



## **Draft Export Cost Recovery Implementation Statement 2026-27**

***AMIC SUBMISSION***

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# Executive Summary

Australia's export certification system is a critical national capability that underpins the international reputation, integrity and market access of Australian agricultural exports. The regulatory assurances provided by the Australian Government to importing country authorities enable Australian products to compete in global markets and support billions of dollars in export trade each year.

The Australian Meat Industry Council (AMIC) supports a strong and effective export regulatory framework and recognises the important role played by the Department of Agriculture, Fisheries and Forestry (DAFF) in regulating Australia's export certification system.

Disappointingly, the Draft Export Cost Recovery Implementation Statements (CRIS) for 2026–27 proposes both an expansion of cost recovery into new regulatory activities and increased regulatory cost pressures for exporters. This is during a challenging global trading environment and a period of significant transition within the export regulatory system.

Export regulatory costs have increased significantly in recent years, with growth of approximately 44 per cent over the past five years, well above broader inflation. Forward projections indicate that total regulatory charges are expected to rise from around \$92 million in 2025–26 to approximately \$127 million by 2029–30. These large and unacceptable increases raise concerns about the cumulative impact of regulatory costs on industry competitiveness, particularly in the current global trading environment.

AMIC has interpreted the Australian Government Charging Framework and Cost Recovery Guidelines such that cost recovery should be applied where activities provide a specific and identifiable benefit to a regulated entity. Where activities deliver broader public or national benefits, funding through government appropriation has to this point generally been applied.

In its current form, the proposed expansion of cost recovery risks transferring elements of Australia's national trade capability from government funding to industry.

AMIC therefore considers that several important policy issues should be addressed before the scope of export cost recovery arrangements is expanded, specifically:

1. The Draft CRIS proposes extending cost recovery into activities that have historically been funded through government appropriations. Many of these activities are closely linked to the Government's role in maintaining international market access and managing regulatory relationships with importing country authorities. These functions support Australia's broader national interest in sustaining agricultural trade. Their inclusion in the cost recovery framework therefore raises important questions about the appropriate boundary between core government responsibilities and services that should properly be subject to industry cost recovery.
2. Second, the export regulatory system is still undergoing a period of significant transition following major government investments to modernise export systems and digital certification platforms. Programs such as the Digital Services to Take Farmers to Market initiative were intended to improve the efficiency and resilience of Australia's export regulatory architecture. However, there is currently limited transparency regarding how the benefits of these reforms are being reflected in the regulatory cost base presented in the Draft CRIS. Findings from the Australian National Audit Office performance audit of the department's digital reform program further highlight the importance of strengthening transparency around regulatory costs, benefits, and efficiency outcomes.
3. Third, the export regulatory system is approaching the end of several terminating budget measures that have supported reform and resourcing within the department. As these measures conclude,

there is a risk that ongoing operational costs associated with modernised regulatory systems and trade-related functions could increasingly be absorbed within regulatory cost recovery arrangements.

4. Fourth, while some concession on consultation was recently afforded after representations to DAFF, AMIC remains disappointed that the Taskforce has not observed the Australian Government's best practice consultation guidance. If it had done so, it would have considered a consultation period of at least 60 days to allow stakeholders to consider complex regulatory changes such as these. Further, within the consultation window, a revision and erratum to the Draft CRIS was issued, and additional information requested by industry was only provided in the final week prior to the submission deadline, eroding the ability to prepare a considered response and neutralising the value of the extension provided.

At the same time, Australian meat exporters are operating in a challenging international trading environment, characterised by geopolitical instability, evolving tariff and quota settings, and rising supply chain costs. In these conditions, increases in regulatory cost burdens risk eroding the competitiveness of Australian exporters relative to competitors operating in jurisdictions where export certification systems are more heavily supported through government funding.

Taken together, these factors highlight the importance of ensuring that export regulatory cost recovery arrangements remain efficient, transparent, and appropriately targeted.

AMIC therefore considers that the expansion of cost recovery arrangements proposed in the Draft CRIS should be carefully reconsidered pending a more comprehensive assessment of the export regulatory cost base.

