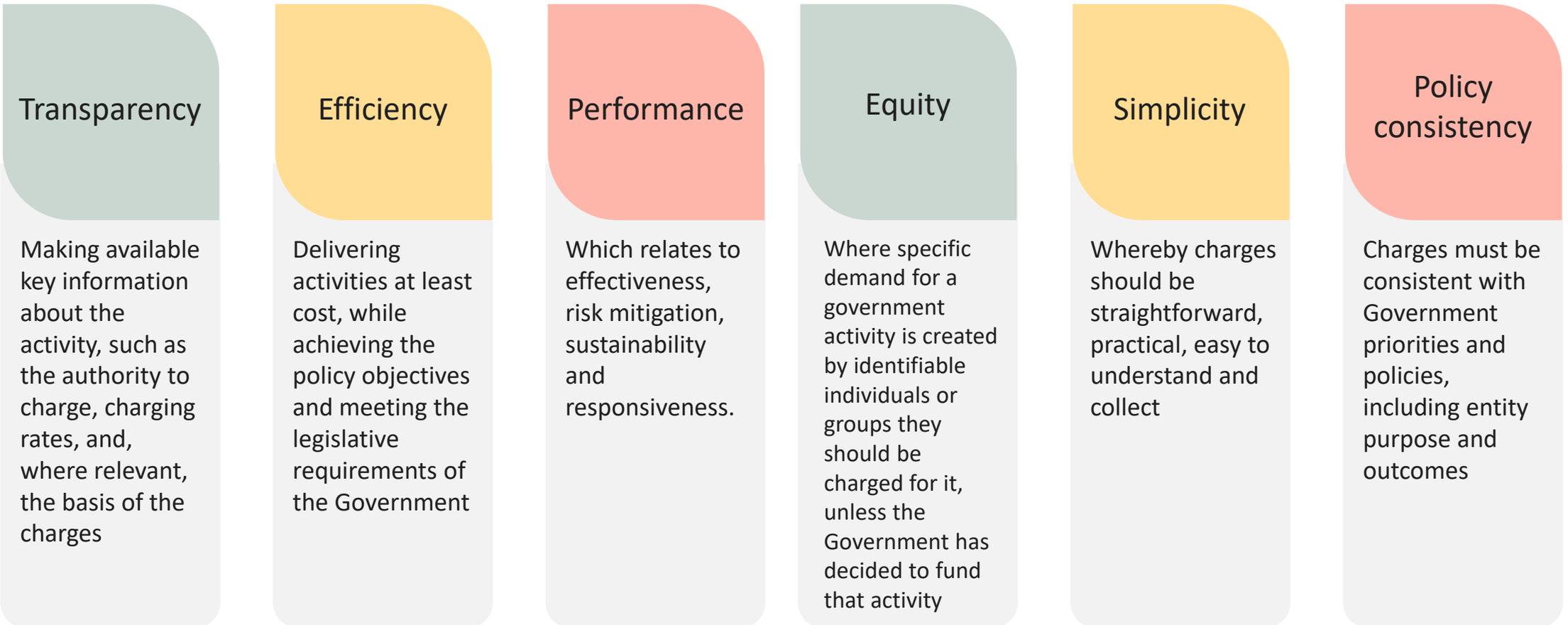
Agricultural Trade and Regulation Group
Department of Agriculture, Fisheries and Forestry



Principles, requirements and scope



The Charging Framework principle



<https://www.finance.gov.au/government/managing-commonwealth-resources/implementing-charging-framework-rmg-302/what-australian-government-charging-framework>

Principles that apply to charging for regulatory activities

Transparency and accountability

Openness and a willingness to make information available about the activity of charging, and clear roles and responsibilities for key stakeholders throughout all stages of the charging process and having in place appropriate governance structures

Efficiency and effectiveness

Making the proper use of available resources (people, money and other supplies) to achieve government policy outcomes. Government activities should meet quantity, quality and other targets, be undertaken at minimum efficient cost, and while achieving the policy objectives and complying with applicable legislative requirements.

