



Australian Government
Department of Agriculture,
Water and the Environment

Cost Recovery Implementation Statement (CRIS) 2021-22



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20 May 2021

Timeline

- Budget 2020-21 Busting Congestion package – 6 October 2020 ✓
- CRIS 2020-21 published – 17 February 2021 ✓
- CRIS 2021-22 released for consultation – 14 May 2021 ✓
- Public consultation period – 14 May 2021 to 10 June 2021
- CRIS 2021-22 Implemented – 1 July 2021 (subject to government approval)

We are responsible for ensuring that all exported agricultural products meet importing country requirements and uphold Australian Standards.

As the competent authority, and to provide assurance to overseas markets, we undertake a range of regulatory activities:



export registration, audits, inspections, verification and certification



non-compliance and sanctions



detained consignments



facilitating and negotiating market access



importing country reviews and audits



industry consultation



providing help and guidance



food safety and importing country requirements



improving export legislation



We recover the cost of our regulatory activities from the people who use them.

We set our fees to ensure we can sustain these activities, and continue to provide strong regulation.

Cost Recovery Fees and Charges

- **Fees** – fees charged when a good, service or regulation is provided directly to a specific individual or organisation
- **Levies** – implemented through our charging legislation as ‘charges’ – imposed when a good, service or regulation is provided to a group of individuals or organisations

Historical financial performance

Live Animal Exports

Finance element	2017-18 (\$)	2018-19 (\$)	2019-20 (\$)	2020-21^f (\$)
Revenue = X	7,110,948	11,281,861	8,480,976	5,460,779
Expenses = Y	8,526,298	17,031,102	20,674,858	16,560,303
Balance = X - Y	(1,415,349)	(5,749,241)	(12,193,882)	(11,099,524)
Remissions, rebates & adjustments = Z	2,858	n/a	n/a	11,099,524
Net balance = balance + Z	(1,418,207)	(5,749,241)	(12,193,882)	-
Cost recovery reserve balance	(12,432,314)	(18,181,555)	(30,375,437)	(30,375,437)

n/a Not applicable. f Forecast.