AMIC recommends that the Australian Government undertake an independent assessment of the export regulatory cost base. Such a review would help ensure that regulatory charges reflect the efficient cost of delivering export certification services and clarifying the boundary between government-funded functions and activities subject to industry cost recovery.

Independent assurance is now a common feature of government governance frameworks across departments and agencies. However, the DAFF Taskforce has not, to date, acknowledged the value of applying such an approach to the export cost recovery framework.

During this period of transition and review, AMIC considers it appropriate that current levels of government supplementation for export regulatory services be maintained. This approach will preserve system stability, protect international competitiveness, and ensure that exporters are not exposed to regulatory cost increases before the efficiency and structure of the regulatory cost base are fully understood and agreed.

## 1 Recommendations

Based on the concerns raised in this submission, AMIC recommends that the Australian Government:

1. Undertake an independent assessment of the export regulatory cost base to ensure regulatory charges reflect the efficient cost of delivering export certification services.
2. Provide greater transparency regarding the drivers of regulatory costs, including the allocation of indirect costs within the CRIS.
3. Clearly articulate and map how efficiency gains and benefits from recent digital export system reforms are being realised and reflected in regulatory cost structures.
4. Review the policy boundary between core government regulatory functions and activities that are appropriately subject to industry cost recovery.

5. Maintain current government supplementation arrangements while the export regulatory cost base and efficiency outcomes from recent reforms are more fully understood.
6. Ensure that export regulatory cost recovery settings take into account the international competitiveness of Australian exporters.

## 2 Introduction

Australia's export certification system is fundamental to maintaining the reputation and market access of Australian agricultural exports.

The integrity of Australia's regulatory framework provides confidence to importing countries that Australian products meet the highest standards of food safety, biosecurity and animal welfare. These assurances underpin Australia's position as a trusted supplier of agricultural products in global markets.

AMIC recognises the critical role played by DAFF in administering this regulatory system and supporting the continued access of Australian agricultural products to international markets.

The following AMIC submission raises several themes and policy considerations that necessitate further examination. AMIC therefore calls on the Government to pause the proposed expansion, commission an independent review of the regulatory cost base, and maintain current supplementation arrangements pending that review.

## 3 Economic Contribution of the Meat Processing Industry

The Australian meat processing sector is a significant contributor to the national economy and an important pillar of employment and economic activity in regional Australia.

Recent analysis undertaken by the Australian Meat Processor Corporation (AMPC) highlights the scale of the industry's economic contribution. According to AMPC's latest Socio-economic Impact Report, the red meat processing industry directly employs approximately 39,500 Australians and supports around 189,487 full-time equivalent jobs across the broader supply chain, including employment in livestock production, transport, logistics, retail and associated service industries.<sup>1</sup>

Over the past five years, the sector has experienced strong growth across several economic indicators, including total value added, average income per employee, and overall employment. This growth reflects the central role meat processing plays in supporting regional economies and sustaining employment opportunities across rural and regional Australia.

The economic contribution of the sector extends well beyond direct employment. In 2024, the red meat processing industry contributed approximately \$17.8 billion to household income across the Australian economy, representing around 1.3 per cent of total national household income. These outcomes demonstrate the importance of the sector as a generator of income, employment and economic activity, particularly in regional communities where processing and related small business facilities often serve as major local employers.

Despite these significant contributions, the industry is currently facing a range of economic pressures. Tight smallstock supply, high livestock prices, volatile global markets, and rising operational costs are placing considerable strain on processor margins. Smallstock processors are operating on extremely thin or negative margins.

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<sup>1</sup> <https://ampc.com.au/news-events/media-releases/australian-red-meat-processing-industry-breaks-new-records-while-supporting-189-000-jobs/>

In this context, increases in export regulatory charges under the Draft Export Cost Recovery Implementation Statements represent an additional cost burden for a sector that is already experiencing significant commercial pressures and erosion in market access.

