



Budget 2020-21: Busting Congestion for Agricultural Exporters

The Australian Government is introducing a package of reforms for the Australian agricultural sector as part of the Economic Recovery Plan to rebuild the economy and recover from the COVID-19 recession. The **Busting Congestion for Agricultural Exporters** package, worth over \$328.4 million over four years from 2020-21, will slash unnecessary red-tape to get products to export markets faster and support jobs in rural, regional and remote Australia.

The package, will also:

- support Australia's agriculture industry grow towards the goal of \$100 billion production by 2030 (from \$61 billion currently)
- maintain and strengthen existing access to premium overseas markets
- provide an immediate freeze in fees and charges to assist exporters with the impacts of COVID-19, with stepped increases to be spread over 4 years consistent with cost recovery policy.

The package will allow us to open up, compete and build a resilient agriculture sector that supports jobs in rural, regional and remote Australia. We will implement the full package over 3-5 years.

Why is it important?

This package responds to industry demand and solidifies innovative and flexible approaches introduced during the COVID-19 pandemic, and complements them with wide-ranging regulatory and service reforms to build a stronger, more agile agricultural export sector. The package will transform Australia's weak and outdated systems and processes into a cost-effective model to get products to export markets faster and more efficiently. It will establish modern digital services, reduce regulatory cost and administration and improve interactions with export systems. The package is an investment towards the government's major initiative to deliver a Single Trade System.

Keeping fees and charges at current rates provides certainty for industry while we also work with them to cut red tape and streamlines processes.

The **Busting Congestion for Agricultural Exporters** budget measures will deliver:

1. Modern export systems

The centrepiece of the reform package is the **Digital Services to Take Farmers to Markets** measure, which will modernise Australia's agricultural export systems by slashing red-tape and improving regulation and service delivery for our producers and exporters. This measure will transition our systems online and provide a single portal for transactions between exporters and government, streamlining processes for exporters and helping them experience faster and more cost-effective services.

2. Improved regulation

The **Improving Regulation post-COVID-19 including Targeted Interventions for Seafood and Live Animal Exporters** measure will transition the live animal and seafood export sectors toward data and technology supported regulation. It will capitalise on new ways of working that were developed during the COVID response. It will provide dedicated case managers to allow new exporters to meet regulatory

standards and get on the front foot to enter markets, and existing exporters to expand and diversify their markets.

3. More competitive meat industry

The **Building a More Competitive Meat Industry** measure will modernise the export meat regulatory system to strengthen Australia's reputation as a provider of high-quality safe meat, underpinned, and verified by, a robust regulatory system. The modernisation projects will keep Australia's export systems world leading, reduce the meat processing industry's regulatory burden, introduce new regulatory assurance that targets higher risk export processes and/or exporters and rewards high levels of compliance, and introduces flexible assurance methods, including through the better use of technology, to reduce cost and help meat exporters to better compete internationally.

4. Bust congestion for plant exports

The **Harmonised and Streamlined Plant Export Regulation** measure will simplify processes for plant product exports, making it easier, cheaper and quicker for plant exporters to get their produce into overseas markets. It will also harmonise regulation for plant industries and streamline plant export audit intervention, making the rules easier to navigate and more consistent.

5. Maintenance of regulatory systems for industry

The **More Efficient and Sustainable Export Regulation** measure invests in the Department of Agriculture, Water and the Environment to ensure export regulatory systems can be maintained and enhanced. Our agriculture and food exporters and producers will also be assisted through the reform process with a freeze in fees and charges in 2020-21, and stepped increases spread through to 2023-24. Due to the reforms, fees and charges are expected to realise \$21.4 million in efficiencies through to 2023-24. We will continue to engage closely with industry every step of the way.

Who will be affected?

The package is expected to generate wider benefits for industry of \$236 million over the decade, with rural, regional and remote Australia reaping the largest benefits. Building a stronger agricultural sector benefits all Australians, especially those in rural and regional areas. Nearly 270,000 people are employed on-farm in Australia, and three in five agricultural jobs are linked to international trade activity. These people, and their communities, will all benefit.

Agricultural exporters will benefit directly from reduced costs of doing business and simpler systems. The Australian agriculture industry is currently worth around \$61 billion per year. Industry is advocating for a \$100 billion industry by 2030, and with increased exports an important component of achieving this growth, this reform package is essential. For example, a new Australian citrus exporter must complete up to 20 forms to export their produce, while in 2017-18 every day 550 paper export certificates were manually handled by government and exporters to send goods overseas. These reforms will tackle these wasteful and outdated practices.

What will this cost?

We will implement the full package over 3-5 years. The Department of Agriculture, Water and the Environment will also work with industry to ensure future fees and charges reflect the benefits of the reforms. The measures include:

Table 1 allocated budget

| Measure | Amount |
|---|-----------------|
| Digital Services to Take Farmers to Markets | \$222.2 million |
| Improving Regulation post-COVID-19 including Targeted Interventions for Seafood and Live Animal Exporters | \$14.3 million |
| Building a More Competitive Meat Industry | \$10.9 million |

| Measure | Amount |
|--|----------------|
| Harmonised and Streamlined Plant Export Regulation | \$10 million |
| More Efficient and Sustainable Export Regulation | \$71.1 million |