



Australian Government
Department of Agriculture,
Fisheries and Forestry

Non prescribed goods export cost recovery arrangement: financial performance 2023–24

October 2024



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Cataloguing data

This publication (and any material sourced from it) should be attributed as: 2023-24 Non prescribed goods export cost recovery arrangement: financial performance 2023–2024. Department of Agriculture, Fisheries and Forestry, Canberra, October. CC BY 4.0.

This publication is available at agriculture.gov.au/about/fees/cost-recovery-2024-25.

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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 *non prescribed goods (NPG) cost recovery arrangement financial performance 2023-24* describes the non prescribed goods arrangement's financial performance against the department's budget and [Cost Recovery Implementation Statement \(CRIS\)](#).

Summary of financial position

The NPG exports arrangement forecast a surplus of \$0.03 million for the 2023–24 financial year. The department's actual spend was \$6.3 million with revenue recovered from participants \$4.1 million resulting in a deficit of \$2.3 million (Table 1). This was supplemented with \$2.3 million in appropriation as part of the [Securing the future of agricultural trade budget measure \(PDF 208KB\)](#).

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

Category	Actual (\$)	Budget (\$)	Variance (\$)	CRIS (\$)	Variance (\$)
Revenue	4,085,912	3,965,502	120,410	4,138,707	(52,795)
Expenses	6,343,379	6,586,117	(242,738)	4,104,983	2,238,396
Net Surplus / (Deficit)	(2,257,467)	(2,620,615)	363,148	33,724	(2,291,191)
Appropriation	2,257,467	2,620,615	(363,148)	NA	NA
Accumulated result	(667,972)	(667,972)	(0)	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 \(PDF 208KB\)](#) measure to sustain delivery of key department export trade and regulatory functions. A further \$3.7 million was provided over 3 years to enable the 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, including 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). 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](#) (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 non-prescribed goods industries. 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 NPG exports arrangement was \$4.1 million in 2023–24, in line with the budget and CRIS projections.

Consistent with volumes over the last couple of financial years, volumes for export certificates issued under arrangement are 83% less than CRIS projections. (see Table 2 and Table 3). CRIS projections were based on pre-2020–21 volumes with similar expectations built into the model for the following years. The department will be undertaking a review on volumes and costs and consult with industry on volume projections to include in future CRISs.

The 16% increase in the number of general export certificates - electronic is attributed to greater take-up of electronic certification instead of manual certificates seen across most export arrangements. Additionally, greater trade volumes have resulted in an increase in demand for health certificates that are required to meet importing country requirements.

Export certificates – electronic volumes were 17% higher than projected in the CRIS. Volumes are set to further increase in coming years as the program transitions from manual certificates to NEXDOC and e-certificates, further reducing the need for manual certificates.

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

Table 2 volume by charge point, NPG export arrangement for 2023-24

Type of Charge	Cost recovery charges	Actual (Units)	CRIS (Units)	Variance (Units)	Variance (%)	Budget (Units)
Charges	General export certificate — electronic	39,054	32,829	6,225	19	31,427
	Export certificate issued under arrangement	886	5,218	(4,332)	(83)	3,176
Fees – audit	Audit	248	0	248	–	297
Fees – documentation	Export certificate — electronic	32,201	27,424	4,777	17	25,423
	Export certificate — manual	9,870	10,623	(753)	(7)	12,409
Organics ^a	Organic certifying organisation	1	1	–	–	1
Quota	Quota certificates	110	0	110	–	40
	Replacement TRQ Certificate	250	0	250	–	252

^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, NPG export arrangement for 2023—24

Type of Charge	Cost recovery charges	Actual (\$)	CRIS (\$)	Variance (\$)	Variance (%)	Budget (\$)
Charges	General export certificate — electronic	2,390,192	2,068,227	321,965	16	1,929,484
	Export certificate issued under arrangement	134,627	798,354	(663,727)	(83)	485,928
Total charges	—	2,524,819	2,866,581	(341,762)	(12)	2,415,412
Fees – audit	Audit	11,160	0	11,160	—	13,365
Fees – documentation	Export certificate — electronic	768,381	658,176	110,205	17	610,150
	Export certificate — manual	619,483	605,511	13,972	2	773,950
Organics ^a	Organic certifying organisation	8,439	8,439	—	—	8,439
Quota	Quota certificates	4,732	0	4,732	—	3,440
	Replacement TRQ Certificate	140,695	0	140,695	—	141,876
Total fees	—	1,552,890	1,272,126	280,764	22	1,551,220
Total fees and charges	—	4,077,709	4,138,707	(60,998)	(1)	3,966,632

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.

Expenses

Expenditure in 2023—24 was \$6.3 million, \$0.2 million lower than budget (Table 4). The underspend is primarily driven by:

- challenges to increase the number of staff from recruitment activities
- indirect expenditure was 7% lower than budget.
- This was offset with higher than budgeted depreciation expenses are due to the writing off of a portion of the department's Canberra office.

Table 4 NPG export arrangement cost base by expense type, 2023–24

Expenses	Division	Actual (\$)	Budget (\$)	Variance (\$)	Variance (%)
Direct	Export & Veterinary Services	2,594,047	2,827,375	(233,328)	(8)
	Plant & LAE Animal Welfare & Regulation	749,426	809,032	(59,606)	(7)
	Digital Business	577,935	556,228	21,707	4
	Compliance & Enforcement	450,401	461,822	(11,421)	(2)
	Trade and International	247,351	240,551	6,800	3
	Biosecurity Operations	10,983	13,437	(2,455)	(18)
Total direct expenses	—	4,630,142	4,908,446	(278,304)	(6)
Indirect	Finance and Investment	308,182	358,681	(50,499)	(14)
	Enterprise Strategy and Governance	36,777	46,299	(9,521)	(21)
	Digital Services	468,021	470,214	(2,193)	(0)
	Legal	73,292	80,130	(6,838)	(9)
	Transformation Taskforce	7,177	8,214	(1,037)	(13)
	People, Property & Security	404,278	431,610	(27,332)	(6)
Total indirect expenses	—	1,297,727	1,395,147	(97,419)	(7)
Depreciation and amortisation—		415,510	282,525	132,985	47
Total expenses	—	6,343,379	6,586,117	(242,738)	(4)

Totals are rounded.

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

Finance element	2020–21 (\$)	2021–22 (\$)	2022–23 (\$)	2023–24 (\$)
Revenue = X	2,387,662	2,835,730	3,599,046	4,085,912
Expenses = Y	3,544,829	4,187,308	5,127,813	6,343,379
Balance = X – Y	(1,157,166)	(1,351,578)	(1,528,767)	(2,257,467)
Remissions, rebates and adjustments = Z	1,157,166	1,351,578	848,878	2,257,467
Net balance = balance + Z	(0)	(0)	(679,889)	(0)
Accumulated result	11,918	11,918	(667,972)	(667,972)

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 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 issued for export (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
Result	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

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Group	Division	Description of Activities
Strategy, Enterprise, and Engagement Group		technical expertise is called upon for a range of national and international purposes including international capability building and standard setting.
	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.
	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.

Department of Agriculture, Fisheries and Forestry

