

ECR-2025-3238

Ban live export	
Party:	Australian Greens

#### Summary of proposal:

- Component 1: ban live export and shut down Australia's live export of livestock industry.
- **Component 2:** provide payments to farmers to assist in the transition from live animal exports to a domestic box and chilled meat trade.
  - This initiative would commit \$5 million to go towards ensuring a just transition for workers affected by the ban on live exports, consisting in \$1 million in 2028-29, and \$2 million in both 2029-30 and 2030-31.
  - Departmental funding to administer the package would be met from within these caps.

The proposal would start on 1 July 2028.

## Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$7.5 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a decrease in administered expenses, partially offset by an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified capped funding would be sufficient to meet the objectives of the proposal.

Table 1: Ban live export – Financial implications (\$m)(a)(b)

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-	1.7	5.8	7.5
Underlying cash balance	-	-	1.7	5.8	7.5

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

In addition to the quantifiable first-order financial implications reflected in this costing, implementing this policy proposal is likely to result in other second-order financial implications including but not limited to:

- Changes in government transfers to and from impacted businesses and/or impacted workers.
- Flow-on effects caused by the resulting redeployment of labour and capital resources currently utilised by the live export of livestock (LEL) industry.

<sup>(</sup>b) PDI impacts are not included in the totals.

<sup>-</sup> Indicates nil.

The PBO has not made any attempt to quantify these effects or include them in the preparation of this costing, consistent with Budget costing methodologies.

The PBO notes that there is existing legal precedent around LEL bans implemented by the Commonwealth Government and has not made, and cannot make, any assessments on the legal feasibility of this proposal.

## Key assumptions

The PBO has made the following assumptions in costing this proposal.

- Changes to business and worker activity for LEL businesses in response to the policy proposal are
  not able to be known. As such, changes to government receipts from LEL businesses and workers
  are considered to be unquantifiable.
- Implementation and enforcements costs, as well as any other additional measures required for the LEL ban would be accommodated by existing departmental resources. As such, other than changes to live animal export cost recovery arrangements, there would be no additional changes to revenue or expenses resulting from the policy proposal.
- The baseline departmental revenue and expenses associated with live animal export cost recovery arrangements would be held constant at 2025-26 levels.
- Departmental revenue and expenses associated with live animal export cost recovery arrangements would decrease by 25% in 2027-28, a year before the policy start date, and decrease entirely from 2028-29 onwards.
  - This would be due to an assumed behavioural response to the policy, where LEL businesses would begin to switching to other industries, and not incurring export fees and thus government would not incur the inspection costs.
- For Component 2, no funds allocated to a given year would be left unspent.

## Methodology

For Component 1, the effect of the policy proposal is calculated as the reversal of the forecasted departmental revenue and expenses associated with live animal export cost recovery arrangements.

For Component 2, administered expenses are as specified in the proposal, less expected departmental expenses. Departmental expenses were estimated based on the cost of administering similar programs and are included within the capped funding amount.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

#### Data sources

Department of Agriculture, Fisheries and Forestry (2024) <u>2024-25 Agricultural Exports Cost Recovery Implementation Statements</u>, DAFF, Commonwealth of Australia, accessed 10 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025,* Commonwealth of Australia.

<sup>&</sup>lt;sup>1</sup> https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules

# Attachment A – Ban live export – Financial implications

Table A1: Ban live export - Fiscal and underlying cash balances (\$m)(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Administered non-tax													
Live animal export cost recovery arrangements - reversal	-	-	-4.0	-15.8	-15.8	-15.8	-15.8	-15.8	-15.8	-15.8	-15.8	-19.8	-130.4
Total – revenue	-	-	-4.0	-15.8	-15.8	-15.8	-15.8	-15.8	-15.8	-15.8	-15.8	-19.8	-130.4
Expenses													
Administered													
Live animal export cost recovery arrangements - reversal	-	-	5.7	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	28.3	186.5
Assistance payments to farmers	-	-	-	-0.9	-1.9	-1.9	-	-	-	-	-	-0.9	-4.7
Total – administered	-	-	5.7	21.7	20.7	20.7	22.6	22.6	22.6	22.6	22.6	27.4	181.8
Departmental													
Assistance payments to farmers	-	-	-	-0.1	-0.1	-0.1	-	-	-	-	-	-0.1	-0.3
Total – expenses	-	-	5.7	21.6	20.6	20.6	22.6	22.6	22.6	22.6	22.6	27.3	181.5
Total (excluding PDI)	-	-	1.7	5.8	4.8	4.8	6.8	6.8	6.8	6.8	6.8	7.5	51.1

<sup>(</sup>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.

<sup>-</sup> Indicates nil.

Table A2: Ban live export – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-	-		0.2	0.5	0.7	1.0	1.3	1.7	2.1	2.5	0.2	10.0
Underlying cash balance	-	-		0.2	0.4	0.6	0.9	1.2	1.6	2.0	2.4	0.2	9.3

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.
- (b) 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.
- Indicates nil.
- .. Not zero but rounded to zero.

<sup>&</sup>lt;sup>2</sup> Online budget glossary – Parliamentary Budget Office (pbo.gov.au)