



Australian Government
Department of Agriculture,
Fisheries and Forestry

Grain 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 also 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 can also improve 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 *grain and seed export cost recovery arrangement financial performance 2023-24* describes the grain and seed arrangement's financial performance against the department's budget and [Cost Recovery Implementation Statement \(CRIS\)](#).

Summary of financial position

The Grain exports 2023–24 CRIS forecast a surplus of \$224,231 for the 2023–24 financial year. The department's actual spend was \$14.4 million and revenue recovered from participants \$16.4 million resulting in a surplus of \$2.0 million (Table 1).

Table 1 Summary of the financial position of the Grain export arrangement for 2023–24.

Category	Actual (\$)	Budget (\$)	Variance (\$)	CRIS (\$)	Variance (\$)
Revenue	16,438,426	17,077,524	(639,098)	14,259,921	2,178,505
Expenses	14,401,452	14,451,232	(49,780)	14,035,690	365,762
Net Surplus / (Deficit)	2,036,974	2,626,292	(589,318)	224,231	1,812,743
Appropriation	—	—	—	NA	NA
Accumulated result	5,477,856	3,440,881	2,036,974	NA	NA

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.

In the 2023–24 Mid-Year Economic Fiscal Outlook and the Australian Government committed \$91.8 million over 2 years through the [Securing the future of agricultural trade \(PDF 307KB\)](#) measure 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 departments 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 departments 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), which 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](#) (Charging Framework) allows government agencies to plan, implement and review their charging activities. Our charging is split 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 Grain 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 grain exports arrangement was \$16.4 million, which is \$0.6 million less than budget and \$2.2 million (or 15%) above the CRIS projections.

Higher production resulted in increased regulatory activity across the arrangement. A total export volume of 52 million tonnes (Table 2) resulted in a 28% increase (11 million tonnes) against 2023–24 CRIS estimates.

Establishment registration – complex applications show a substantial increase (>100%) in volume compared to CRIS predictions. This is due to an increase in changes to occupier establishment registrations (new entities or owners of existing establishments) during 2023–24.

While there has been an overall decrease in inspections, this has been offset by an increase in inspections recorded as additional inspections (inspections carried out by departmental officers as opposed to a third party Authorised Officers AO).

Audit volumes are 18% higher than CRIS estimates reflecting changes in establishments including new registrations, changes in occupiers and the resumption of the log trade to China.

The high number of electronic documents is due to increased activity generally, with the variance between manual and electronic documents anticipated as we continue to transition non-GMO manual certification to electronic.

The number of replacement certificates was also higher than CRIS estimates due to increased activity and higher instances of unforeseen circumstances, including changes of destination (Table 3).

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

Table 2 volume by charge point, grain export arrangement for 2023–24

Type of Charge	Cost recovery charges	Actual (Units)	CRIS (Units)	Variance (Units)	Variance (%)	Budget (Units)
Charges	Establishment registration – simple	489	478	11	2	493
	Establishment registration – complex	33	15	18	>100	34
	Authorised officer annual charge	1,023	1,000	23	2	990
	Export volume – grain and related products rate	52,165,430	40,859,547	11,305,883	28	56,452,811
	Phytosanitary certificate	56,151	55,416	735	1	58,582
	Establishment application (one-off)	74	23	51	>100	37
Fees — audit and inspection	Audit	12,469	10,587	1,882	18	10,467
	Inspection	95	726	(631)	(87)	373
	Additional inspection	3,501	1,000	2,501	>100	2,485
Fees — documentation	Document electronic	113,818	109,525	4,293	4	118,027
	Manual document	66	579	(513)	(89)	303
	Replacement certificate	108	45	63	>100	118
	TRQ Certificate	2,112		2,112	—	200
Fees – Authorised Officer	Authorised Officer application fee	278	219	59	27	262
	Authorised Officer approval	589	650	(61)	(9)	607
	Authorised Officer learning and assessment	203	228	(25)	(11)	242
	Additional Authorised Officer learning and assessment	1	1	—	—	3
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) and with the revenue and expense reflected in each arrangement.