Given the scale of the industry's contribution to employment, regional development and national export earnings, it is important that regulatory cost recovery arrangements are implemented in a manner that supports the long-term competitiveness and sustainability of Australia's meat export sector.

Ensuring that regulatory charges remain efficient, proportionate and transparent will be critical to maintaining the strength of a sector that continues to make a substantial contribution to the Australian economy.

Beyond its economic contribution, the meat processing sector also represents an important element of Australia's national food system capability. Processing facilities provide the critical infrastructure that connects Australian livestock production with both domestic consumers and international markets. Maintaining a viable and competitive processing sector is therefore essential not only for export performance but also for the resilience and stability of Australia's broader food supply chains.

Policy settings that materially increase regulatory cost burdens on processors risk undermining the commercial viability of facilities that are central to regional economies and national supply chains. In this context, it is important that export regulatory funding arrangements recognise the broader public value delivered by the sector and ensure that regulatory cost recovery settings do not inadvertently weaken a strategically important national industry.

Australia's meat export sector has historically benefited from a diverse base that includes both large and smaller regional businesses looking to supply niche and emerging international markets. These businesses play an important role in supporting regional employment, encouraging competition within the sector and enabling Australian exporters to respond to evolving global demand.

In the current global environment, where Australian exporters have witnessed a broad erosion in existing market access and increase in trade risk, it is important that export regulatory funding arrangements do not inadvertently discourage participation by emerging exporters and smaller processors. The increase in proposed government fees and charges will increase the hurdle those wishing to establish an export business need to overcome.

In highly competitive global markets, exporters have limited ability to pass additional regulatory costs through to customers. Even relatively modest increases in regulatory charges can therefore have a disproportionate impact on export margins and competitiveness.

In this environment, careful consideration should be given to the cumulative regulatory cost burden placed on Australian exporters and the potential implications for Australia's position in global markets. Ensuring that export regulatory charges remain efficient, proportionate, and internationally competitive is therefore an important consideration when evaluating proposed changes to the CRIS framework.

Maintaining appropriate levels of government supplementation during the current transition period would help ensure that Australia's export certification framework continues to support participation across the full spectrum of exporters, including small-to-medium businesses seeking to develop new export market opportunities.

## **4 Expansion of Cost Recovery to New Regulatory Activities**

The Draft CRIS proposes expanding the scope of cost recovery into several new regulatory activities that have historically been funded through government appropriations.

These include activities associated with:

- maintaining international market access arrangements
- regulatory engagement with importing country authorities
- administrative processes associated with foreign government regulatory requirements, and
- regulatory processes associated with establishment listings and export approvals.

In some cases, these activities include regulatory processes required to support exports to markets already under significant strain, including the administration of foreign regulatory systems such as China's CIFER registration process.

These functions are fundamentally linked to the Government's role in maintaining Australia's international trade relationships and securing ongoing market access for Australian agricultural exports.

AMIC considers that there is an important and unagreed policy question regarding where the boundary should lie between core government regulatory functions undertaken in the national interest and services that are appropriately subject to industry cost recovery.

Expanding cost recovery into these areas without clear policy justification or defined boundaries risks shifting the cost of core government functions onto exporters. AMIC therefore urges the Government to reconsider such expansion pending an independent review of the Draft CRIS.

## 5 Digital Reform and System Modernisation

Over recent years the Australian Government has funded a series of major reforms aimed at modernising export systems and improving the efficiency of export certification processes. One of the most significant initiatives was the Busting Congestion for Agricultural Exporters reform package announced in the 2020-21 Budget, which committed \$328.4 million over four years to improve the efficiency and capacity of Australia's agricultural export system.

A major component of this initiative was the Digital Services to Take Farmers to Market program, which received \$222.2 million to modernise Australia's agricultural export certification systems and replace legacy regulatory platforms. These reforms were intended to deliver long-term improvements in the efficiency, reliability and integrity of Australia's export regulatory system while reducing administrative congestion for exporters.

