



Expanded Cost Recovery

The government has decided to recover the costs of a range of export certification activities delivered by the Department of Agriculture and Water Resources that are not currently cost recovered. These activities are directly related to the export certification regulatory framework.

This will expand cost recovery from 1 July 2019 to include:

- Enforcement activities that ensure compliance with Australian regulation and international import conditions. Activities that will be cost recovered include investigations and engagement with clients about compliance, but will not include the costs of infringement notice schemes or undertaking litigation.
- Provision of scientific and technical advice to improve or maintain existing export markets. Examples include: the provision of scientific or technical advice to re-open or maintain market access following a pest or disease incursion or change in import conditions; and improving existing market access by seeking to reduce import requirements or simplify certification processes.
- Services provided by overseas counsellors relating to detained consignments, government certification and other issues which result in goods being held at the border.

The indicative additional cost recovery expense will be \$23.7 million over the period 2019–20 to 2021–22 and approximately \$7.9 million per year indexed and ongoing.

Separate to these Budget measures, the government has accepted the requirement to increase charges for a number of export arrangements to rectify structural under-recoveries. The outcomes of this process are expected to be applied in July or August this year, dependent on the passage of legislative instruments.

Stakeholder consultation

A [letter](#) was sent to the export consultative committee members providing information on the two key budget measures impacting exporters.

Throughout 2018–19 financial year, the department will be consulting with affected industry consultative committees to determine the appropriate mechanism to recover these costs.

At this time, the department has not settled the allocation of specific amounts to be recovered by each arrangement. We will undertake a period of public consultation on proposed changes to fees and charges, in line with the standard cost recovery implementation process.

About the cost recovery

This contribution from industry frees up resources for measures such as [Growing Agricultural Export Markets](#). It is expected that the benefits of the new investment will far outweigh the increased recovery from industry.

This recovery will ensure that the beneficiaries of government services efficiently contribute to the maintenance of the export certification system.