



Policy costing

End live exports of animals for slaughter overseas	
Party:	Australian Greens
Summary of proposal: This proposal has four components relating to live animal exports. <ul style="list-style-type: none">• Component 1: Provide \$1 million in 2019-20, and \$2 million each year from 2020-21 to 2022-23, to assist farmers to transition from live animal exports to a domestic boxed and chilled meat trade. Departmental expenses required to administer this funding would be in addition to the specified capped amounts.• Component 2: Ban the export of racing greyhounds from 1 July 2019.• Component 3: Provide \$20 million in additional funding to the Australian Federal Police from 2020-21 to 2024-25, spread evenly over the five years, for the enforcement of animal welfare laws.• Component 4: End intensive factory farming across Australia from 1 July 2019.<ul style="list-style-type: none">– Element 1: Ban cage egg production, end sow stalls and other cruel animal farming practices.– Element 2: Enforce genuine free range standards for all animals.– Element 3: Improve food labelling laws to help identify genuine free range and cruelty-free products.	

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by \$20.3 million over the 2019-20 Budget forward estimates period. This impact reflects an increase in administered expenses of \$7.0 million, an increase in departmental expenses of \$13.3 million and a minor decrease in non-taxation revenue. A breakdown of the financial implications over this period is included at [Attachment A](#).

The proposal would be expected to have an ongoing impact that extends beyond the 2019-20 Budget forward estimates period to 2024-25.

The financial implications of Components 1 and 3 are largely capped and have low uncertainty.

The financial implications of Component 2 are sensitive to the assumption that behavioural responses to the proposal, including changes in business practices by live greyhound exporters, would not materially affect the budget. In this case, the proposal would have no net impact on the budget because export fees and charges for live animal exports, including greyhounds, are charged on a cost-recovery basis. Within the estimates for Component 2, the revenue forgone (and the associated decrease in departmental expenses) is highly sensitive to the number of greyhounds that would be exported under the baseline and the associated export charges, which would be subject to regular review.

The financial implications of Component 4 are sensitive to the assumption that behavioural responses to the proposal, including changes in business practices by farmers, would not materially affect the budget.

Table 1: Financial implications (\$m)^{(a)(b)}

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Fiscal balance	-1.3	-6.3	-6.3	-6.3	-20.3
Underlying cash balance	-1.3	-6.3	-6.3	-6.3	-20.3

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

Key assumptions

The Parliamentary Budget Office has made the following assumptions in costing this proposal.

Component 2 – Ban greyhound exports

- Any legislation required to ban greyhound exports would be passed before the commencement of the proposal.
- Any behavioural responses from greyhound exporters or others to the live export ban would not have a material impact on the budget.
- Under the baseline, the aggregate annual export charge over the period to 2022-23 would remain constant at a level consistent with the fees, levies and volumes from 2016-17 to 2018-19.
 - The number of Australian live greyhounds exported each year over the period to 2022-23 would remain constant at its projected 2018-19 level.
 - Each exported live greyhound would require one inspection, one export permit, one audit and one export document, on average.

Component 4 – End intensive factory farming

- Any legislation required to ban the production of cage eggs, amend existing food labelling laws, and enforce free range standards for all animals would be passed before the commencement of the proposal.
- Any behavioural responses from farmers to ending intensive factory farming processes would not have a material impact on the budget.
- The domestic free range egg market would quickly replace cage egg production.

Methodology

Component 1 – Funding transition from live animals exports

Administered expenses were specified by the requestor.

Departmental cost estimates were based on similar programs and account for the net effect of indexation parameters and the efficiency dividend, in accordance with the Department of Finance's costing practices.

Component 2 – Ban greyhound exports

Non-taxation revenue and the associated reduction in departmental expenses were calculated by multiplying the projected annual baseline number of exported greyhounds by the assumed average annual export charge per greyhound, estimated as outlined above.

Component 3 – Additional funding for enforcement of animal welfare laws

Departmental expenses were specified by the requestor.

Component 4 – End intensive factory farming

Financial implications for this component are not expected to be material.

Estimates for Components 1 and 3 have been rounded to the nearest \$100,000. Estimates for Components 2 and 4 have been rounded to the nearest \$1 million.

Data sources

Department of Agriculture and Water Resources, 2015. *Cost Recovery Implementation Statement Live animal exports 2015-16*. [Online] Available at: <http://www.agriculture.gov.au/SiteCollectionDocuments/biosecurity/australia/cost-recovery-arrangements/cost-recovery-implementation-statement-live-animal-2015-16.pdf> [Accessed: 25.04.2019].

Department of Agriculture and Water Resources, 2019. *Live Animal Export Statistics – Greyhound exports*. [Online] Available at: <http://www.agriculture.gov.au/export/controlled-goods/live-animals/live-animal-export-statistics/greyhound-exports> [Accessed: 25.04.2019].

The Department of Finance provided indexation parameters as at the 2019 Pre-election Economic and Fiscal Outlook.

Attachment A – End live exports of animals for slaughter overseas – financial implications

Table A1: End live exports of animals for slaughter overseas – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2019–20	2020–21	2021–22	2022–23	Total to 2022–23
Revenue					
<i>Component 2: Ban greyhound exports</i>	..	..	..	..	..
<i>Component 4: End intensive factory farming</i>	..	..	..	..	..
Total - departmental	..	..	..	..	..
Expenses					
<i>Administered</i>					
<i>Component 1: Fund transition from live animals exports</i>	-1.0	-2.0	-2.0	-2.0	-7.0
<i>Component 2: Ban greyhound exports</i>	-	-	-	-	-
<i>Component 3: Additional funding for enforcement of animal welfare laws</i>	-	-	-	-	-
<i>Component 4: End intensive factory farming</i>	-	-	-	-	-
Total – administered	-1.0	-2.0	-2.0	-2.0	-7.0
<i>Departmental</i>					
<i>Component 1: Fund transition from live animals exports</i>	-0.3	-0.3	-0.3	-0.3	-1.3
<i>Component 2: Ban greyhound exports</i>	..	..	..	..	..
<i>Component 3: Additional funding for enforcement of animal welfare laws</i>	-	-4.0	-4.0	-4.0	-12.0
<i>Component 4: End intensive factory farming</i>	..	..	..	..	..
Total – departmental	-0.3	-4.3	-4.3	-4.3	-13.3
Total – expenses	-1.3	-6.3	-6.3	-6.3	-20.3
Total	-1.3	-6.3	-6.3	-6.3	-20.3

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

.. Not zero but rounded to zero.

- Indicates nil.