Much of the funding associated with these reforms was time-limited, designed to support system development and implementation rather than ongoing operational costs. As these reform measures approach the end of their funding horizon, the export regulatory system has entered a phase in which the ongoing costs of operating modernised digital platforms must be absorbed within departmental operational budgets or recovered through regulatory charging frameworks.

Industry strongly supported these reforms on the understanding that modernised regulatory systems would ultimately deliver a more efficient export certification framework.

However, there is currently limited visibility regarding how the benefits of these reforms are being reflected in the export regulatory cost base presented in the Draft CRIS.

Providing greater transparency on benefits that map efficiency gains delivered through recent reforms would assist industry in understanding how these investments are influencing the long-term cost structure of export regulatory services.

## 6 Cost Structure and Indirect Costs

Recent data indicates that export regulatory costs have increased substantially over a sustained period. Costs have risen by approximately 44 per cent over the past five years, significantly outpacing inflation and broader input cost growth across the economy. This trend points to a structural increase in the regulatory cost base rather than short-term variability.

Looking ahead, projections suggest that total export regulatory charges are expected to increase from approximately \$92 million in 2025–26 to \$127 million by 2029–30. For individual export establishments, these increases translate into material additional operating costs that must be absorbed within already constrained margins. As a result, sustained increases in regulatory charges risk eroding Australia's competitiveness and reducing the sector's ability to maintain and expand market share.

The interaction between expiring reform funding, government efficiency measures, and cost recovery frameworks raises important questions for AMIC.

Previous experience demonstrates that these dynamics warrant careful consideration. The June 2024 performance audit undertaken by the Australian National Audit Office into the Digital Reform of the Agriculture Export System, noted that the department diverted \$15.5 million funding away from export reforms to fund broader departmental austerity measures and a government efficiency dividend.

While such practices may reflect broader public sector budget management approaches, they highlight the importance of transparency regarding how the costs of export regulatory services are determined and how the financial impacts of major reform programs are reflected in regulatory cost recovery arrangements.

In this context, the structure of the current CRIS is also relevant. The Draft CRIS indicates that approximately \$24 million in indirect costs represents around 20 per cent of the overall cost-recovered regulatory expenses for the meat export arrangement. While acknowledging the work undertaken by the Department to 'ring-fence' these indirect expenses for the meat export cost recovery arrangement, they remain, by any reasonable assessment, excessive.

While the allocation of indirect costs is a common feature of cost recovery frameworks, industry has limited visibility regarding how these costs are determined and allocated across regulatory activities. To date, the department has shared insufficient detail about what is driving this high-cost expense.

Greater transparency regarding the drivers of these indirect costs, and how the department is managing them moving forward, would help industry better understand the relationship between regulatory cost recovery arrangements and the delivery of export certification services.

## 7 Fiscal Pressures and Funding Transition

As AMIC understands it, the export regulatory system is currently approaching terminating budget measures that are funding significant reform and resourcing.

For example, the department's website confirms the Agri-business Expansion Initiative (ABEI) that we understand to be terminating, currently funds several short-term 'surge' counsellor positions and scientific resources to accelerate the negotiation of technical market access priorities.

As these measures conclude, AMIC is concerned that the ongoing costs of modernised export systems, and other expenses associated with terminating budget measures, will increasingly need to be absorbed within departmental operating budgets or recovered through regulatory charging arrangements.

Notably, both agriculture counsellor positions and technical market access functions now appear within the expanded scope of the Draft 2026 CRIS.

Similarly, we understand that the Traceability and Busting Congestion for Agriculture Exporters measures are also terminating. While we acknowledge the Department's efforts to explain the increasing costs, it is not clear how terminating measures such as those mentioned above are impacting the Draft CRIS.

These dynamics again highlight the importance of the export sector being able to have greater transparency and confidence in the expanding drivers and elements of the draft CRIS.

## 8 Government Supplementation During Reform

Successive Australian Governments have recognised the transitional nature of export reforms through the provision of supplementation funding to support export regulatory services.

Since 2023–24, the Government has provided \$138 million in supplementation funding to sustain key export regulatory and trade functions. AMIC considers these measures to be an appropriate policy response during a period of significant reform and system transition.

