## **EXPLANATORY STATEMENT**

<u>Issued by Authority of the Minister for Agriculture, Fisheries and Forestry</u>

Imported Food Charges (Imposition—Customs) Act 2015

Imported Food Charges (Imposition—Customs) Amendment (2025 Measures No. 1) Regulations 2025

## **Legislative Authority**

The *Imported Food Charges (Imposition—Customs) Act 2015* (the Act) is an Act to impose, as taxes, charges in relation to matters connected with the administration of the *Imported Food Control Act 1992* (the Imported Food Control Act), so far as those charges are duties of customs, and for related purposes. The Imported Food Control Act provides the regulatory framework for the inspection and control of food imported into Australia, and for related purposes. The Act does not set the amounts of the charges and only authorises the imposition of charges prescribed in regulations.

Subsections 6(1) and 6(4) of the Act provide that the regulations may prescribe a charge in relation to a prescribed matter connected with the administration of the Imported Food Control Act, but only so far as that charge is a duty of customs within the meaning of section 55 of the Constitution. Subsection 6(3) of the Act provides that multiple charges under subsection 6(1) may be prescribed in relation to the same matter, and a single charge under subsection 6(1) may be prescribed in relation to multiple matters.

Subsection 7(1) of the Act provides that the regulations may prescribe a charge under subsection 6(1) by specifying an amount as the charge or the method for calculating the amount of a charge. Subsection 7(2) provides that, before the Governor-General makes regulations for the purposes of subsection 6(1), the Minister must be satisfied that the amount of the charge is set at a level that is designed to recover no more than the Commonwealth's likely costs in connection with the matter.

Section 8 of the Act provides that the regulations may prescribe one or more persons who are liable to pay a specified charge prescribed for the purposes of subsection 6(1). Section 9 of the Act provides that the regulations may provide for exemptions from a charge prescribed under subsection 6(1).

Section 10 of the Act provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed, for carrying out or giving effect to the Act.

Subsection 33(3) of the *Acts Interpretation Act 1901* provides that where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws) the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend or vary any such instrument.

The financial modelling of the Department of Agriculture, Fisheries and Forestry (the department) has confirmed that the prices of the charges in the *Imported Food Charges* 

(Imposition—Customs) Amendment (2025 Measures No. 1) Regulations 2025 (the Amendment Regulations) are designed to recover no more than the Commonwealth's likely costs in connection with the matters to which the charges relate. For the purposes of subsection 7(2) of the Act, the Minister for Agriculture, Fisheries and Forestry has certified that she is satisfied that the amount of the charges in the Amendment Regulations are set at a level designed to recover no more than the Commonwealth's likely costs in connection with the prescribed matters to which they relate.

#### **Purpose**

The purpose of the Amendment Regulations is to ensure more effective cost recovery arrangements connected with the administration of the Imported Food Control Act by introducing new "upgrade" charges to support the cost recovery of the administration and ongoing management of compliance agreements and approved arrangements under the Imported Food Control Act.

Compliance agreements under the Imported Food Control Act allow food importers to manage the clearance of their own food imports if they have a documented food safety compliance system. Similarly, approved arrangements under the *Biosecurity Act 2015* (the Biosecurity Act) allow operators to manage biosecurity risks and perform the documentary assessment of goods in accordance with departmental requirements, using their own premises, facilities, equipment and people.

The Amendment Regulations amend the *Imported Food Charges (Imposition—Customs)* Regulation 2015 (the Principal Regulation) to introduce upgrade charges from 1 July 2025 that apply where a person transitions from holding a single compliance agreement or approved arrangement to one or more further compliance agreements or approved arrangements in the same financial year. Under the previous legislation, an upgrade charge could not be applied where a person was billed for and had paid the charge for a compliance agreement in a financial year and then upgraded to multiple compliance agreements or approved arrangements in the same financial year. By introducing an upgrade charge to cover this scenario, the amendments in the Amendment Regulations will recover costs for the additional work required to administer and manage multiple compliance agreements and approved arrangements during a financial year and ensure equity in the application of charges to industry participants.

#### **Background**

Under the Imported Food Control Act, the department inspects food that is imported into Australia to assess whether it meets Australian requirements for public health and safety, and whether it complies with the Australia New Zealand Food Standards Code and country of origin food labelling standards. The department recovers the costs of undertaking these regulatory functions through fees and charges, imposed in accordance with the Australian Government Charging Framework. The Australian Government Charging Framework sets the rules and requirements on how a regulatory body determines costs and sets charges, and how it will charge for regulatory activities.

