EM-IBEP 2026/01

2025–2026

The Parliament of the Commonwealth of Australia

HOUSE OF REPRESENTATIVES

INDONESIAN BEEF EXPORT PROTECTION BILL 2026
EXPLANATORY MEMORANDUM

(Circulated by authority of Alecomm (Australian Legislative Ethics Commission))

General outline

Purpose

The Bill would keep the slaughter of Australian feeder and slaughter cattle in Australia where a foreign market burdens boxed beef and exempts live cattle. It names Indonesia as the first displacement market, charges the exporter the processing margin shifted offshore, gives Australian processors five business days to take the line at export parity, and cuts the Indonesia live quota by 15 per cent a year unless boxed beef is treated no worse than live cattle.

The Bill is the legislative child of Australian Cattle Industry Protection Policy IBEP-P 2026/01. It is a principal Act. It sits on top of the Export Control Act 2020 and the Australian Meat and Live-stock Industry Act 1997. A permit inconsistent with it does not operate.

Financial impact

The charge is paid by the exporter, not from general revenue. At the interim rate of $350 a head, and using the 2025 Indonesia volume of 583,345 cattle as a scale illustration only, a full-year charge at that volume would be about $204 million. Actual yield will be lower once the quota bites and once processors take lines. Revenue is paid into the Domestic Processing Account and may be spent only on Australian export-registered plants, with priority to northern kill and boning capacity, and on the cost of administering the Act.

Why Indonesia is listed

From 18 October 2026, food and beverage exported to Indonesia, including boxed beef, needs halal certification, segregation, labelling and importer registration under Law 33/2014. Beef Central reported on 5 October 2026 that the regulation does not affect the live cattle trade. Indonesia took 583,345 cattle in 2025. Boxed beef to Indonesia was about 20,000 tonnes in the 2026 year to date. Beef and veal exports to Indonesia were valued at $581 million in 2025. The cheaper regulatory path is the live animal. The higher-regulation path is the Australian plant.

Notes on clauses

Clauses 1 to 6

Short title, commencement, objects and definitions. The Act binds the Crown and overrides an inconsistent livestock export licence or permit. Breeding cattle on a breeding protocol are outside the charge and the quota.

Clauses 7 to 9

Indonesia is listed because the boxed-beef burden and the live-cattle exemption are on the public record. Clause 8 applies the same three-part test to any later market. A declaration cannot be revoked while either limb of the asymmetry remains. Clause 9 stops Commonwealth money, insurance and official sponsorship being used to build the offshore plant.

Clauses 10 to 12

The processing margin is the Australian wage, service and plant return foregone by a live shipment. The $350 figure is a statutory placeholder so the charge is not zero while the instrument is written. The exporter is liable. The permit does not issue until the charge is paid. Spending is confined to Australian plants.

Clauses 13 to 15

The line is offered to export-registered processors at export parity plus fair road freight. Acceptance binds both sides and refuses the permit for the accepted head. Related-party contracts, artificial breeding claims and third-country shipment are grounds to refuse the permit.

Clauses 16 and 17

The Indonesia cap starts at the 2024 live volume, then falls 15 per cent a year for four years, and stays at the year-five level. It can be paused or raised only if the Minister certifies that boxed beef faces no greater burden than live cattle. The certificate is disallowable.

Clauses 18 to 20

The quarterly report puts head, tonnes, charge, foregone kills, foregone jobs and boxed-beef compliance cost on the public record. Clause 19 stops a foreign halal authority, including under the July 2026 BPJPH arrangement, acquiring effect in Australian law before disallowance expires. Clause 20 stops meat from an animal slaughtered offshore being sold in Australia as Australian beef.

Clauses 21 and 22 and Schedule 1

The civil penalty is the greater of 5,000 penalty units and three times the processing margin on the cattle, including for structured avoidance. An unpaid charge or a breach suspends the livestock export licence until remedied. Schedule 1 lists Indonesia. Further countries enter by instrument under clause 8.

Sources for the figures

Live cattle: LiveCorp State of the Industry 2025 and Beef Central. Indonesia received 583,345 cattle in 2025. Boxed beef: Beef Central, 5 October 2026, about 20,000 tonnes year to date; the same report states the new rules do not affect the live trade. Halal date and duties: DFAT and DAFF MAA 2026-03. Beef and veal value: $581 million in 2025. The interim margin is not a measured boning return.