A further \$49 million in supplementation funding has been committed to supporting a phased transition to full cost recovery between 2026–27 and 2028–29.

AMIC is urging the Australian Government to maintain current levels of export supplementation coinciding with the conduct of an independent review of the export regulatory cost base.

Maintaining export supplementation during this transition period is critical to preserving national trade capability, protecting industry competitiveness, and ensuring that cost recovery arrangements are efficient, transparent, and evidence based.

## 9 Transparency, Governance & Consultation

The scale of recent reforms to Australia's export regulatory systems, combined with the proposed expansion of cost recovery arrangements under the Draft CRIS, highlights the importance of maintaining strong transparency and governance within the export regulatory funding framework.

Export certification services are delivered in a regulatory environment where the Department is the exclusive provider of legally required certification services necessary for international trade. In such circumstances, it is particularly important that cost recovery arrangements operate with a high degree of transparency, accountability, and independent oversight.

The Australian Government's cost recovery framework and associated Cost Recovery Guidelines emphasise that cost recovery arrangements must be supported by appropriate transparency, consultation and governance mechanisms.

The Draft CRIS proposes significant increases in export regulatory charges and expands cost recovery into new regulatory activities. In this context, AMIC considers that the governance arrangements supporting the export regulatory cost recovery framework warrant careful examination.

AMIC recognises that regulatory costs exist, and that cost recovery can play an appropriate role in funding specific regulatory services that provide direct benefits to exporters.

However, confidence in the CRIS framework depends on regulatory charges reflecting the efficient cost of delivering clearly defined services. It also requires transparency in the way costs are allocated across activities.

The ANAO audit of the Digital Services to Take Farmers to Market program found that while governance arrangements were largely established, the department's implementation of the digital reform program was only partly effective. The audit also found deficiencies in the department's approach to benefits management

and performance measurement, including the absence of clearly defined baselines and methodologies for verifying the financial and operational benefits of the reform program.

The audit further noted that some elements of the reform program were delayed or paused following internal budget reductions applied as part of broader departmental spending adjustments. As a result, the department has not yet demonstrated in a transparent and measurable way how the substantial public investment in export digital reform has translated into sustained efficiency gains in regulatory service delivery.

These findings are directly relevant to the current CRIS consultation. Significant public investment has been made to modernise export certification systems, with the expectation that digital transformation would improve regulatory efficiency and reduce administrative burdens for both government and industry.

However, the Draft CRIS provides limited visibility regarding how these investments have influenced the underlying regulatory cost base.

The CRIS indicates that a substantial share of regulatory costs is allocated through indirect cost pools, including corporate overheads and shared services.

Given the scale of these allocations, additional transparency regarding the methodology used to attribute these costs to export regulatory services would assist industry in understanding how the cost recovery base is determined.

In regulated sectors where government agencies provide monopoly regulatory services, it should be common practice to incorporate additional oversight mechanisms to ensure that cost recovery arrangements remain efficient, proportionate, and transparent.

In this context, there is merit in an independent assessment of the export regulatory cost base to strengthen confidence in the CRIS framework.

Such a review could examine the efficiency of regulatory service delivery, the allocation of indirect and overhead costs, the realised benefits of recent digital reform investments, and the appropriate policy boundary between core government trade functions and activities that are subject to industry cost recovery.

Undertaking an independent review before expanding cost recovery arrangements would help ensure that the export regulatory funding framework continues to operate in a manner that is transparent, efficient and aligned with Australia's broader trade and competitiveness objectives.

AMIC also wishes to again outline its concerns regarding the consultation process associated with the Draft CRIS.

The Draft CRIS was released on 29 January 2026 and represents the first-time industry had been provided detailed information regarding significant proposed changes to export cost recovery arrangements, including the expansion of the regulatory cost base and the introduction of new cost-recovered activities.