Charging is undertaken under the Act, the *Imported Food Charges (Imposition—General) Act 2015* and the *Imported Food Charges (Imposition—Excise) Act 2015*. These Acts provide the tax legislation framework necessary to support cost recovery charges. Specific charges and

fees for imported food regulatory functions are prescribed in the Principal Regulation, the *Imported Food Charges (Imposition—General) Regulation 2015* (the General Regulation) and the *Imported Food Control Regulations 2019*.

Under the imported food control cost recovery framework, the General Regulation prescribes charges in relation to matters connected with the administration of the Imported Food Control Act which are considered neither duties of customs nor duties of excise within the meaning of section 55 of the Constitution. The Principal Regulation prescribes charges in relation to matters connected with the administration of the Imported Food Control Act which are considered duties of customs within the meaning of section 55 of the Constitution. Where a charge is prescribed under both the Principal Regulation and General Regulation, only one charge will apply, and it will be under the regulation for which it is valid.

The *Imported Food Charges (Collection) Regulation 2015* is made under the *Imported Food Charges (Collection) Act 2015* and provides for the collection of imported food charges.

# **Impact and Effect**

The Amendment Regulations provide for the new and updated charges to be implemented from 1 July 2025.

The new charge in the Amendment Regulations reflects the department's costs involved with administering and managing multiple compliance agreements or approved arrangements during a financial year. The charge is based on the modelling set out in the 2025-26 Biosecurity Cost Recovery Implementation Statement (CRIS) required by the Australian Government Cost Recovery Policy overseeing charging of regulatory government activities and is no higher than the department's anticipated costs of delivering the regulatory functions for compliance agreements and approved arrangements. The CRIS sets out the anticipated costs to be recovered in delivering regulatory activities, and the fees and charges to be applied to those activities.

The new charge applies to a person that holds a single compliance agreement or approved arrangement and is then approved for one or more additional compliance agreements or approved arrangements during a financial year. This charge is connected with the administration of the Imported Food Control Act. The total amount payable by the person will be no more than the amount payable for single or multiple compliance agreements or approved arrangements, as indexed under existing section 6A of the Principal Regulation which provides for indexation on 1 July each year in accordance with the Consumer Price Index (CPI). Apart from the imposition of the upgrade charge, which ensures all multiple compliance agreement or approved arrangement holders are charged equitably, there is no increase to the total amount payable for single or multiple compliance agreements or approved arrangements. The dollar amounts specified in the Amendment Regulations reflect the replacement amounts that apply in relation to single and multiple compliance agreements in line with indexation that occurred on 1 July 2024 and would otherwise have occurred on 1 July 2025 under section 6A of the Principal Regulation.

#### Consultation

Targeted consultation with key industry stakeholders was conducted through the department's industry consultative committees, import industry advice notices, direct

engagement with industry stakeholders and through updates to the department's website. The Department of Finance has been consulted on the changes.

# **Details/ Operation**

The Amendment Regulations are a legislative instrument for the purposes of the *Legislation Act* 2003.

The Amendment Regulations commence on 1 July 2025.

Details of the Amendment Regulations are set out in Attachment A.

#### Other

The Amendment Regulations are compatible with the human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A full Statement of Compatibility with Human Rights is set out in <u>Attachment B</u>.

#### **ATTACHMENT A**

# <u>Details of the Imported Food Charges (Imposition—Customs) Amendment (2025 Measures No. 1) Regulations 2025</u>

#### Section 1 – Name

This section provides that the name of the instrument is the *Imported Food Charges* (*Imposition—Customs*) Amendment (2025 Measures No. 1) Regulations 2025 (the Amendment Regulations).

#### Section 2 – Commencement

Subsection 2(1) provides that the Amendment Regulations commence on 1 July 2025.

The note below the table provides that the table relates only to the provisions of the Amendment Regulations as originally made. The table will not be amended to deal with later amendments of the Amendment Regulations. The purpose of this note is to clarify that the commencement of any subsequent amendments will not be reflected in this table.

Subsection 2(2) provides that any information in column 3 of the table is not part of the instrument. Information may be inserted in that column, or information in it may be edited, in any published version of the instrument.