Table 3 revenue by charge point, grain export arrangement for 2023–24

Type of Charge	Cost recovery charges	Actual (\$)	CRIS (\$)	Variance (\$)	Variance (%)	Budget (\$)
Charges	Establishment registration – simple	1,848,974	1,842,690	6,284	0	1,879,313
	Establishment registration – complex	251,267	115,635	135,632	>100	258,252
	Authorised officer annual charge	986,263	964,000	22,263	2	954,360
	Export volume – grain and related products rate	7,303,270	5,720,337	1,582,933	28	7,903,394
	Phytosanitary certificate	2,470,680	2,438,304	32,376	1	2,577,615
	Establishment application (one-off)	57,054	17,733	39,321	>100	28,905
Total charges	–	12,917,507	11,098,699	1,818,808	16	13,601,837
Fees — audit and inspection	Audit	571,858	487,002	84,856	17	481,502
	Inspection	4,326	33,396	(29,070)	(87)	17,176
	Additional inspection	335,907	96,000	239,907	>100	238,572
Fees — documentation	Document electronic	1,707,272	1,642,875	64,397	4	1,770,400
	Manual document	8,412	74,112	(65,700)	(89)	38,842
	Replacement certificate	60,738	25,335	35,403	>100	66,620
	TRQ Certificate	90,810	—	90,810	—	8,700
Fees — Authorised Officer	Authorised Officer application fee	89,058	70,299	18,759	27	83,958
	Authorised Officer approval	188,499	208,650	(20,151)	(10)	194,731
	Authorised Officer learning and assessment	453,812	512,544	(58,732)	(11)	544,016
	Additional Authorised Officer learning and assessment	2,570	2,570	—	—	7,710
Organics ^a	Organic certifying organisation	8,439	8,439	—	—	8,439
Total fees	—	3,521,701	3,161,222	360,479	11	3,460,666
Grand Total	—	16,439,208	14,259,921	2,179,287	15	17,062,503

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

Expenses

Expenditure in 2023-24 was \$14.4m and on budget. Variances in expenses compared to budget include:

- Underspends relating to challenges to increase the number of staff from recruitment activities.
- An overspend relating to increased audit volumes. This is also reflected with an increase in audit revenue.
- Depreciation expenses are higher than budgeted due to writing off a sublet portion of Agriculture House, the department's Canberra office.

Table 4 Grain export arrangement cost base by expense type, 2023—24

Expenses	Division	Actual (\$)	Budget (\$)	Variance (\$)	Variance (%)
Direct	Export & Veterinary Services	494,839	545,984	(51,145)	(9)
	Plant & LAE Animal Welfare & Regulation	6,290,920	6,755,452	(464,532)	(7)
	Digital Business	664,970	639,994	24,976	4
	Compliance & Enforcement	1,652,631	1,496,945	155,686	10
	Trade and International	600,709	584,195	16,514	3
	Biosecurity Operations	198,448	144,547	53,901	37
	Biosecurity Plant and Science Services	282,536	250,863	31,673	13
	Plant Protection & Environmental Biosecurity	—	—	—	0
Total direct expenses	—	10,185,053	10,417,980	(232,928)	(2)
Indirect	Finance and Investment	694,118	712,371	(18,253)	(3)
	Enterprise Strategy and Governance	90,148	112,267	(22,119)	(20)
	Digital Services	1,181,872	1,186,227	(4,355)	(0)
	Legal	178,976	194,792	(15,816)	(8)
	Transformation Taskforce	14,846	17,497	(2,651)	(15)
	People, Property & Security	1,000,289	1,059,376	(59,087)	(6)
Total Indirect Expenses	—	3,160,250	3,282,530	(122,280)	(4)
Depreciation and amortisation	—	1,056,149	750,722	305,428	41
Total Expenses	—	14,401,452	14,451,232	(49,780)	(0)

Totals are rounded.

Table 5 financial performance for grain exports cost recovery arrangement, 2020–21 to 2023–24

Finance element	2020–21 (\$)	2021–22 (\$)	2022–23 (\$)	2023–24 (\$)
Revenue = X	11,721,675	13,749,956	17,098,308	16,438,426
Expenses = Y	12,998,970	12,179,882	14,012,952	14,401,452
Balance = X — Y	(1,277,295)	1,570,074	3,085,356	2,036,974
Remissions, rebates and adjustments = Z	1,277,295	—	—	—
Net balance = balance + Z	(0)	1,570,074	3,085,356	2,036,974
Accumulated result	(1,214,549)	355,525	3,440,881	5,477,856

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 objective

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 disbursed.
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 2.3 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	The Trade and International Division (TID) 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.