# Export assurance reform: options paper – summary

## Overview

The Export assurance reform: options paper outlines the need for reform in Australia’s export assurance system for non-prescribed goods (NPGs). We need reform because:

* importing countries require more assurances
* cost recovery is not appropriately attributed to where the costs originate
* the current regulatory system is unsustainable in the long term.

The paper proposes 3 options for reform to help maintain and safeguard market access for Australian exporters of NPGs. The Department of Agriculture, Fisheries and Forestry are seeking your feedback on the 3 options it covers in the paper via a Have Your Say survey.

## Which industries are affected

The reforms will affect the wool, rendered products, skins and hides, pet food, stock feed, feed additives, processed foods, honey, pharmaceuticals, blood products industries and more. These industries have grown significantly and were worth $9.4 billion in 2023. Under our export legislation, the goods exported by these industries are referred to as NPGs.

## Why reform is proposed

The key reasons for the reform are:

1. **Importing countries require more assurances** – Australian exporters operate within a landscape of ever-changing importing country requirements, which are increasing in number and complexity. For certain NPGs, importing countries now expect a higher level of government oversight than our export legislation requires. This trend is expected to continue.
2. **Cost recovery is not appropriately attributed to where the costs originate** – The current legislative framework creates a single charge point with an export certificate. It does not reflect the time and cost to the department of undertaking administrative activities and providing services to assure trading partners. This single charge point also imposes the full cost of the assurance system onto the applicant for a certificate, rather than charging at points throughout the supply chain for services provided.
3. **Unsustainable administrative processes** –The process used for exporting NPG products has become complicated and unsustainable alongside the growth of NPG industries. Reform is needed to put a new system in place that can handle the size of NPG industries and the importing country requirements now and in the future.

## Reform options

The options paper outlines 3 options for reforming Australia’s export assurance system for NPGs:

1. **Maintain current Administrative Arrangements** – This option involves continuing the current system with minimal changes to the administration of NPG export assurance. However, there would be updates to the cost recovery arrangements to seek to properly attribute costs to where they originate. It would mean persisting with administrative actions to manage increased importing country requirements and facing ongoing challenges in cost recovery and efficient regulatory oversight. This option does not address the identified need for reform and is likely to result in continued inefficiencies as we deliver services for the growing NPG industries.
2. **Regulate to assure exports** – This option proposes introducing a new, commodity and country-based approach to export assurance. This would involve development of legislation that would see modest changes to the existing system and provide robust assurances to meeting importing country requirements. It is suitable for addressing the identified challenges in the current NPG export system. This option would remove the need for administrative actions, in favour of other regulatory tools. In addition, all exporters will be required to hold an export licence and each consignment exported would require an export permit.
3. **Regulate to control exports** – This option specifies that legislation would be developed similar to the commodity-specific rules for current prescribed (controlled) goods such as meat, milk, fish, eggs and plants. Such new legislation would prescribe more comprehensive regulatory requirements for goods exported from Australia, with the intention of providing a higher level of regulation and control and adopting a minimum standard that applies to all NPGs.

## How reform will change cost recovery

The assurance activities undertaken by the government need to be cost recovered, consistent with the [Australian Government’s Charging Framework](https://www.finance.gov.au/government/managing-commonwealth-resources/implementing-charging-framework-rmg-302/what-australian-government-charging-framework). The framework promotes consistent, transparent and accountable charging for government activities and supports the proper use of public resources. The framework also promotes equity, so the recipients of a government activity – rather than the general public – bear its costs. The department is required to cost recover export assurance activities because the activities support a clearly identifiable group – the individuals and organisations that participate in the export supply chain.

Currently, we can only charge exporters of NPGs for a government certificate, regardless of any associated or additional administrative services provided. The current process of cost allocation does not meet the standards set forth within the Australian Government’s charging framework as it fails to reflect the time spent and cost incurred to assure exported goods are meeting importing country requirements. This single charge point also imposes the full cost of the assurance system onto the applicant for a certificate, rather than charging at multiple points throughout the supply chain where services are provided. The proposed reforms will introduce formal cost recovery arrangements for the NPG commodities that allow for the correct attribution of cost recovered activities completed by the department.

## How you can I be involved

Stakeholders in Australia’s NPGs export industries are invited to provide feedback on the Export assurance reform: options paper through a submission and/or Have Your Say survey on the [3 proposed reform options](#_Reform_options). Your feedback will help us effectively reform the export control framework for now and into the future.

An Export Assurance Industry Reform Committee has been formed, comprising members from NPG industry associations. Members can provide feedback on the options paper and proposed reforms directly to these organisations.

The following organisations are members of the IRC:

* Australian Council of Wool Exporters and Processors
* Australian Hide, Skin and Leather Exporters Association
* Australian Honey Bee Industry Council
* Australian Renderers Association
* Feed Ingredients and Additives Association Australia
* Pet Food Industry Association of Australia
* Stock Feed Manufacturers’ Council of Australia.

## Next steps

This consultation is part of a broader effort to ensure that Australia’s export assurance system is responsive to changing importing country requirements, improves cost recovery and ensures efficient regulatory oversight.

Following the Have Your Say consultations, the department will provide feedback to the Export Assurance Industry Reform Committee and develop a policy paper that will detail the agreed option and next steps. If a new regulatory model for NPGs is agreed on, implementation is likely to commence in mid-2025 (pending consultation outcomes). Implementation of the reform will be staged, with reforms rolled out successively for each of the 8 industries. Consultation with the committee and other relevant stakeholders will inform selection of the first industry.

**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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