# Section 3 – Authority

This section provides that the Amendment Regulations are made under the *Imported Food Charges (Imposition—Customs) Act 2015* (the Act).

#### Section 4 – Schedules

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

#### **Schedule 1 – Amendments**

Imported Food Charges (Imposition—Customs) Regulation 2015

## Item [1] – Section 5

Section 5 of the *Imported Food Charges (Imposition—Customs) Regulation 2015* (the Principal Regulation) provides for definitions of terms used throughout the Principal Regulation.

This item inserts definitions for the terms "approved arrangement", "Class 19 Arrangement" and "relevant arrangement or agreement".

Under the amendment to section 5 of the Principal Regulation, "approved arrangement" has the same meaning as in the *Biosecurity Act 2015* (the Biosecurity Act). Under section 10 of the Biosecurity Act, an approved arrangement is an arrangement for which an approval is in force under paragraph 406(1)(a) (including a varied arrangement for which an approval is in force under that paragraph as it applies because of subsection 412(3)). The insertion of this definition is consequential to the amendment to items 2, 3 and 4 of the table in subsection 6(1) of the Principal Regulation, made by item 2 of this Schedule.

Under the amendment to section 5 of the Principal Regulation, "Class 19 Arrangement" is defined as an approved arrangement that:

- (a) provides for the person covered by the arrangement to assess documents to manage biosecurity risks associated with containerised sea freight; and
- (b) does not require the person to carry out biosecurity activities at a particular place.

The insertion of the definition for a "Class 19 Arrangement" is consequential to the amendment to items 2, 3 and 4 of the table in subsection 6(1) of the Principal Regulation, that was made by item 2 of this Schedule.

Under the amendment to section 5 of the Principal Regulation, "relevant arrangement or agreement" is defined as an approved arrangement or compliance agreement. The insertion of the definition is consequential to the amendment to items 2, 3 and 4 of the table in subsection 6(1) of the Principal Regulation, made by item 2 of this Schedule. "Approved arrangement" is defined in the Principal Regulation as above, while "compliance agreement" remains a defined term under the Principal Regulation.

#### Item [2] – Subsection 6(1) (table item 2)

Section 6 of the Principal Regulation is made for the purposes of subsection 6(1) of the *Imported Food Control Act 1992* (the Act) and provides for charges payable in relation to imported food matters. The charges are listed in the table in section 6, where column 1 of the table describes the imported food matter and column 2 describes the corresponding charges that apply for each matter.

This item repeals table item 2 in subsection 6(1) of the Principal Regulation and replaces it with new table items 2, 3 and 4 in subsection 6(1) of the Principal Regulation.

New table item 2 provides for charges for the administration and ongoing management of two or more relevant arrangements or agreements (that is, approved arrangements or compliance agreements) that cover a person at any time in a financial year, but only if:

- (a) at least one of them is a compliance agreement; and
- (b) at least two of those arrangements or agreements covered the person immediately before the start of the financial year.

Column 2 of new table item 2 prescribes a charge of \$3,316 for a financial year, or part of a financial year in which the relevant arrangements or agreements are in force.

New table item 2 implements substantively the same charge as in previous table item 2 in relation to multiple compliance agreements, with the following amendments:

- the description of the imported food matter in column 1 has been clarified to refer to "administration and ongoing management" of two or more relevant arrangements or agreements rather than development and administration of arrangements for the performance of activities by a person on behalf of the Commonwealth in accordance with a compliance agreement—this is because the costs are recovered for the ongoing management and administration of the relevant arrangements or agreements rather than their development, which is undertaken by the person who holds the compliance agreement or approved arrangement (the industry participant) rather than the department;
- it prescribes charges for multiple relevant arrangements or agreements that cover the person at any time in a financial year if at least two of them covered the person before the start of the financial year—this is because new table items 3 and 4 deal with charges for single relevant compliance agreements, or where a person transitions to multiple relevant arrangements or agreements during the course of the financial year;
- the amounts prescribed in column 2 have been updated to reflect the actual amounts payable in the 2025-26 financial year, as the dollar amounts previously set out in column 2 of table item 2 were replaced on 1 July 2024 and would otherwise have been replaced on 1 July 2025 due to the effect of section 6A of the Principal Regulation dealing with the indexation of charges; and
- it includes an additional description in column 1 clarifying that the charge only applies where at least one of the relevant arrangements or agreements is a compliance agreement—the corresponding charge involving approved arrangements only is provided for in a similar amendment to the *Biosecurity Charges Imposition (General)* Regulation 2016 and the *Biosecurity Charges Imposition (Customs) Regulation 2016* (the biosecurity charging legislation).