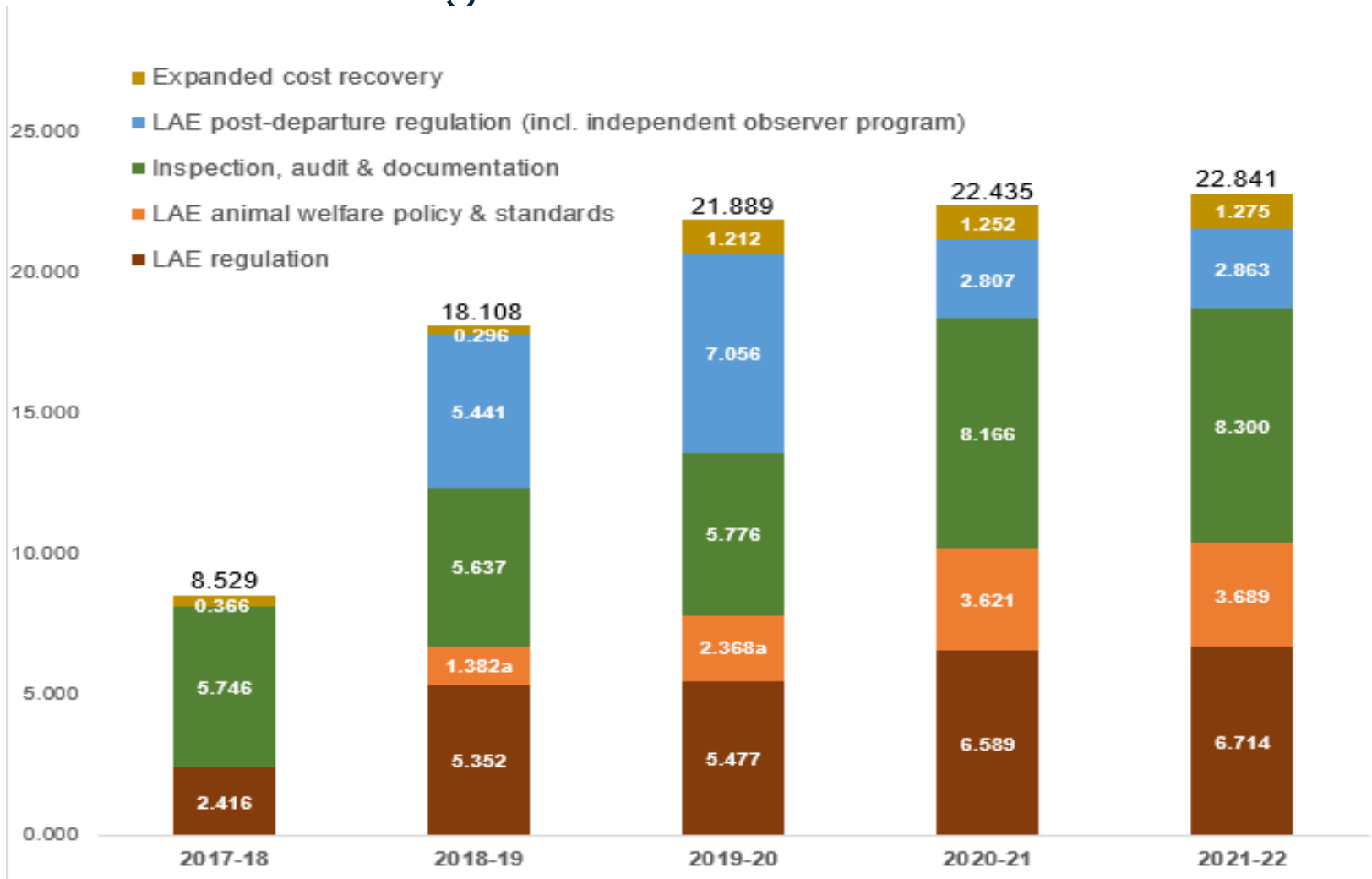
Cost Base Adjustments

Live Animal Exports

Cost base	Unit	2021-22	2022-23	2023-24	2024-25
2020-21 CRIS starting expense	\$	27,314,112	27,832,531	28,362,965	28,903,655
Cost reductions identified previously	\$	(4,458,181)	(4,547,345)	(4,638,292)	(4,731,058)
2020-21 CRIS expense	\$	22,855,931	23,285,186	23,724,673	24,172,597
Additional cost reductions	\$	(14,760)	(15,055)	(15,356)	(15,663)
2021-22 CRIS expense	\$	22,841,171	23,270,131	23,709,317	24,156,933
Cost recovered revenue	\$	14,617,593	19,765,605	23,714,030	24,139,234
Appropriation funding	\$	8,223,578	3,504,526	n/a	n/a
Total revenue	\$	22,841,171	23,270,131	23,714,030	24,139,234
Appropriation funding as % of expenses	%	36	15	n/a	n/a

n/a Not applicable.

Changes to the Cost Base



^a From 2018–19 to 2019–20 LAE animal welfare policy and standards costs were not included in the LAE cost recovery arrangement cost base. The amount shown is the cost for those years funded from the department’s appropriation.

Breakdown of the Cost Base

- Of the \$22.8 million cost in 2021-22:
 - Livestock – approximately \$16.4 million
 - Non-livestock – approximately \$6.4 million
 - Levies – approximately \$2.2 million
 - Fees – approximately \$4.2 million.

Changes to the Cost Base Explained

- Expanded cost recovery
- Indexation and inflation
- Biggest cause of increase for your sector? Pre-existing under-recovery

Changes to the Cost Base Explained

- LAE post-departure regulation (including the Independent Observer program)
- Inspection, audit and documentation
- LAE animal welfare policy and standards
- LAE Regulation

Reform activities – LAE

- **Busting Congestion for Agricultural Exports** – modernising our systems
 - Agricultural export services improving online services and transactions
 - Reliable reporting and analytics supporting risk based and more cost effective regulation
 - Funded over 2020-21 to 2024-25

Changes to the LAE charging structure

- Introduction of time-based fees for document assessment
- 15 minute increments
- Used to be covered by flat \$60 document charge