Stakeholder engagement

Entities should engage actively with stakeholders throughout all stages of the charging process, from policy development through to implementation and review.

<https://www.finance.gov.au/government/managing-commonwealth-resources/implementing-charging-framework-rmg-302/regulatory-activities>

What we are required to do

- Policy approval - decision of government
- Statutory authority to charge - Export Control Act and subordinate rules and regulations
- Risk engagement - Charging Risk Assessment
- Alignment of expenses and revenue - expected cost and price model
- Documentation and reporting - CRIS documents and annual financial statements
- Monitoring and evaluation - reporting on performance, feedback from users etc.

What are we consulting on and why

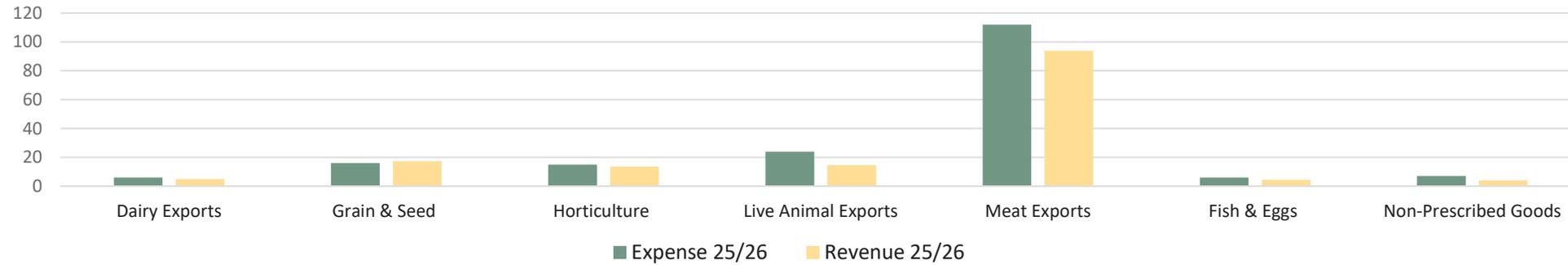
- **Price structure** (costing model)
 - within the parameters set by government and the costing model – discuss, clarify and adjust what you are being charged for
- **Rationale for charging**
 - understanding why we are charging for new activities, and clarifying/ adjusting how those costs have been allocated to programs, activities and charge points
- **Impacts on industry**
 - how phased changes in pricing may impact market behaviour

Price structure



Arrangement expenses and revenue 25-26

Expense vs cost recovered revenue per export commodity \$m



Cost Recovery Arrangement	Revenue 25-26 (\$m)	Expense 25-26 (\$m)	Supplementation by Government 25/26 (\$m)	Revenue Uplift Required (%)
Dairy Exports	4.8	6.0	1.1	24%
Grain & Seed Exports	16.3	17.4	1.1	7%
Horticulture Exports	13.7	14.7	1.1	8%
Live Animal Exports	12.8	25.7	12.8	100%
Meat Exports	92.2	113.4	21.1	23%
Non-Prescribed Goods	4.1	7.4	3.2	78%
Fish & Eggs Exports	3.9	5.4	1.5	40%
Total Cost Recovery	147.9	189.9	42.0	28%

Based on point-in-time data from 2024/25 interim actuals figures

Phasing of costs

- The Government has allocated funding to enable a phased return to full cost recovery over 3 years for most arrangements. The planned schedule of price increases will be supplemented by government over the 3 years period for 5 out of the 7 arrangements, including **meat, grain and plant products, horticulture, dairy, and seafood and eggs.**
- Phased supplementation will cover:
 - 75% of the revenue gap in 26-27
 - 50% in 27-28
 - 25% in 28-29
 - With supplementation ceasing in the 29-30 financial year.

