



Fish and egg export cost recovery arrangement: financial performance 2023–24

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Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

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Introduction

The department performs a range of regulatory activities in support of our producers and exporters who take their high-quality products to global markets. Australian agriculture, fisheries and forestry is a substantial part of the Australian economy, with exports contributing around \$1.6 billion every week (total \$82 billion in 2023–24) ([ABARES September 2023 \(PDF 3.1MB\)](#)).

Cost recovery plays a key role in the way the Australian Government charges non-government sectors for some or all the efficient costs for a specific government activity. It is an important funding source to support Australian producers in accessing markets and protecting the reputation of Australian agricultural goods.

Cost recovery can influence the demand for government activity and raise awareness of how much government activities cost. It improves the efficiency, productivity and responsiveness of government activities and accountability for those activities.

Since 2019, the Australian Government has been supporting industry through the [Busting Congestion for Agricultural Exporters \(PDF 211KB\)](#) and [Securing the future of Agriculture trade \(PDF 208KB\)](#) measures. This demonstrates the continued investment in regulatory export trade and commitment to meeting the needs of exporters and the expectations of our trading partners.

The *fish and egg cost recovery arrangement financial performance 2023–24* describes the fish and egg arrangement's financial performance against the department's budget and [Cost Recovery Implementation Statement \(CRIS\)](#).

Summary of financial position

The fish and egg exports 2023–24 CRIS forecast a deficit of \$13,450 for the 2023–24 financial year. The department's actual spend was \$4.6 million and revenue recovered from participants \$4.0 million resulting in a deficit of \$0.6 million (Table 1). This was supplemented with \$0.6 million in appropriation as part of the [Securing the future of agricultural trade measure \(PDF 208 KB\)](#).

Table 1 Summary of the financial position of the fish and egg export arrangement for 2023–24

Category	Actual (\$)	Budget (\$)	Variance (\$)	CRIS (\$)	Variance (\$)
Revenue	4,030,657	3,922,559	108,098	4,030,333	324
Expenses	4,635,248	4,590,041	45,207	4,016,883	618,365
Net Surplus / (Deficit)	(604,592)	(667,483)	62,891	(13,450)	(618,042)
Appropriation	604,592	–	604,592	n/a	n/a
Accumulated result	801,164	801,164	(0)	n/a	n/a

Note: Numbers in brackets are negative. Total revenue figures are inclusive of other revenue that is not recovered through regulatory fees and charges.

Securing the future of agricultural trade

The government announced the [Busting Congestion for Agricultural Exporters \(PDF 211KB\)](#) package as part of the 2020–21 Budget. The package froze export certification fees and charges in 2020–21 and increased prices in steps to reach full cost recovery in 2023–24. In recent years, the rate of change in Australia's export trade landscape has accelerated. Our market access requirements are changing, and the global agricultural trade environment is becoming more complex. It has become clear that the modelling and assumptions used to form the prices now in legislation differs from reality.

The government committed \$91.8 million over 2 years in the 2023–24 Mid-Year Economic Fiscal Outlook through the [Securing the future of agricultural trade measure \(PDF 208KB\)](#) to sustain delivery of key department export trade and regulatory functions. A further \$3.7 million was provided over 3 years to enable development of an ongoing sustainable funding model. This will assist the department to remain appropriately resourced through both cost recovery and appropriation funding to carry out its agricultural trade and export functions into the future. The Sustainable Trade Funding Taskforce was established in 2023 to progress the design and implementation of an ongoing sustainable funding model that supports the department's export regulatory and trade activities.

Sustainable funding will provide the availability of a consistent, sufficient funding source that appropriately underpins the delivery of trade and export services and associated enabling activities. This includes strategic prioritisation, and importantly the execution of regulatory export functions and the associated supporting international market access and advocacy activities.

CRIS cost modelling

Key objectives for the department's 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.

We use resources such as people, IT, property and equipment to meet these key objectives and undertake the corresponding business processes (regulatory activities). These activities enable us to provide outputs that meet the department’s policy objectives.

The greater part of the department’s regulatory activity cost is employee related. The time and effort spent on regulatory activities, such as permits, and assessment-based output has been reflected in the fees and charges. This, along with external suppliers and operating support for our export IT systems make up other major direct costs.

The [Australian Government Charging Framework](#) allows government agencies to plan, implement and review their charging activities. Our charging is spilt between regulatory fees and regulatory levies. Fees are imposed when an activity and its costs can be attributed to a specific individual or organisation. A levy is imposed when the activity its costs can be attributed to a group of individuals or organisations as a whole.

