

## EXPLANATORY STATEMENT

Issued by the authority of the Minister for Agriculture and Water Resources

*Quarantine Act 1908*

*Quarantine Service Fees (Australia Post) Amendment (Cost Recovery) Determination 2015*

### **Legislative Authority**

Section 86E of the *Quarantine Act 1908* (the Act) provides that the Minister may make a determination requiring fees of amounts set out in the determination to be paid for or in relation to the doing of anything in connection with various matters specified in this section, including specified examinations, services or other quarantine measures carried out or provided under the Act and the giving of permissions and permits under the Act.

The *Quarantine Service Fees (Australia Post) Determination 2010* (the Determination) sets out the current fees payable by Australia Post. These fees are for the provision of quarantine services performed by the Department of Agriculture and Water Resources (the department) for postal articles received by Australia Post from places outside Australia in a given financial year.

### **Purpose**

The purpose of the *Quarantine Service Fees (Australia Post) Amendment (Cost Recovery) Determination 2015* (the Amendment Determination) is to amend the Determination which prescribes the fees payable by Australia Post and to adjust the timing for paying any such fees.

The Amendment Determination gives effect to the new quarantine cost recovery fees developed as part of the Department of Agriculture and Water Resources' (the department) redesign of cost recovery arrangements.

### **Background**

Shifting global demands, growing passenger and trade volumes, increasing imports from a growing number of countries and population expansion all contribute to the complexity of the modern quarantine environment.

Quarantine services undertaken by the department include assessing and managing the quarantine risks arising from people, goods and vessels (sea and aircraft) entering Australia. These essential services which occur onshore, offshore and at the border are a major part of the department's day-to-day business. These services include the clearance of international mail.

Monitoring compliance with quarantine legislation comes at a cost. The Australian Government Cost Recovery Guidelines state that agencies should recover some or all of the costs of activities that they provide.

Historically, the Commonwealth recovers the costs of its quarantine services provided to a person (for example, inspection, analysis, treatment and destruction) through fees imposed in the Determination under section 86E of the Act.

The policy authority for continued cost recovery of quarantine services was confirmed in the 2015–16 Budget when the Commonwealth announced the redesign of the department’s cost recovery arrangements. The redesign improves the department’s cost recovery arrangements so they are financially sustainable and support the efficient and effective delivery of quarantine services into the future. The redesign improves the cost recovery of quarantine services by:

- recovering the full costs of services undertaken by the department
- simplifying the structure of fees and charges
- achieving greater equity in client contributions to system costs
- expanding and enhancing services to strengthen the management of quarantine risks.

### **Impact and Effect**

The Amendment Determination increases the fees payable by Australia Post to ensure cost recovery by the department for the services it provides to Australia Post. It does not alter the existing regulatory arrangement. It is also an instrument which gives effect, in terms announced in the 2015-16 Budget, to a decision to adjust the fees.

### **Consultation**

The department consulted with Australia Post and the Department of Communications during the development of the redesigned cost recovery fees and charges.

The Amendment Determination is compatible with human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A full statement of compatibility is set out in [Attachment A](#).

A Regulatory Impact Statement (RIS) was completed on the department’s quarantine, imported food and export certification cost recovery redesign (Office of Best Practice Regulation ID: 17726). OBPR assessed the RIS as best practice. A copy of the RIS is attached.

The Amendment Determination is a legislative instrument for the purpose of the *Legislative Instruments Act 2003*.

**Details of the *Quarantine Service Fees (Australia Post) Amendment (Cost Recovery) Determination 2015***

**Section 1 – Name**

This section provides that the name of the Amendment Determination is *the Quarantine Service Fees (Australia Post) Amendment (Cost Recovery) Determination 2015*.

**Section 2 - Commencement**

This section provides that the Amendment Determination will commence on 1 December 2015.

**Section 3 - Authority**

This section provides that the Amendment Determination is made under section 86E of the *Quarantine Act 1908*.

**Section 4 - Schedules**

This section provides that each instrument that is specified in Schedule 1 to the Amendment Determination is amended or repealed as set out in the applicable items in the Schedule, and any other item in Schedule 1 has effect according to its terms.

**Schedule 1 – Amendments**

**Item 1** repeals section 3 which provides for the revocation of the *Quarantine Service Fees (Australia Post) Determination 2005*.

**Item 2** inserts new definitions into section 4 of the Determination. This ensures that definitions for *late payment fee*, *payment day* and *quarantine service* are consistent with the Act.

**Item 3** repeals the note in section 4 which says that the terms such as late payment fee, payment day and quarantine service have the same meaning as the Act. Definitions for these terms have been included by **Item 2**.

**Item 4** repeals the existing subsection 5(2) which specified the fee payable by Australia Post for a financial year. New subsection 5(2) specifies fees as follows:

- For a financial year commencing on or before 1 July 2015—\$8,200,000.
- For the financial year commencing on 1 July 2016—\$11,700,000.
- For the financial year commencing on 1 July 2017—\$15,100,000.
- For the financial year commencing on 1 July 2018—\$15,300,000.

**Item 5** repeals sections 6 and 7 and substitutes new sections 6 and 7.

Subsection 6(1) specifies that the annual fee is payable either as a single instalment or in 2 or more equal instalments. Subsection 6(2) provides that the annual fee, or an instalment of the annual fee, is payable within 30 days after the day the demand for payment is made.

Subsection 7(1) provides that, in circumstances where the annual fee or the instalment of the annual fee is not paid on or before the fee or instalment is payable, a late payment fee will also be payable in addition to the service fee. Subsection 7(2) provides the formula by which the late payment fee will be calculated.

## **Statement of Compatibility with Human Rights**

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

### ***Quarantine Service Fees (Australia Post) Amendment (Cost Recovery) Determination 2015***

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

#### **Overview of the Legislative Instrument**

The purpose of the *Quarantine Service Fees (Australia Post) Amendment (Cost Recovery) Determination 2015* (the Amendment Determination) is to amend the *Quarantine Service Fees (Australia Post) Determination 2010* which prescribes the fees payable by Australia Post and to adjust the timing for paying any such fees.

The Amendment Determination gives effect to the new quarantine cost recovery fees developed as part of the Department of Agriculture and Water Resources' redesign of cost recovery arrangements.

#### **Human rights implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms.

#### **Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

**The Hon. Barnaby Joyce MP  
Minister for Agriculture and Water Resources**