New table item 2 applies in a situation where an industry participant begins the financial year as a holder of multiple relevant arrangements or agreements. It is necessary to make this distinction as a consequence of the new upgrade charge which is introduced by new table item 4 that applies where an industry participant is covered by a single relevant arrangement or agreement and is subsequently approved for one or more further approved arrangements or compliance agreements.

A person only pays one charge in a situation where, at the start of the financial year, they are covered by one or more compliance agreements entered into under section 35A of the Imported Food Control Act and one or more approved arrangements under the Biosecurity Act. The effect of proposed subsection 8(2) inserted by item 7 of this Schedule is that a

person is not liable to pay the charge under the Principal Regulation if the person has paid the equivalent charge under the biosecurity charging legislation in the same financial year.

New table item 3 provides for charges for the administration and ongoing management of a compliance agreement (other than a compliance agreement to which table item 2 above applies) where it is the first compliance agreement that covers a person in a financial year, but only if the person is not covered by an approved arrangement when the compliance agreement first covers the person. The charges apply for each financial year, or part of a financial year, during which the relevant compliance agreement is in force.

Column 2 of new table item 3 prescribes the following charges for a compliance agreement:

- paragraph (a) provides that if the compliance agreement is in force before 1 January in the financial year—the charge is \$2,857; and
- paragraph (b) provides that if paragraph (a) does not apply (that is, the compliance agreement is not in force before 1 January in the financial year)—the charge is 50% of the amount specified in paragraph (a) (\$1,428.50).

New table item 3 implements substantively the same charges as in previous table item 2 for single compliance agreements with the following amendments:

- the description of the imported food matter in column 1 has been clarified to refer to "administration and ongoing management" of a compliance agreement rather than development and administration of arrangements for the performance of activities by a person on behalf of the Commonwealth in accordance with a compliance agreement—this is because the costs are recovered for the ongoing management and administration of the compliance agreement rather than their development, which is undertaken by the person who holds the compliance agreement (the industry participant) rather than the department;
- it only prescribes charges for a single compliance agreement rather than both single and multiple compliance agreements as in previous table item 2—this is because new table items 2 and 4 deal with charges for multiple relevant arrangements or agreements;
- the amounts prescribed in column 2 have been updated to reflect actual amounts payable in the 2025-26 financial year for single compliance agreements, as the dollar amounts previously set out in column 2 of table item 2 were replaced on 1 July 2024 and would otherwise have been replaced on 1 July 2025 due to the effect of section 6A dealing with indexation of charges; and
- it includes an additional description in column 1 clarifying that the charge applies where the person is not already covered by an approved arrangement when the compliance agreement first covers the person—this ensures that where someone is covered by an approved arrangement and subsequently begins to be covered by a compliance agreement (the first compliance agreement), table item 3 does not apply but the upgrade charge in table item 4 applies.

New table item 4 prescribes charges for the administration and ongoing management of one or more relevant arrangements or agreements (other than a relevant arrangement or agreement to which table item 2 or 3 applies) that cover a person at any time in a financial year, but only if at least one of them is a compliance agreement. This table item applies the charges for each financial year, or part of a financial year, during which the further relevant arrangements or agreements are in force.

New table item 4 prescribes the following charges to upgrade from a single relevant arrangement or agreement to multiple relevant arrangements or agreements during a financial year, which all apply in addition to the charge for a single relevant compliance agreement prescribed in table item 3:

- paragraph (a) sets the prescribed charge at \$2,744 where the first relevant arrangement or agreement that covers the person in the financial year is a Class 19 Arrangement, and at least one further relevant arrangement or agreement (that is not a Class 19 Arrangement) is in force before 1 January in the financial year;
- paragraph (b) sets the prescribed charge at \$1,086 where the first relevant arrangement or agreement is a Class 19 Arrangement that is in force before 1 January in a financial year, at least one further relevant arrangement or agreement (other than a Class 19 Arrangement) is in force on or after 1 January in the financial year and paragraph (a) does not apply (that is, no relevant arrangements or agreements are in force before 1 January in the financial year);
- paragraph (c) sets the prescribed charge at \$1,372 where the first relevant arrangement or agreement is a Class 19 Arrangement that is in force on or after 1 January in the financial year, at least one further relevant arrangement or agreement (other than a Class 19 Arrangement) is in force on or after 1 January in the financial year and neither paragraph (a) nor (b) applies (that is, no relevant arrangements or agreements are in force before 1 January in the financial year);
- paragraph (d) sets the prescribed charge at \$459, where the first relevant arrangement or agreement is not a Class 19 Arrangement and at least one further relevant arrangement or agreement is in force before 1 January in the financial year; and
- paragraph (e) sets the prescribed charge at \$229, where the first relevant arrangement or agreement is not a Class 19 Arrangement, paragraph (d) above does not apply (that is, no relevant arrangements or agreements are in force before 1 January in the financial year) and at least one further relevant arrangement or agreement comes into force on or after 1 January in the financial year.

New table item 4 provides for charges that apply if a person transitions from a single relevant arrangement or agreement to multiple relevant arrangements or agreements during a financial year (an "upgrade charge"). The upgrade charges have been calculated to ensure that the total amount payable for the financial year is no more than the amount charged for multiple compliance agreements for a half year or full year (as relevant) under previous table item 2, as indexed on 1 July 2024 and as would have been indexed on 1 July 2025 under section 6A of the Principal Regulation. As such this retains previous charges while providing the ability to charge the full amount where the upgrade to multiple relevant arrangements or agreements occurs during the financial year.

The upgrade charge is only payable once in the financial year which reflects existing charging settings whereby the multiple compliance agreement charge covers any number of additional relevant arrangements or agreements.

In a situation where a person is covered by a compliance agreement entered into under section 35A of the Imported Food Control Act and in the same financial year is subsequently also covered by an approved arrangement under the Biosecurity Act, an upgrade charge would apply under the biosecurity charging legislation. The effect of new subsection 8(2) inserted by item 7 of this Schedule is that a person is not liable to pay the upgrade charge under the Principal Regulation if the person has paid the upgrade charge under the biosecurity charging legislation in the same financial year.

If a person only holds a single compliance agreement throughout a whole financial year there is no charge payable under new table item 4.

If a person holds two relevant arrangements or agreements at the start of the financial year and one of those arrangements or agreements ceases to be in force, no charge is payable under new table item 4 by a person if they subsequently become the holder of a further compliance agreement during the same financial year. This is because new table items 2 and 4 apply a charge in relation to the administration and ongoing management of multiple relevant arrangements or agreements such that once a person has paid that charge, they do not need to pay it again in the same financial year.

If a person is not covered by any relevant arrangements or agreements at the start of the financial year and begins to be covered by multiple arrangements or agreements for the first time at a point during the financial year, the person would be charged for a single compliance agreement under table item 3 as well as the upgrade charge under table item 4. This amount is no more than the amount charged for multiple compliance agreements for a half year or full year (as relevant) under previous table item 2, as indexed on 1 July 2024 and as would have been indexed on 1 July 2025 under section 6A of the Principal Regulation.

The purpose of new table items 2, 3 and 4 is to preserve previous charges that apply for single or multiple compliance agreements, as indexed on 1 July 2024 and as would have been indexed on 1 July 2025 under section 6A of the Principal Regulation, while allowing for the ability to charge an additional amount if a person transitions to multiple relevant arrangements or agreements part way through a financial year. The Principal Regulation previously did not allow an additional amount to be charged in a situation where an industry participant had already paid an amount under table item 2. New table items 2, 3 and 4 overcome this problem by ensuring all holders of compliance agreements are charged equitably regardless of whether they start the financial year with multiple compliance agreements or approved arrangements or become a holder of multiple compliance agreements or approved arrangements during the financial year.

The charges in this item are prescribed for the purposes of subsection 6(1) of the Act. In accordance with subsection 7(2) of the Act, the Minister for Agriculture, Fisheries and Forestry has certified that she is satisfied that the amount of the charges in the Proposed Regulations are set at a level designed to recover no more than the Commonwealth's likely costs in relation to the relevant matters. The financial modelling of the department has confirmed that the amounts of the charges in this item are designed to recover no more than the Commonwealth's likely costs in connection with the matter to which the charges relate.