Phased Supplementation	26-27 FY (next FY)	27-28 FY	28-29 FY	29-30 FY
Percentage of gap supplemented	75%	50%	25%	0%

Activity Based Costing model - four steps to produce fees and charges

Stage 1	Stage 1 to 2	Stage 2 to 3	Stage 3 to 4
Budget allocation	Corporate costs added	Cost split by arrangement and stakeholder	Volumes against cost pools to get price
Cost centre managers set budgets in accordance with the resources required to perform their function. This includes staffing and expenses by location and account code	Allocation of Corporate Cost Centres to Direct Cost Centres	Allocation of Direct Cost Centres to Activity Programs	Allocation of Activity-Programs to Services (Fee codes or Price Points)
TechOne FTE, Headcount, IT Assets, Workpoints	Corporate costs are allocated based on a relevant driver to recipients	Expenses + Effort by activity and program = activity level detail. (Cost Recovery Pools)	The allocation of costs from a recovery pool to fee codes
Cost Drivers	Cost drivers include FTE, IT assets, etc... They also include custom drivers for regional properties, cost recovery and Desktop One	Custom Drivers that allocate cost to programs by activity based on effort. *All corporate cost with a few exceptions allocate to leviable activities.	Service drivers are based on a derived weighted ratio using volumes for each price point and an effort if the pool is associated with more than one price point.
Validation of Cost Drivers	Resource Drivers: Budget process Custom Drivers: Effort applied, or space utilised by a direct cost centre	Cost Centre managers are surveyed for the effort applied to each activity and to each program	Review final input against evidence supplied

Cost-Base interrogation

Ensuring cost are accurate, defensible and proportionate

Step 1: Visual Mapping (Murals)	Step 2: Analysis (qualitative and quantitative)	Step 3: Validation (Program and industry Engagement)
Mapped activities end-to-end using interactive murals. Defined & made costs visible against real operational activities. Defined activities, areas of under-recovery and non-cost recoverable work.	Quantitative analysis of trends, drivers, and allocations. Qualitative challenge of assumptions and methodologies. Sense-checked scale, proportionality, and consistency	Tested findings with program areas. Checked alignment with how work is delivered. Refined costs based on operational feedback.

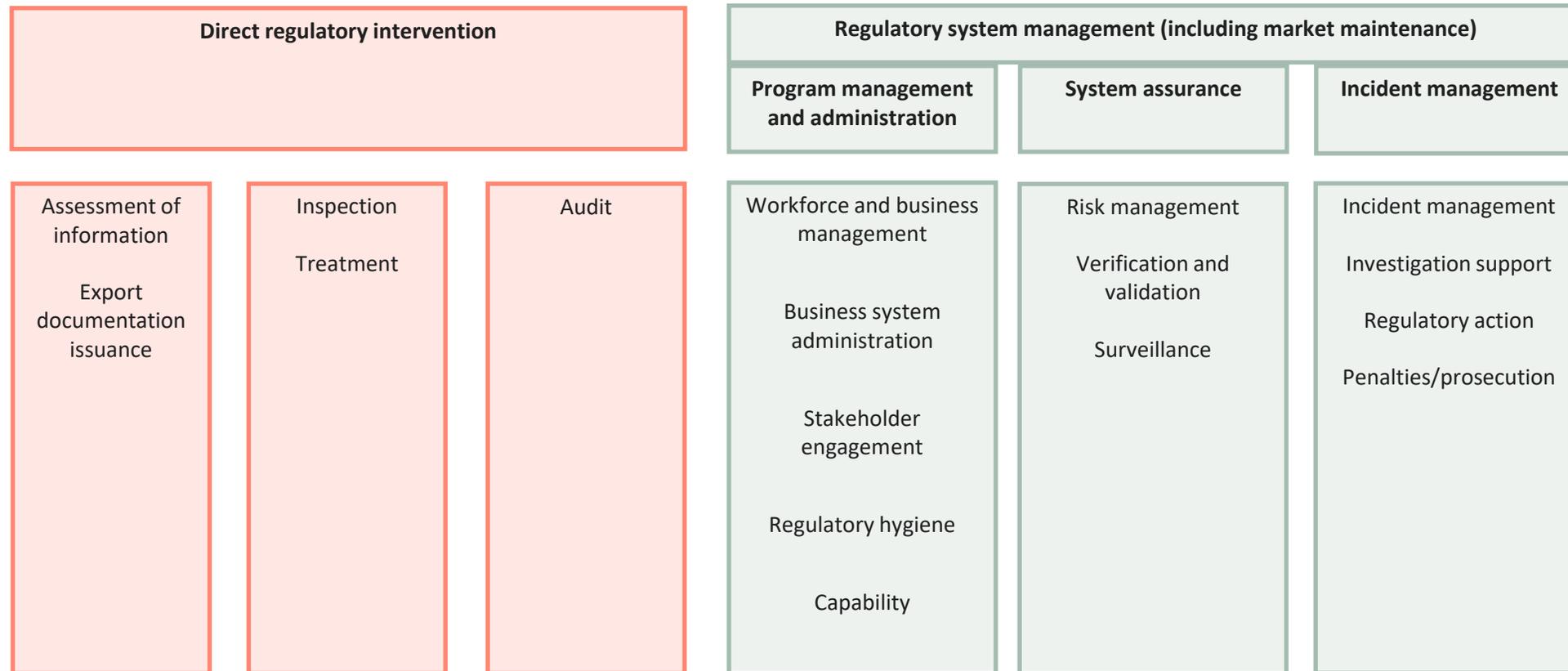
This step grounded the cost base in reality, not spreadsheets.