The cost base is modelled to reflect the full costs to deliver regulatory services to support the fish and egg industry. The departments [CRIS](#) describes this in further detail.

To provide understanding of what costs are involved in providing our services, Table 4 provides costs across divisional functions. Descriptions for the services provided by these divisions is outlined at [Appendix A](#).

Volume and revenue

Revenue for the fish and egg arrangement was \$4.0 million in 2023–24, which is \$0.1 million above budget and in line with CRIS projections.

An increase in electronic permit volumes can be attributed to numerous factors relating to shipment volumes, including transportation availability, international demand for specific commodities, commodity prices, fluctuations in the Australian dollar, and changes in commercial priorities.

A decrease in land establishment volumes can be attributed to economic downturn and increasing freight costs. However, volumes for seafood storage facilities increased by 10% to meet industry storage demands.

A decrease in inspections is due to a shift in the way this activity is undertaken. The program has moved to more of a verification model, driven by data and risk, thereby reducing the need for a physical inspection.

Manual health certificates (letters of facilitation/support) experienced a 72% decrease reflecting greater use of electronic certification, shifting commercial requirements and evolving import conditions in specific markets. Manual letters/certificates were used in instances where export facilitation is required to support detained consignments.

Table 2 and Table 3 detail the volumes and equivalent revenue generated for each regulatory charge and fee.

Table 2 volume by charge point, fish and egg export arrangement 2023–24

Type of charge	Cost recovery charges	Actual (Units)	CRIS (Units)	Variance (Units)	Variance (%)	Budget (Units)
Charges	Storage establishment – seafood	137	125	12	10	141
	Vessel (preparation no direct export)	4	8	(4)	(50)	8
	Vessel (preparation direct export)	111	112	(1)	(1)	112
	Land establishment – live only	43	57	(14)	(25)	59
	Land establishment – processing	168	178	(10)	(6)	179
	Egg establishment	54	57	(3)	(5)	58
	Electronic permit – fish/egg	32,549	31,602	947	3	30,636
	Electronic health certificate – fish/egg	28,456	28,782	(326)	(1)	25,563
	Registration application	30	46	(16)	(35)	38
Fees – audit and inspection	Audit	7,296	6,734	562	8	7,069
	Inspection	3	268	(265)	(99)	67
Fees – documentation	Electronic health certificates	28,456	28,782	(326)	(1)	25,563
	Electronic permit	32,549	31,602	947	3	30,636
	Manual health certificates	42	148	(106)	(72)	60
	Manual permit	0	0	–	–	1
	Replacement certificate	188	150	38	25	194
Organics ^a	Organic certifying organisation	1	1	–	–	1

a Organic certifiers support a small number of exporters in each export arrangement (excluding Live Animal Exports) with the revenue and expense reflected in each arrangement.

Table 3 Revenue by charge point, fish and egg export arrangement for 2023–24

Type of charge	Cost recovery charges	Actual (\$)	CRIS (\$)	Variance (\$)	Variance (%)	Budget (\$)
Charges	Storage establishment – seafood	282,905	258,125	24,780	10	287,035
	Vessel (preparation no direct export)	4,816	11,008	(6,192)	(56)	11,008
	Vessel (preparation direct export)	305,472	308,224	(2,752)	(1)	308,224
	Land establishment – live only	57,104	78,432	(21,328)	(27)	79,808
	Land establishment – processing	460,960	489,856	(28,896)	(6)	489,856
	Egg establishment	111,510	117,705	(6,195)	(5)	118,738
	Electronic permit – fish/egg	976,470	948,060	28,410	3	919,090
	Electronic health certificate – fish/egg	853,680	863,460	(9,780)	(1)	766,899
	Registration application	20,250	31,050	(10,800)	(35)	25,488
Total charges	–	3,073,167	3,105,920	(27,261)	(1)	3,006,145
Fees – audit and inspection	Audit	408,317	377,104	31,213	8	395,846
	Inspection	168	15,008	(14,840)	(99)	3,751
Fees – documentation	Electronic health certificates	199,192	201,474	(2,282)	(1)	178,943
	Electronic permit	227,843	221,214	6,629	3	214,454
	Manual health certificates	4,746	16,724	(11,978)	(72)	6,780
	Manual permit	0	0	–	–	113
	Replacement certificate	105,701	84,450	21,251	25	109,346
Organics ^a	Organic certifying organisation	8,439	8,439	–	–	8,439
Total fees	–	954,406	924,413	29,993	3	917,672
Total fees and charges	–	4,027,573	4,030,333	23,798	1	3,923,817

^a Organic certifiers support a small number of exporters each export arrangement (excluding Live Animal Exports) with revenue and expense reflected in each arrangement.