#### Item [3] – Subsection 6(2)

This item repeals existing subsection 6(2) of the Principal Regulation and replaces it with a new subsection 6(2).

New subsection 6(2) applies where an amount of a charge specified in paragraph (a) of table item 3 in subsection 6(1) of the Principal Regulation (as would be inserted by item 2 of this Schedule) is increased under section 6A which provides for annual indexation. In such circumstances, the increased charge is used for the purposes of working out the amount of the

charge under paragraph (b) of table item 3 in subsection 6(1) of the Principal Regulation (as added by item 2 of this Schedule).

This preserves the existing effect of subsection 6(2), which clarifies that the indexation of charges under section 6A of the Principal Regulation also affects the calculation of the amount of those charges in table item 3 in subsection 6(1) which are prescribed as a percentage of a dollar amount. The amendment in this item is consequential to the amendments in item 2 of this Schedule and updates the paragraph referencing to refer to those paragraphs that are prescribed as a percentage of a dollar amount, which is paragraph (b) of column 2 of table item 3 in subsection 6(1).

# Item [4] – Subsection 6A(1)

Section 6A of the Principal Regulation provides for the indexation of charges.

Subsection 6A(1) applies where the indexation factor for an indexation day is greater than 1. Where this occurs, the dollar amounts mentioned in the table in subsection 6(1) of the Principal Regulation would be replaced by the amount worked out using the formula in subsection 6A(1).

This item omits the words "are each" and substitutes the words "are, on that day, each" in subsection 6A(1) of the Principal Regulation. This item has the effect of clarifying the day on which indexation of the charges occurs by specifying that the dollar amounts in the table in subsection 6(1) are, on the indexation day, each replaced by the amount worked out using the formula in subsection 6A(1). This is a technical amendment which does not change how indexation is calculated under section 6A of the Principal Regulation.

## **Item [5] – After subsection 6A(1)**

This item inserts a new subsection 6A(1A) after subsection 6A(1) of the Principal Regulation.

Section 6A of the Principal Regulation provides for the indexation of charges. Subsection 6A(1) applies where the indexation factor for an indexation day is greater than 1. Where this occurs, the dollar amounts mentioned in the table in subsection 6(1) of the Principal Regulation would be replaced by the amount worked out using the formula in subsection 6A(1). The formula requires the dollar amount of a charge immediately before the indexation day to be multiplied by the indexation factor for the indexation day.

Under current subsection 6A(2), the amount worked out under subsection 6A(1) is rounded to the nearest whole dollar (rounding 50 cents upwards). "Indexation day" is defined in subsection 6A(6) of the Principal Regulation as 1 July 2024 and each later 1 July. "Indexation number" is defined in subsection 6A(6) of the Principal Regulation as, for a quarter, the All Groups Consumer Price Index number (being the weighted average of the 8 capital cities) published by the Australian Statistician for that quarter.

New subsection 6A(1A) specifies that subsection 6A(1) of the Principal Regulation does not apply to the dollar amounts mentioned in items 2, 3 and 4 of the table in subsection 6(1) on the indexation day occurring on 1 July 2025.

The value of the charges in new table items 2, 3 and 4 of the table in subsection 6(1), as inserted by item 2 of this Schedule, have been updated to apply indexation for both indexation days of 1 July 2024 and 1 July 2025 in line with section 6A of the Principal Regulation. This item has the effect of clarifying that indexation does not apply to new table items 2, 3 and 4 on 1 July 2025 as the dollar amounts in those table items have already incorporated indexation up to and including 1 July 2025.

## Item [6] – Paragraph 7(b)

Section 7 of the Principal Regulation is made for the purposes of section 8 of the Act and specifies the persons who are liable to pay the charges related to an imported food matter prescribed by an item of the table in subsection 6(1) of the Principal Regulation.

This item repeals existing paragraph 7(b) and replaces it with a new paragraph 7(b).

New paragraph 7(b) specifies that the person who is liable to pay the charge in relation to the imported food matters prescribed by new table items 2, 3 and 4 of the table in subsection 6(1) of the Principal Regulation is the person who is covered by the relevant arrangement or agreement, or the relevant arrangements or agreements, to which the charge relates.

#### Item [7] – Subsection 8(2)

Section 8 of the Principal Regulation is made for the purposes of section 9 of the Act and provides for exemptions from prescribed charges. Subsection 8(2) of the Principal Regulation provides for exemptions from prescribed charges that relate to the administration of a compliance agreement.