We asked: “Do these costs look right — and why?”

This ensured the cost base reflects how the system truly operates.

Outcome: A cost base that is transparent, proportionate, and supported by the business

Charging structure



Examples of outputs



Charge Point- Stream by Stream Matrix

Pool Code	Activity Category	Example Task(s)	Typical Charge Point(s)
Inspection Pool (Grain) DRINSP_G	Inspection	Verify fumigation completion and seals; draw samples for residues per protocol before issuing phytosanitary certificate.	Phytosanitary certificate (grain); Inspection QHR

Pool Code	Activity Category	Example Task(s)	Typical Charge Point(s)
Other Levy Pool (Meat) DRLEV_M_OTH	Establishment (Assessment/System assurance)	Assess and approve registration for a poultry processing establishment; update NEXDOC/MICOR references and notify applicant.	Registration Application; Establishment – Poultry; Establishment – Storage & Transport

Pool Code	Activity Category	Example Task(s)	Typical Charge Point(s)
Exporter Levy Pool (Dairy) DRLEV_D_EXP	Export documentation (Intervention)	Issue electronic documentation for quota shipment; verify sanitary attestations against importing-country requirements.	Electronic Documentation Charge; Quota certificate (dairy)

Assumptions in the model

Types of assumptions	Assumptions	Risks	Mitigation Strategies (examples)
Volumes	Volumes will remain consistent in forward years	Demand volatility or structural shifts in high-volume commodities leading to revenue/cost misalignment	<ul style="list-style-type: none"> • Volume and price reset process • Formal forward-year demand reviews • Governance trigger points for revenue / cost adjustments
Fees vs charges	Increased use of fee-based charges will improve alignment between revenue and expenses	Misalignment between activity effort and revenue recovery; under-recovery risk if demand shifts	<ul style="list-style-type: none"> • Scheduled fee structure reviews • Governance oversight of pricing models • Regular cost-to-revenue alignment testing
Inflation (WPI & CPI)	Public sector wages and input costs will remain within RBA target range (2–3%)	Cost escalation exceeding indexation assumptions, leading to structural funding gaps	<ul style="list-style-type: none"> • CPI/WPI variance monitoring • Escalation triggers for revenue/ cost base adjustments
New regulatory activities (charge points)	Additional regulatory activity will be offset elsewhere or funded through other revenue sources	Unfunded regulatory expansion creating cost pressure and cross-subsidisation risk	<ul style="list-style-type: none"> • Central governance control of new charge points • Formal cost attribution reviews • Business case and funding gateway approvals
Effectiveness	Service standards can be maintained within the projected existing cost base	Service degradation risk or cost creep from complexity growth	<ul style="list-style-type: none"> • Performance and cost governance reporting • Regular efficiency reviews • Periodic service standard recalibration