Expenses

Expenditure in 2023–24 was \$4.6 million slightly higher than budget as outlined in Table 4. This is mainly attributed to:

- an overspend relating to increase in audit volumes. This is also reflected by an increase in audit revenue
- depreciation expenses are higher than budgeted due to the writing off of a sublet portion of Agriculture House, the department's Canberra office. This is slightly offset by an underspend relating to delays increasing the number of staff from recruitment activities.

Table 4 Fish and egg export arrangement cost base by expense type 2023–24

Expenses	Division	Actual (\$)	Budget (\$)	Variance (\$)	Variance (%)
Direct	Export & Veterinary Services	1,949,423	1,991,715	(42,293)	(2)
	Plant & LAE Animal Welfare & Regulation	267,434	279,796	(12,362)	(4)
	Digital Business	289,907	279,018	10,889	4
	Compliance & Enforcement	827,989	784,583	43,406	6
	Trade and International	53,004	51,550	1,454	3
	Biosecurity Operations	21,959	26,875	(4,916)	(18)
Total direct expenses	–	3,409,715	3,413,538	(3,823)	(0)
Indirect	Finance and Investment	257,461	268,399	(10,939)	(4)
	Enterprise Strategy and Governance	25,074	31,330	(6,256)	(20)
	Digital Services	324,531	326,434	(1,903)	(1)
	Legal	49,928	54,471	(4,543)	(8)
	Transformation Taskforce	5,524	6,162	(639)	(10)
	People, Property & Security	269,938	287,770	(17,833)	(6)
Total indirect expenses	–	932,455	974,568	(42,113)	(4)
Depreciation and amortisation	–	293,079	201,936	91,143	45
Total expenses	–	4,635,248	4,590,041	45,207	1

Note: Totals are rounded.

Table 5 Financial performance for fish and egg exports cost recovery arrangement 2020–21 to 2023–24

Finance element	2020–21 (\$)	2021–22 (\$)	2022–23 (\$)	2023–24 (\$)
Revenue = X	3,460,073	3,563,906	3,866,257	4,030,657
Expenses = Y	3,467,543	3,818,425	3,896,911	4,635,248
Balance = X – Y	(7,470)	(254,520)	(30,654)	(604,592)
Remissions, rebates and adjustments = Z	7,470	254,520	17,021	604,592
Net balance = balance + Z	–	1	(13,633)	(0)
Accumulated result	814,797	814,797	801,164	801,164

Non-financial performance

The [Annual report 2023–24](#) provides comprehensive information on performance measures and performance results. Non-financial performance measures are given as high-level objectives and are not reported at a level specific to each cost recovery arrangement.

Objective 1 Industry growth

Support industry to grow towards a \$100 billion agriculture, fisheries and forestry industry by 2030.

Key activity 1.1

Support industry productivity and growth through science, policy and partnerships.

Measure IG-01

Measure IG-01	Greater growth in average agricultural productivity (adjusted for climate and weather effects) for the past 10 years, compared to average annual market sector productivity growth over the same period.
Measure type	Effectiveness.
Target	Greater than 0% difference over past 10 years.
Sources	<i>Corporate Plan 2023–24.</i> <i>Portfolio Budget Statements 2023–24.</i> Programs: 1.1, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.12.
Result	Achieved – agricultural productivity growth was 0.11 percentage points higher than the market sector growth rate.
Tolerances	Achieved: Average annual growth in the agricultural productivity (climate-adjusted) series exceeds average annual market sector productivity growth over the same period. Partially achieved: Not applicable. Not achieved: Average annual growth in the agricultural productivity (climate-adjusted) series is lower than average annual market sector productivity growth over the same period.

Measure IG-02

Measure IG-02	Equal or reduced cost of levies administration compared with levies disbursed.
Measure type	Effectiveness and regulatory.
Target	Cost is less than or equal to 1.2% of levies dispersed.
Sources	<i>Corporate Plan 2023–24.</i> <i>Portfolio Budget Statements 2023–24.</i> Programs: 1.1, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.12.
Results	Achieved – cost was \$4.65 million or 0.77% of levies disbursed.
Tolerances	Achieved: Levies administration cost is less than 1.2% of levies disbursed. Partially achieved: Not applicable. Not achieved: Levies administration cost is more than 1.2% of levies disbursed.

Key activity 1.3

Streamline export regulations and compliance arrangements.

