



CATTLE COUNCIL OF AUSTRALIA

SUBMISSION

18 June 2021

Dr Melissa McEwen
Department of Agriculture, Water and the Environment
GPO Box 858
Canberra ACT 2601

Via email: CostRecovery@agriculture.gov.au

Dear Dr McEwen

Re: Cost recovery implementation statement: live animal exports 2021-22

Cattle Council of Australia (CCA) is the peak industry organisation representing Australia's grass-fed cattle producers. Established in 1979, CCA brings together all state-based farming organisations representing cattle producers in their jurisdiction, associate member organisations with close connections to the cattle industry, and individual cattle producers.

CCA welcomes the opportunity to provide comment on the 'Cost recovery implementation statement: live animal exports 2021-22'. We provide this submission without prejudice to any additional submissions from our members or individual producers.

Live export is an important market opportunity for cattle producers, particularly producers located across northern Australia, with over 1 million head of cattle exported in 2020 calendar year (about 10% of all cattle sold). Diversity of markets underpins the price producers receive for their cattle, in turn enabling them to operate profitable and sustainable businesses. As such, CCA support the analysis of cost recovery increases made by the Australian Live Export Council in its submission and subsequent recommendations. The comments below are supplementary to those provided by ALEC.

CCA is not opposed to regulatory costs being recovered consistent with cost recovery guidelines, so long as those costs are based on core regulatory processes and they are efficient. CCA holds considerable concerns that regulatory scope-creep within the live export sector will see increased costs similar to that in the meat processing sector where costs paid by processors quadrupled¹.

CCA does not support the notion that market access is a regulatory activity and asserts there is significant benefit to the Australian economy derived from live cattle exports. Therefore, the Australian Government has a vested interest in providing a sustainable, efficient and effective system for trade – something CCA strongly supports. Currently cost recovery programs are not subject to the same efficiency dividends as budget appropriated funding. This has led to a 'gold plated' standard rather than a 'fit for purpose' system.

¹ See SG Heilbron, op.cit., June 2016, p26.

We support the Department investigating long term structural and technological efficiencies rather than reducing 'frontline services.' There are considerable efficiencies to be gained in streamlining and amalgamating the administrative arrangements of export commodities and CCA asserts that the Department should consider the development of a fit for purpose (now and in the future) IT system that facilitates more efficient administrative arrangements.

Further, CCA requests that the all recommendations contained within the Auditor-General Report No.38 2018–19 Application of Cost Recovery be implemented expeditiously as any increases in costs to the live export sector has an immediate impact on the profitability of Australian cattle producers and the Australian economy more broadly.

It is therefore concerning that no financial reports or operating budgets are required from the Department relating to live export cost recovery which leads to a lack of accountability and transparency within the system. To remain internationally competitive in Australia's high-cost economy, producers require improvements to deliver efficient and effective programs.

CCA looks forward to working with the Department on this important process. If there are any queries about this submission, please do not hesitate to contact our office on 1300 653 038 or email cca@cattlecouncil.com.au.

Yours sincerely

Travis Tobin
Chief Executive Officer