Rationale for charging



Agricultural exports activities, costs and funding

Activities directly to the administration of the <i>Export Control Act 2020</i> and sub-ordinate legislation		Regulatory activities that are currently funded through appropriation	Activities supporting and improving trade outcomes for Australian agricultural exporters (technical conditions for agricultural trade)			Engagement and cooperation activities to maintain and advance the interests of Australian agriculture internationally			
Direct regulatory intervention	Regulatory system management including market maintenance regulatory services	Appropriation regulatory services	Technical market access	Market access strategy and prioritisation	International standards	Trade agreement negotiation and oversight	International cooperation/engagement	WoG/Portfolio-International policy, strategy, security and intelligence	International agricultural obligations/arrangements
Audit	Program administration and management	Variety of regulatory, regulatory-like, and other supporting services currently funded through appropriation.	New, improved, or the maintenance of technical market access including resolving trade impediments or non-tariff barriers (e.g. through technical/scientific negotiation, applications and justification).	Market access strategic planning for industry and government prioritisation.	Represent Australian interests through the development and adoption of global technical standards.	Sectoral input into negotiation of new or improved bilateral or multilateral trade agreements (including Free Trade Agreements), tariff and quota agreement.	Cultivating, influencing and leveraging multilateral and bilateral partnerships to maintain and advance the interests of Australian agriculture internationally.	Researching, developing, engaging and applying intelligence, strategy and trade policy for the department and government to maintain and advance Australia's interests.	Lead engagement in international organisations and trade groups to maintain and advance Australia's interest.
Inspection									
Assessment of information	System assurance	(inc. Regional Assurance Managers, Regulatory stewardship, CIFER, sustainment activities for systems developed through TFTM, some additional market maintenance regulatory services, non-compliance triage, assessment and oversight).		Providing exporters market intelligence information to support strategic decisions.	<ul style="list-style-type: none"> • WOAH • Codex • IPPC ISPMs 	Oversight and coordination of organisational obligations under bilateral and multilateral trade agreements, including infrastructure, committees, etc.	*Noting that technical and scientific work on import applications (including risk assessments) are a tactic for international cooperation and engagement.		<ul style="list-style-type: none"> • WTO • FAO • OECD • APEC • G20
Export document issuance	Incident management								
Treatment									
Husbandry									
Cost recoverable activities = \$186.1 million^{1,2}		Appropriation = \$36.8 million¹	Appropriation = \$56.4 million¹						
Currently funded through cost recovery revenue (\$152.6m) and government supplementation (\$34.3m)³									

1 Based on point-in-time data from 2024-25 end of year interim actuals and may be subject to adjustments

2 Cost Recoverable Activities are inclusive of corporate overheads

3 Supplementation does not include revenue surplus

Agricultural exports activities, costs and funding 2026-27

Activities directly to the administration of the *Export Control Act 2020* and sub-ordinate legislation

Direct regulatory intervention				Regulatory system management including market maintenance regulatory services		
Audit (4%)	Inspection (43%)	Assessment of information (5%)	Issue Approval Certification (4%)	Program Administration and management (36%)	System assurance (6%)	Incident management (3%)
The examination of a legislative permission holders' systems, process, or performance under Part 1, Chapter 9 of the Export Control Act 2020 to determine whether activities and related results comply with legislation, policies and importing country requirements.	Examination (or supervision of), whether physical or otherwise, of a good, conveyance, place, or process to determine compliance with the Export Control Act 2020, subordinate legislation, relevant policies, and importing country requirements.	Involves the consideration/assessment of information submitted to, requested, or collected by the department in relation to consideration of an application made under the Export Control Act 2020.	Involves the systems and processes for issuance of an export document (including government certificate, export permit, tariff rate certificate) under the Export Control Act 2020.	Includes workforce, business, financial and information management activities. Involves engagement with any person, business, or organisation (including peak industry bodies), or country competent authority for the purpose of administering and delivering export regulatory systems/services. Includes activities to review, develop and maintain a contemporary and fit for purpose export regulatory framework and system	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.	Includes coordination, and management and input into of any incident falling within the objects of the Export Control Act 2020 or is for the purpose of allowing certification of goods under the Act. 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.
\$ 6.98m	\$ 68.41m	\$ 7.75m	\$ 6.27m	\$ 57.64m	\$ 9.16m	\$ 4.65m