This item repeals existing subsection 8(2) (including the heading) of the Principal Regulation and replaces it with new subsections 8(2) and (3).

New subsection 8(2) provides that a person is not liable to pay a charge prescribed by new item 2 of the table in subsection 6(1)—as made by item 2 of this Schedule—for a financial year, or a part of a financial year, if the person has paid the charge prescribed by:

- new item 13 of the table in subsection 9(1) of the *Biosecurity Charges Imposition* (Customs) Regulation 2016, as inserted by item 2 of Schedule 1 to the *Biosecurity Charges Imposition* (Customs) Amendment (2025 Measures No. 1) Regulations 2025; or
- new item 13 of the table in subsection 9(1) of the *Biosecurity Charges Imposition* (General) Regulation 2016, as inserted by item 2 of Schedule 1 to the *Biosecurity Charges Imposition* (General) Amendment (2025 Measures No. 1) Regulations 2025.

New subsection 8(3) clarifies that a person is not liable to pay a charge prescribed by new item 4 of the table in subsection 6(1)—as made by item 2 of this Schedule—for a financial year, or a part of a financial year, where the person has paid the charge prescribed by:

• new item 13AB of the table in subsection 9(1) of the *Biosecurity Charges Imposition* (Customs) Regulation 2016, as inserted by item 2 of Schedule 1 to the *Biosecurity Charges Imposition* (Customs) Amendment (2025 Measures No. 1) Regulations 2025; or

• new item 13AB of the table in subsection 9(1) of the *Biosecurity Charges Imposition* (General) Regulation 2016, as inserted by item 2 of Schedule 1 to the *Biosecurity Charges Imposition* (General) Amendment (2025 Measures No. 1) Regulations 2025.

The amendments are consequential to the insertion of new items 2 and 4 to the table in subsection 6(1) of the Principal Regulation, as proposed to be made by item 2 of this Schedule. The amendments make clear that if a charge has already been paid for the financial year under the biosecurity charging legislation, another charge does not need to be paid under items 2 or 4 of the table in subsection 6(1) of the Principal Regulation. Once a person has paid for multiple relevant arrangements or agreements in a financial year, they do not need to pay another charge in that financial year for the administration and ongoing management of relevant arrangements or agreements. This is the case even if they are subsequently approved for or enter into a further compliance agreement or approved arrangement in that financial year.

## Item [8] – At the end of the instrument

This item inserts a new Part 3 dealing with application, saving and transitional provisions. It inserts a new section 9 into new Part 3 of the Principal Regulation that deals with the application of the amendments of Part 2 made by Schedule 1 of the Amendment Regulations. New section 9 specifies that the amendments made by Schedule 1 of the Amendment Regulations apply in relation to a financial year beginning on or after 1 July 2025.

The effect of the commencement provision and this item together is that amendments that are made by Schedule 1 of the Amendment Regulations commence on 1 July 2025 and apply to the financial year beginning on or after 1 July 2025.

#### **ATTACHMENT B**

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

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

Imported Food Charges (Imposition—Customs) Amendment (2025 Measures No. 1)
Regulations 2025

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 Imported Food Charges (Imposition—Customs) Amendment (2025 Measures No. 1) Regulations 2025 (the Amendment Regulations) amend the Imported Food Charges (Imposition—Customs) Regulation 2015 (the Principal Regulation) to update charges to support the cost recovery of the administration and ongoing management of compliance agreements (together with approved arrangements) under the Imported Food Control Act 1992.

The new charges apply where a person transitions from holding a single compliance agreement or approved arrangement to one or more further compliance agreements or approved arrangements in the same financial year. Under the previous legislation, an upgrade charge could not be applied where a person was billed for and had paid the charge for a single compliance agreement in a financial year and then upgraded to multiple compliance agreements or approved arrangements in the same financial year. By introducing an upgrade charge to cover this scenario, the amendments in the Amendment Regulations will recover costs for the additional work required to administer and manage multiple compliance agreements and approved arrangements during a financial year and ensure equity in the application of charges to industry participants.

The Amendment Regulations are made under the *Imported Food Charges (Imposition—Customs) Act 2015* (the Act). The Act does not set the amounts of the charges and only authorises the imposition of charges prescribed in regulations.

#### **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. Julie Collins MP Minister for Agriculture, Fisheries and Forestry