AMIC acknowledges that following representations from export industries, the consultation period was extended by two weeks. While this extension was appreciated, the consultation timeframe to fully analyse the detailed cost structures and policy implications associated with the proposed expansion of cost recovery arrangements is still short. Further, amendments to the CRIS and the release of additional, clarifying information throughout the consultation process has eroded the benefit of the extended review window.

AMIC therefore encourages the department to continue engaging closely with industry as these proposals are further examined to ensure that the export regulatory funding framework operates in a transparent, efficient, and well-understood manner.

## 10 Conclusion

AMIC supports a strong and effective export regulatory framework and recognises the necessary function of DAFF in regulating Australia's export certification system. However, the Draft CRIS proposes both an expansion of cost recovery into new regulatory activities and increased regulatory cost pressures for exporters, amid a challenging global trading environment and erosion in market access. Costs have risen and are forecast to increase at an unsustainable rate and exceed inflation.

This submission raises several themes and policy considerations that warrant further examination. AMIC therefore calls on the Government to pause the proposed expansion, commission an independent review of the regulatory cost base, and maintain current supplementation arrangements pending that review.

Attachment A details AMIC's response to the Additional Cost Recovery Measures.

# Attachment A – AMIC Detailed Response to Additional Cost Recovery Measures

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This attachment provides preliminary feedback from AMIC on the additional cost recovery activities outlined in the Draft Export Cost Recovery Implementation Statements (CRIS) and announced following the 2025 Mid-Year Economic and Fiscal Outlook.

Given that this limited consultation represents the first formal opportunity for industry to provide feedback on the proposed implementation of these measures, AMIC considers it important that these issues are carefully examined before the activities are incorporated into the export cost recovery framework.

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## A-1: China Import Food Enterprise Registration (CIFER)

AMIC has concerns that the current recovery model for this activity does not operate on a genuine user-pays basis.

Under the current proposal, the costs associated with administering CIFER appear to be socialised across the broader export regulatory charging framework rather than being applied to those businesses that directly utilise the system.

This approach would result in all participants in the export meat industry contributing to the costs associated with CIFER, regardless of whether they export product to China or interact with the system.

AMIC considers that a more appropriate cost recovery approach would be the establishment of a direct CIFER charge point for those businesses registering or interacting with the system.

This issue has previously been raised with the Department through the Finance and Staffing Sub-Committee (FSSC).

Some industry members have also raised concerns that the Department's role in the CIFER process is largely limited to verification and coordination with Chinese authorities. As such, there is concern that the proposed expansion of cost recovery in this area could represent the beginning of a broader shift toward charging industry for activities associated with market listings and regulatory validation in international markets.

## A-2: MICOR Sustainment

AMIC has concerns regarding the appropriateness of recovering costs from industry to maintain and operate the MICOR system.

MICOR is a resource used to communicate import conditions and market access requirements negotiated by the Australian Government.

Charging industry to access information regarding market access conditions negotiated by government is not common practice among Australia's trading partners.

Furthermore, the Department has confirmed through discussions at FSSC that approximately 20 per cent of MICOR users are government users with government logins, highlighting that the system is not exclusively used by industry.

This approach is also inconsistent with practices elsewhere within the Australian Government.

For example:

- The Department of Foreign Affairs and Trade does not charge industry to access information through the FTA Portal.

- Austrade does not charge businesses for access to services such as the Go Global Toolkit.

These services perform similar functions in providing businesses with information and guidance on export markets.

### A-3: Fit and Proper Person Assessments

AMIC has concerns that the current recovery model for Fit and Proper Person (FPP) assessments does not reflect a genuine user-pays approach.

Under the proposal outlined in the Draft CRIS, the costs associated with conducting FPP assessments would be incorporated across the broader schedule of export regulatory charges rather than being applied to those entities that are subject to an assessment.

This approach would result in all exporters funding these activities regardless of whether they are directly involved in an assessment process.

During discussions at FSSC, the Department also advised that some FPP assessments are initiated by the Department itself where it believes there may be grounds to investigate whether an individual remains a fit and proper person.