Cost recoverable activities = \$189.1 million

Expected funding through cost recovery revenue (\$160.9m) and government supplementation (\$28.2m)

Activities proposed to be phased into cost recovery

Regulatory activity	Rationale	Indicative Financial Costs (full implementation)	2026-27 Costs (25% Implementation)
Overseas listing – CIFER	This function is a regulatory activity that is required for accessing the Chinese market for specified commodities – cost is for ensuring compliance with China’s import requirements/listing process. This activity falls within the scope of current policy authority for export cost recovery under the export Cost Recovery Implementation Statement (CRIS) but is inconsistently cost recovered.	\$0.7m	\$0.2m
Market maintenance regulatory services	This is about maintaining access to markets for agricultural commodities, including updating standards that allow the export of agricultural goods. This activity falls within the scope of current policy authority for export cost recovery under the export CRIS but there are activities done within this work that are not currently cost recovered. This function also relates to direct intervention activities under the Export Control Act.	\$0.8m	\$0.6m
Non-compliance investigation and triage	This involves investigating and triaging non-compliance activities – which is a necessary cost of regulating the export sector. This activity falls within current policy authority for export cost recovery under the export CRIS but is not currently cost recovered. Equivalent activities and services are cost recovered for Biosecurity. This function also relates to direct intervention activities under the Export Control Act.	\$0.8m	\$0.3m
Fit and proper person assessments	The Fit and Proper Person (FPP) Test is a regulatory tool where the Secretary of the Department of Agriculture, Fisheries and Forestry (or delegate), as required by the Export Control Act and the Biosecurity Act, makes an assessment to determine if a person is fit and proper to undertake a regulated activity related to the import or export of goods. Such an assessment helps the department to manage risks associated with the failure to comply with applicable standards and requirements, including importing country requirements, for exported goods under the Export Control Act. This activity falls within current policy authority for export cost recovery under the export CRIS but is not currently cost recovered. This function also relates to direct intervention activities under the Export Control Act.	\$1.4m	\$0.5m
Manual of Importing Country Requirements (MICOR) sustainment	MICOR is a system that details the requirements set by Australia's agricultural export trading partners. This activity falls within the scope of current policy authority for export cost recovery under the export CRIS but is not currently cost recovered.	\$1.1m	\$0.3m
Regulatory efficiency function	Ongoing funding is needed to ensure regulatory functions delivered by the department remain fit for purpose and can readily adapt and change in an evolving external environment. This activity would fall within policy authority for export cost recovery under the export CRIS. Activities could include streamlining regulatory requirements for establishments based on operation risk profile; exploring recognition of specific industry processes/alternate verification technologies; identifying and addressing knowledge and capability gaps for industry in navigating regulatory processes; and identifying opportunities to automate export certification using business rules within the department’s export system. We will test these with you during CRIS consultation.	\$2.4m	\$0.6m
TOTAL		\$7.2m	\$2.4m

Regulatory efficiency program

- Program to provide a stable, ongoing capability and capacity to reform and improve regulatory policies and systems to:
 - improve effectiveness
 - simplify processes
 - reduce regulatory burden on establishments and exporters
- Activities will be guided by industry consultation and by departmental priorities, to start small and scale up
- Could include activities such as:
 - more effectively using data and analytics
 - recognising alternative verification technologies developed by business and industries
 - increasing opportunities to recognise third parties as authorised officers and in export trusted positions

Industry impacts



Context for the decision of Government

- Proposals met requirements of the Government Budget process
- Decisions are considered in context of the Government's fiscal strategy to grow the economy and achieve improvements to the budget position (including):
 - Assessment of impacts on the economy and output
 - Policy Impact Analysis
 - Adherence to the Australian Government Charging Framework
 - Financial offset requirements
 - Agreement of costs with the Department of Finance

For further information: https://www.finance.gov.au/sites/default/files/2024-05/budget-process-operational-rules_0.pdf

Export industry profile

- There are about 4,700 entities that paid into exports arrangements in the 24-25 financial year.
- Export a broad range of products, different types of businesses (primary producers, manufacturers, wholesale trade, and transport and warehousing), located in metropolitan, regional and remote areas
- Cost recovery revenues are relatively concentrated (e.g., in Export Meat 1.2% of businesses contribute 20% of revenues), indicating a significant number of small and medium sized enterprises
- Each business is different and will pay different types of charges (e.g., annual registrations), and fees (e.g., for certificates or audits). The level of charges and fees paid by individual businesses is shaped by volumes that are uncertain.