Charges

Type of charge	Cost recovery charges	Unit	2020-21		2021-22	
			Current Price (\$)	Full Price (\$)	BC Price (\$) (a)	Estimated volume (units)
Charges	Through Put - Full Unit (Sheep/Goat) - sea	Per Animal	0.31	1.44	0.91	955,900
	Through Put - Full Unit (Cattle/Buffalo/Camel) - sea	Per Animal	1.21	5.63	3.56	1,293,080
	Through Put - Full Unit (Sheep/Goat) - air	Per Animal	0.31	1.23	0.78	53,583
	Through Put - Full Unit (Cattle/Buffalo/Camel) - air	Per Animal	1.21	4.81	3.03	7,719
	Approved Arrangement - Air	Annual	10,000	39,725	25,082	10
	Approved Arrangement - Sea	Annual	20,000	79,449	50,163	26
	Establishment (Premises) Registration	Annual	5,000	19,862	12,541	74
	License - livestock	Annual	n/a	9,037	5,706	40
	Document - Replacement	Per Document	500	519	500	66
	Export Permit Non-Livestock	Per Document	130	289	183	7,500
a) BC - busting congestion prices						

Fees

			2020-21	2021-22		
Type of charge	Cost recovery charges	Unit	Current Price (\$)	Full Price (\$)	BC Price (\$) (a)	Estimated volume (units)
Fees-audit	Standard Audit (Livestock)	Per Qtr Hr	43	59	59	1,956
	Specialist Audit (Non-Livestock) ★	Per Qtr Hr	103	101	95	445
Fees-inspection	Inspection (Livestock)	Per Qtr Hr	55	71	59	3,128
	Inspection (Non-Livestock) ★	Per Qtr Hr	55	71	59	5,889
Fees-documentation	Standard Assessment	Per Qtr Hr	n/a	46	29	40,185
	Specialist Assessment (Livestock)	Per Qtr Hr	n/a	71	45	16,720
	Specialist Assessment (Non-Livestock) ★	Per Qtr Hr	n/a	71	45	52,331
	International flight - passthrough	At cost	n/a	At cost	At cost	
	Independent Observer	Per day	1,290	1,740	1,740	
a) BC - busting congestion prices						

Scenarios

Scenario 1 – horses

A horse exporter submits a notice of intent to export a consignment of 15 horses to the Hong Kong by air. Inspection of the horses takes 1 hour and 30 minutes.

They submit a notice of intent to export which takes 15 minutes to assess. They need 1 export permit and 1 health certificate, taking 2 hours to assess (currently charged as pre-inspection preparation time) and 1 hour and 45 minutes to prepare documents.

Description of charge	Current			Proposed 2021-22				Proposed 2023-24			
	Volume	Price (\$)	Charge (\$)	Volume	Price (\$)	Charge (\$)	Change	Volume	Price (\$)	Charge (\$)	Change
Notice of Intention	No charge	0	0	1	29 per qtr. hr	29	n/a	1	48 per qtr. hr	48	n/a
Export Permit – non-livestock charge	1	130	130	1	183	183	41%	1	299	299	130%
Inspection – animals	6	55 per qtr. hr	330	6	59 per qtr. hr	354	7%	6	74 per qtr. hr	444	35%
Inspections (documents)/Specialist assessment	8	55 per qtr. hr	440	8	45 per qtr. hr	360	-18%	8	74 per qtr. hr	592	35%
Specialist assessment (prepare documents)	n/a	n/a	n/a	7	45 per qtr. hr	315	n/a	7	74 per qtr. hr	518	n/a
Export permit fee and health certificate fee	2	60	120	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total			1,020			1,241	n/a			1,901	n/a

Scenarios cont.

Scenario 2 – companion animals

An Australian resident is moving to Singapore and takes 2 dogs with them.

They contact a pet transport company to assist with the process. The pet transport company coordinates and charge for the required vaccinations and treatment for the 2 dogs.

They submit a notice of intent to export which takes 15 minutes to assess. We inspect the 2 dogs which takes 10 minutes. They need 1 export permit and 1 health certificate, taking 30 minutes to assess and prepare.