Based on this information, a more appropriate model may involve:

- a direct charge for FPP assessments where the process is initiated as part of an application or regulatory requirement; and
- a limited proportion of costs allocated across the broader industry, reflecting situations where the Department initiates investigations independently.

Industry discussions have suggested that this broader allocation should be limited to approximately 10–20 per cent of total costs, reflecting the proportion of cases where the Department initiates assessments.

### A-4: Market Maintenance

The Draft CRIS proposes cost recovery for activities described as “market maintenance”.

Industry has been advised that this activity largely encompasses work undertaken by the Department’s Export Standards Branch, including maintaining regulatory systems acceptance for major export markets such as the United States and the European Union.

While the CRIS indicates that the decision to introduce cost recovery for these activities was made in 2018–19, AMIC considers this proposal to represent a significant policy shift.

Maintaining market access and ensuring that Australia’s regulatory systems continue to be recognised by trading partners is fundamentally a core function of government.

These activities often involve demonstrating Australia’s regulatory systems to foreign governments, responding to technical regulatory issues and maintaining government-to-government relationships.

AMIC therefore has significant concerns that this proposal represents a transfer of funding core government responsibilities onto industry.

Comparable activities in other sectors are not subject to cost recovery. For example:

- The Department of Foreign Affairs and Trade does not charge industries for the negotiation, implementation, or review of Free Trade Agreements.
- Other sectors benefiting from international trade agreements are not charged for activities associated with maintaining those agreements.

AMIC is also concerned about the lack of clarity regarding the scope of activities that would fall within the definition of “market maintenance”.

While the CRIS suggests these activities may include responding to overseas system audits and addressing market access disruptions, such events can occur frequently and unpredictably.

Without clear boundaries or cost controls, there is a risk that these costs could expand significantly over time, with an increasing proportion of departmental market access work being transferred to industry through the cost recovery framework.

## A-5: Non-Compliance Investigation and Triage

AMIC has concerns that the proposed recovery model for non-compliance investigation and triage does not reflect a genuine user-pays approach.

Under the proposal outlined in the Draft CRIS, the costs associated with conducting compliance investigations would be socialised across the broader export regulatory charging framework.

This would result in all exporters contributing to the costs of compliance investigations regardless of whether they are subject to regulatory findings.

Industry has requested further detail from the Department regarding the nature and volume of investigations undertaken by the relevant compliance division.

During discussions at FSSC, the Department advised that approximately 90 per cent of these compliance investigations result in findings of non-compliance.

Given this information, industry has questioned whether the costs of these investigations could be more appropriately recovered through penalties or regulatory enforcement actions associated with adverse findings.

This approach would more closely align cost recovery with those parties responsible for regulatory breaches.

## A-6: Ongoing Regulatory Efficiency Program

AMIC has significant concerns regarding the proposal to recover costs from industry to fund an ongoing regulatory efficiency program.

This proposal appears to have limited precedent within existing regulatory cost recovery frameworks and raises questions regarding the governance and accountability of such funding.

Industry has previously observed that savings associated with regulatory reform initiatives have not always been realised as originally anticipated.

For this reason, AMIC considers it inappropriate for the Department to establish an open-ended pool of industry-funded resources to support future regulatory reform activities.

A more appropriate approach would involve identifying specific, agreed reform projects with clearly defined objectives, timelines, and funding requirements.

Funding should be linked to discrete projects rather than an ongoing program without defined deliverables.

There is also concern that this proposal could lead to the establishment of a permanent reform team funded by industry contributions without clear accountability for delivering measurable outcomes.

In circumstances where regulatory reform initiatives are pursued, there is also a risk that the Department may independently determine the internal costs associated with implementing those reforms and subsequently recover those costs from industry.

For these reasons, AMIC does not support the establishment of an ongoing industry-funded regulatory reform program through the CRIS framework.

Instead, AMIC supports a collaborative approach to identifying targeted initiatives that could improve regulatory efficiency and reduce long-term regulatory costs, including potential reforms to regulatory service delivery models such as the operation of Food Safety Management Systems and related inspection arrangements.



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