Impacts on market behaviour

- Export fees and charges (direct and indirect) are a cost to exporting businesses alongside other requirements of governments (tax compliance, training, OHS, industrial relations etc.)
- Impacts may vary according to:
 - Price elasticity of different products (for example, how responsive consumers will be to marginal increases in prices, whether those products can be substituted)
 - Size of the business (for example, larger businesses will generally have greater capacity to absorb and diffuse or pass costs on)
 - Price structure of the CRIS (for example, impacts may be reduced for smaller businesses from volume-based charging rather than higher fixed upfront charges such as registration).
- Australia's export cost recovery arrangements are like other comparable jurisdictions such as United States, New Zealand, and Canada, and in compliance with WTO requirements

Afternoon tea



Panel discussion



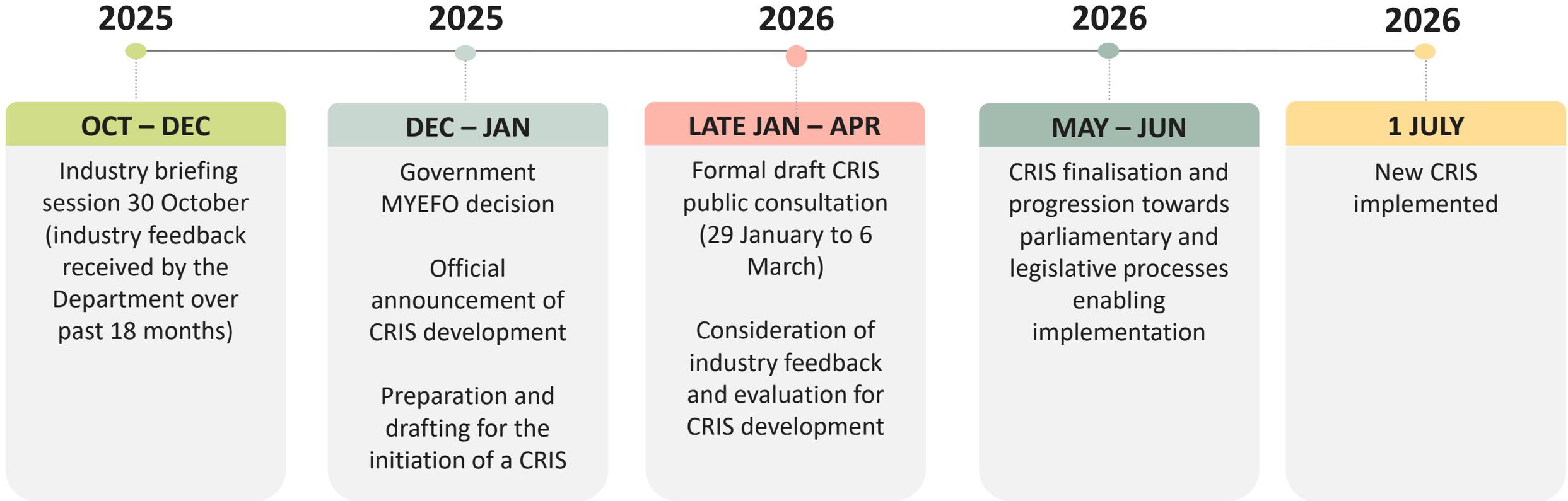
Break



Wrap up



Timeline





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

Thank you

Share your feedback

<https://haveyoursay.agriculture.gov.au/sustainably-funded-exports>

Contact us

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