Description of charge	Current			Proposed 2021-22				Proposed 2023-24			
	Volume	Price (\$)	Charge (\$)	Volume	Price (\$)	Charge (\$)	Change	Volume	Price (\$)	Charge (\$)	Change
Notice of Intention	No charge	0	0	1	29 per qtr. hr	29	n/a	1	48 per qtr. hr	48	n/a
Export Permit – non-livestock charge	1	130	130	1	183	183	41%	1	299	299	130%
Inspection – animals	1	55 per qtr. hr	55	1	59 per qtr. hr	59	7%	1	74 per qtr. hr	74	35%
Inspection – document assessment and preparation (Specialist assessment)	n/a	n/a	n/a	2	45 per qtr. hr	90	n/a	2	74 per qtr. hr	148	35%
Export permit fee and health certificate fee	2	60	120	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total			305			361	n/a			569	n/a

Scenarios cont.

Scenario 3 – coral

An exporter submits a notice of intent (NOI) to export a consignment of coral. The NOI takes 15 minutes to assess.

The inspection takes 15 minutes.

They need 1 export permit and 1 health certificate, taking 30 minutes to assess and prepare.

Description of charge	Current			Proposed 2021-22				Proposed 2023-24			
	Volume	Price (\$)	Charge (\$)	Volume	Price (\$)	Charge (\$)	Change	Volume	Price (\$)	Charge (\$)	Change
Notice of Intention	No charge	0	0	1	29 per qtr. hr	29	n/a	1	48 per qtr. hr	48	n/a
Export Permit – non-livestock charge	1	130	130	1	183	183	41%	1	299	299	130%
Inspection – animals	1	55 per qtr. hr	55	1	59 per qtr. hr	59	7%	1	74 per qtr. hr	74	35%
Inspection – document assessment and preparation (Specialist assessment)	n/a	n/a	n/a	2	45 per qtr. hr	90	n/a	2	74 per qtr. hr	148	35%
Export permit fee and health certificate fee	2	60	120	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total			305			361	n/a			569	n/a

Scenarios cont.

Scenario 4 – reproductive material

An exporter submits a notice of intent (NOI) to export a consignment of reproductive material. The NOI takes 15 minutes to assess.

The inspection takes 30 minutes.

They need 1 export permit and 1 health certificate, taking 3 hours to assess (currently charged as pre-inspection preparation time) and 1 hour to prepare documents.

Description of charge	Current			Proposed 2021-22				Proposed 2023-24			
	Volume	Price (\$)	Charge (\$)	Volume	Price (\$)	Charge (\$)	Change	Volume	Price (\$)	Charge (\$)	Change
Notice of Intention	No charge	0	0	1	29 per qtr. hr	29	n/a	1	48 per qtr. hr	48	n/a
Export Permit – non-livestock charge	1	130	130	1	183	183	41%	1	299	299	130%
Inspection – reproductive material	2	55 per qtr. hr	110	2	59 per qtr. hr	118	7%	2	74 per qtr. hr	148	35%
Inspection – document assessment (Specialist assessment)	12	55 per qtr. hr	660	12	45 per qtr. hr	540	n/a	12	74 per qtr. hr	888	n/a
Specialist assessment (prepare documents)	n/a	n/a	n/a	4	45 per qtr. hr	180	n/a	4	74 per qtr. hr	296	n/a
Export permit fee and health certificate fee	2	60	120	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total			1,020			1,050	n/a			1,679	n/a

Where can I find the information I want in the CRIS?

If you want information on...	See...
Policy approval to allow the department to cost recover	Section 3 Policy and statutory authority to cost recover
the regulatory activity for the arrangement and the cost of delivering those activities	Section 4 Cost recovery arrangements
how we design fees and charges and the tables for fees and charges payable for the forward years.	Section 5 Design of regulatory charges
the revenue and expense forecasts including the appropriation supporting the return to full cost recovery.	Section 8 Financial estimates
Previous years financial information, including the balance of the cost reserve.	Section 9 Financial and non-financial performance
Outline of the general principles for how the department develops the cost recovery arrangements.	Appendix A Cost recovery model

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Contacts

Contacts:

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Have Your Say:

<https://haveyoursay.awe.gov.au/2021-22-agricultural-export-cost-recovery-implementation-statements>