

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Agriculture, Fisheries and Forestry

Quarantine Act 1908

Quarantine Service Fees (Australia Post) Determination 2005

The Australian Quarantine and Inspection Service ("AQIS") undertakes a range of activities including maintaining Australia's quarantine integrity through appropriate border control arrangements for international passengers, cargo, mail, aircraft and other vessels entering Australia. These activities include the quarantine clearance of international mail.

Section 86E of the *Quarantine Act 1908* (Cth) ("the Act") provides that the Minister may determine fees in respect of specified services provided under the Act including fees in connection with specified examinations or services carried out or provided under the Act.

Fees are payable by Australia Post to AQIS for quarantine clearance of international mail by AQIS. The current fees for this service are set out in the *Quarantine Service Fees 2003-2005 (Australia Post) Determination 2003* ("the current Australia Post Fees Determination"). The *Quarantine Service Fees (Australia Post) Determination 2005* ("the new Australia Post Fees Determination") will replace the current Australia Post Fees Determination from 1 July 2005.

The purpose of the new Australia Post Fees Determination is to update the fees payable by Australia Post for the services performed by AQIS to align the fees more closely to the actual cost of providing the services.

The Office of Regulation Review has advised that a regulation impact statement and consultation is not required for the new Australia Post Fees Determination as this Determination is of a minor or machinery nature and does not substantially alter the existing arrangement, apart from increasing the fees payable. Notwithstanding this advice, the International Mail Program has consulted with Australia Post on the new Australia Post Fees Determination. Further, regular meetings involving AQIS, Australia Post and Customs have been undertaken which provide an ongoing method of monitoring fees.

Details of the new Australia Post Fees Determination are set out below:

Section 1

This section provides that the name of the Determination is the *Quarantine Service Fees (Australia Post) Determination 2005*.

Section 2

This section sets out the definitions for the terms *Act*, *Australia Post*, *postal article* and *relevant financial year* which are used in the Determination.

Section 3

This section specifies the amount of the annual fee payable by Australia Post for the provision of quarantine services for international postal services. The fee set out in the section is \$3,200,000 which has been calculated on the basis of AQIS recovering the non-budget funded component of its direct and indirect costs associated with providing quarantine services at International Mail Centres. Under the current Australia Post Fees Determination, the yearly total was increased by 5% each year. Under this Determination, the annual fee will remain unchanged until a new Determination is made.

Section 4

This section sets out the due date for the payment of the annual fee. The section specifies that the annual fee is payable in equal instalments and each instalment is payable within 30 days of the date shown on the invoice issued by AQIS to Australia Post. The sum of the instalments will equal the annual fee payable for each year.

Section 5

This section provides that Australia Post is liable to pay a late fee where an instalment is not paid on or before the due date for that instalment. The section provides a formula for the purpose of calculating the late fee which is payable.

Section 6

This section revokes the *Quarantine Service Fees 2003-2005 (Australia Post) Determination 2003*.