Measure IG-07

Measure IG-07	Increase in the number of electronic certificates for export issued (moving to paperless trade).
Measure type	Effectiveness and regulatory.
Target	Plus 2.5% of the final 2022–23 eCert number (61,237).
Sources	<i>Corporate Plan 2023–24.</i> <i>Portfolio Budget Statements 2023–24.</i> Programs: 1.13
Results	Achieved – 21.9% increase in the number of electronic certificates issued for export (74,661 in 2023–24 compared with 61,237 in 2022–23).
Tolerances	Achieved: 100%. Partially achieved: 50% to 99%. Not achieved: 0% to 49%.

For a complete picture of our performance, see page 14 of the [Annual report 2023–24](#).

Appendix A: Divisional functions

Table A1 Additional information on divisional functions

Group	Division	Description of activities
Agricultural Trade Group	Trade and International Division	Engages in bilateral, regional and multilateral opportunities to advance Australia's agriculture trade and international diplomatic interests. Pursue agricultural trade and market access through multilateral negotiations, high-level bilateral meetings and counsellor network engagement and negotiations with trading partners. Invest in the department's culture and capability to deliver policies and initiatives reflecting international interest.
	Exports and Veterinary Services	Manage export inspection, audit and certification services for food, non-food commodities and live animal operations. Negotiate technical markets access for food and non-food commodities. Manage agricultural quotas negotiated under Free trade agreements and lead Australia's positions at the Codex Alimentarius Commission for international food standards.
	Digital Business	The Digital Business Division is leading the digital transformation of Australia's agricultural export systems to help get produce to the market faster and cheaper while maintaining the levels of quality that makes Australia's exports world class. Working closely with business teams across the Agriculture Trade Group and across government, they are delivering digital reform by streamlining, improving and overhauling the export experience and internal agency processes. These enhancements will allow digital interaction with the agency and reduce regulatory and cost burden for Australian agricultural exporters.
	Plant and Live Animal Exports, Welfare and Regulation	Supports Australian agriculture industries and the government through export regulatory integrity assurance, export assessment services, food market access, certification management group, development of animal welfare policy for export and domestic issues; management of policy, operations and certification for the export of live animals, animal reproductive material, plants, and plant products; management of the government priority to phase out live sheep exports; and fostering regulatory stewardship across the export related functions.
Biosecurity, Operations and Compliance Group	Biosecurity Plant and Science Services	Safeguarding Australia's plant health stats to achieve, maintain and expand access to overseas markets, while protecting the economy and environment from biosecurity risks on imports. The Division provides scientific analysis and technical advice, regulates the safe imports of plants and plant products, conducts surveillance, diagnostics and response activities, and provides quarantine services at the world class Post Entry Quarantine facility at Mickleham. Our technical expertise is called upon for a range of national and international purposes including international capability building and standard setting.

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Group	Division	Description of activities
	Compliance and Enforcement	Delivers regulatory outcomes that protect Australia from risks to our biosecurity and trade systems. Informed by both science and intelligence we set controls and deliver assurance activities to increase compliance with legislation; and respond appropriately and proportionately to any breaches. We work with internal and external stakeholders across the regulatory continuum responding to known and emerging risks to safeguard Australia's agriculture, economy, trade and way of life.
	Biosecurity Operations	Deliver nationally integrated biosecurity and imported food regulatory activities to ensure goods, conveyances and travellers meet Australia's import requirements. Manage operational policy and front-line regulatory control setting to manage biosecurity and imported food risk. Deliver assessment, inspection, post entry quarantine, stakeholder engagement and client contact centre services. Improve the delivery of those regulatory functions.
Strategy, Enterprise, and Engagement Group	Legal	Responsible for the provision of all legal services and advice required by the department to develop its legislation and deliver its functions.
	Digital Services	Deliver high values, sustainable digital services, reduce complexity and provide secure, reusable, innovative digital services, and solutions to meet business and customer needs.
	People, Property and Security	Support our people and leaders across the employment life cycle by enabling the effective management of people-related risk and building future ready leaders, people, and culture.
	Finance and Investment	The Finance and Investment Division manages all financial activities for the department, including budgeting and reporting, policy and governance, cost recovery, spending and receiving money, debt management, grants, procurement and contract management policy advice, treasury and assets, ensuring financial compliance, payroll, credit cards and travel, the division provides financial systems administration and delivers training to uplift financial acumen across the department, and ensures our people receive strategic financial advice through finance business partners. We build value and relationships through trusted engagements and provide considered financial advice for successful management of our resourcing.
	Enterprise Strategy and Governance	Responsible for enterprise and budget strategy, communication and media, and governance and corporate support including parliamentary and ministerial services.
	Transformation Taskforce	Deliver the integrated transformation program and its 4 pillars, the Transformation Action Plan, Statement of Strategic Intent, Organisation Design and Culture as a response to the department's capability review findings.