



Ban live export of livestock	
Party:	Australian Greens
Summary of proposal: This proposal consists of two components: <ul style="list-style-type: none">• Component 1 would shut down Australia’s live export industry from 1 July 2022.• Component 2 would provide payments to farmers to assist in the transition from live animal exports to a domestic boxed and chilled meat trade. This would consist of \$1 million in 2022-23, and \$2 million in both 2023-24 and 2024-25.	

Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by an unquantifiable amount over the 2022-23 Budget forward estimates period. The detailed financial implications, including the impact of the quantifiable component of this costing over the period to 2032-33 is provided at Attachment A.

A ban on live animal exports would be expected to have a negative financial impact comprising:

- a reduction in company tax revenue, as affected businesses would have decreases in sales and taxable income following this ban. The magnitude of this decrease is uncertain, as some of the animals that would otherwise be used for live exports could instead be used for other purposes. These firms may still be profitable if they redeploy labour and capital resources currently utilised in the live export industry to other industries. This reallocation of animals, labour and capital resources would depend on a number of factors, including the logistics of slaughtering animals domestically and market dynamics—specifically demand and supply and the mobility of labour and capital resources currently deployed in the live export industry.
- a reduction in tax revenue as affected workers may have reductions in incomes if the production of their employers decreases or if their skills are no longer required.
- an increase in welfare payments to workers in the sector who may have reductions in incomes and would now become eligible for welfare payments.

There may also be significant legal ramifications surrounding the potential implementation of this proposal, such as the need to pay compensation. For example, in 2020 the Federal Court ruled in favour of farmers affected by the six month ban on live animal exports to Indonesia in 2011, with a \$600 million figure mentioned as a potential final compensation amount.¹

¹ Smart J, O’Shannessy B and French A (2020) [Government decision makers should think twice before jumping on the ban-wagon: lessons from the Brett Cattle class action](#)

Table 1: Ban live export of livestock – Financial implications (\$m)^{(a)(b)(c)}

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-1.1	-2.1	-2.1	*	-5.3
Underlying cash balance	-1.1	-2.1	-2.1	*	-5.3

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

(b) PDI impacts are not included in the totals.

(c) Unquantifiable impacts are not included in totals.

Key assumptions

The Parliamentary Budget Office assumed that departmental expenses for the assistance to farmers would follow a similar total departmental to administered expenses ratio as the *Leadership in Agriculture Industries Fund-establishment* measure from the Mid-year Economic and Fiscal Outlook 2016-17.

Data sources

Commonwealth of Australia (2016) *2016-17 Mid-Year Economic and Fiscal Outlook*, Australian Government.

Smart J, O'Shannessy B and French A (2020) [Government decision makers should think twice before jumping on the ban-wagon: lessons from the Brett Cattle class action](#), accessed 16 March 2021.

LiveCorp (2021) [Industry statistics](#), accessed 26 April 2021.

Department of Agriculture (2017) [Northern Australian beef industry Assessment of risks and opportunities](#), accessed 26 April 2021.

Department of Agriculture (2014) [Live export trade assessment](#), accessed 26 April 2021.

Attachment A – Ban live export of livestock – financial implications

Table A1: Ban live export of livestock – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
<i>Tax revenue</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
Total – revenue	*	*	*	*	*	*	*	*	*	*	*	*	*
Expenses													
Administered													
<i>Component 1 - ban live exports</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
<i>Component 2 - payments to farmers</i>	-1.0	-2.0	-2.0	-	-	-	-	-	-	-	-	-5.0	-5.0
Total – administered	-1.0	-2.0	-2.0	*	*	*	*	*	*	*	*	-5.0	-5.0
Departmental													
<i>Component 1 - ban live exports</i>	*	*	*	*	*	*	*	*	*	*	*	*	*
<i>Component 2 - payments to farmers</i>	-0.1	-0.1	-0.1	-	-	-	-	-	-	-	-	-0.3	-0.3
Total – departmental	-0.1	-0.1	-0.1	*	*	*	*	*	*	*	*	-0.3	-0.3
Total – expenses	-1.1	-2.1	-2.1	*	*	*	*	*	*	*	*	-5.3	-5.3
Total (excluding PDI)	-1.1	-2.1	-2.1	*	*	*	*	*	*	*	*	-5.3	-5.3

(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.

* Unquantifiable – not included in totals.

- Indicates nil.

Table A2: Ban live export of livestock – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)(c)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<i>Fiscal balance</i>	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-1.0
<i>Underlying cash balance</i>	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-1.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table 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 glossary².
- (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.
- (c) PDI impacts are based off the quantifiable impacts of this costing.
- .. Not zero but rounded to zero.
- Indicates nil.

² [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)