

# MemberUpdate

**UPDATE 21 OF 15 • 9 November 2015**

**TOPIC: DAWR Biosecurity Fees and Charges 2015/2016**

**DISTRIBUTION: GTA Members – primary contact list. Please circulate to all appropriate internal parties.**

## 1. Issue

The Department of Agriculture & Water Resources – Biosecurity (Biosecurity) commenced a review of fees and charges in October 2014 and which was finalised on 1 November 2015.

1. During this 12 month period, Biosecurity released a number of versions and requested that industry provide commentary. GTA participated in numerous meetings over the last 12 months and provided the following submissions, all available on the GTA website:  
Dept. of Agriculture and Water Resources DRAFT Charging Guidelines 2015 – 2016, dated 30 October 2015.
2. GTA Supplementary submission – DA Biosecurity revised fees and changes, dated 4 September 2015/August 2015;
3. GTA submission - DA Biosecurity - IN CONFIDENCE, dated 8 August 2015; and
4. GTA submission - DA Biosecurity CRIS Consultation draft, dated 8 August 2015.

Members are encouraged to review these documents to gauge the level of detail supplied by GTA in support of our members.

## 2. Outcomes - summary

Over the consultation phase and as a result of submissions:

1. the estimated cost of conducting the Grain Export Program was reduced by \$8.1m;
2. the Grain Export Program was NOT aggregated with the Horticulture Export Program as proposed by the Department;
3. the Minister announced that an independent financial audit would be conducted of the Grain Export Program; and
4. the savings to industry from the reduction in the original proposed tonnage charge was \$2.1m.

## 3. Outcomes - detailed

### 3.1 Estimated cost base

GTA's position was consistent during the review process, in that the starting point must be a thorough review of the costs to conduct the Grain Export Program and then developing an aligned set of fees and charges. This point was reargued at every opportunity.

GTA had submitted that:

1. costs should be decreasing, not increasing as a result of the huge uptake of industry funded Authorised Officers and therefore, a corresponding reduction in Departmental Full Time Equivalents (FTE's); and
2. the increasing costs could be interpreted that the Grains Export Program is subsidising other commodity groups or the Department in general.

**Outcome:**

	Released	Estimated cost base
DA Biosecurity - starting position Grain Export Cost Recovery Arrangement Forecast Cost Base for Cost Recovery Charges	28 Oct 2014	\$20,854,000
DAWR Biosecurity - final position Cost base – grain exports cost recovery arrangement (4 year average 2015/2016 to 2018/2019)	2 Nov 2015	\$12,738,000
Cost reduction in the conduct of the Grain Export Program		\$8,116,000

### **3.2 The financial reporting of the Grain Export Program is not aggregated with the Horticultural Export Program.**

Until the final document was released on 2 November 2015, the Department had insisted on aggregating the Grain and Horticultural Export Programs for financial accounting reasons.

GTA argued that the two commodities should not be aggregated.

**Outcome:**

*The GTA position prevailed and the Grain Export Program will not be aggregated with the Horticultural Export Program.*

### **3.3 The financial reporting of the Grain Export Program is not aggregated with the Horticultural Export Program**

Following on from issues noted in 2.1 and 2.2, GTA submitted that an independent audit should be conducted to align revenue categories to identified cost centres associated with the conduct of the Grain Export Program.

**Outcome:**

*"Independent reviews will examine the certification and inspection costs associated with plant and meat exports under the revised system of fees and charges, Minister for Agriculture and Water Resources, Barnaby Joyce, announced today (3 November 2015)"*

### **3.4 Fees and charges**

GTA submitted that due to a lack of confidence in the process, that the current fees and charges should be maintained. This argument was not sustained with major changes as follows:

#### **Volume fees (tonnage fee)**

Volume levies fund the non-cost recoverable aspects of the program, such as Canberra based management/administration, IT systems, shared services.

GTA submitted that:

1. The fee increase has not been justified by the Department and is a being used to top up revenue to cover expenses as per 2.1 & 2.2
2. This fee represents 94% of the total fees charged to a bulk grain exporter.

#### Outcome:

	Cents/ tonne	% increase	Reduction in costs to industry based on 30 mt export task and original proposed fee of 22 cents/tonne
Current tonnage fee	11		
Proposed fee			
20 July 2015 (meeting)	22	100%	\$0
28 July 2015	20	82%	\$600,000
28 August 2015	16	45%	\$1,800,000
Final*	15	36%	\$2,100,000

- Reducing to \$0.11 per tonne in 2018/19. GTA maintains this rate is locked in and not an “aspirational” target

#### Registered Establishments

Type	Current	From 1 Dec	Comment
Simple / container	\$2,500	\$3,000	
Complex / bulk	\$4,300	\$6,000	
Application fee		\$600	<ul style="list-style-type: none"> <li>• One off</li> </ul>

#### Certificates

	Current	From 1 Dec	Comment
Export permits & certificates	\$16 per copy	\$12 per copy	<ul style="list-style-type: none"> <li>• Electronic</li> </ul>
Phytosanitary certificates		\$38 per copy	<ul style="list-style-type: none"> <li>• Reducing to \$36 in 2018-19</li> </ul>

#### Inspection & audit

Current	From 1 Dec	Comment
\$36 per 15 mins.	\$36 per 15 mins.	<ul style="list-style-type: none"> <li>• Where an exporter could use an authorised officer but instead chooses to use a departmental officer, the inspection cost will be \$75 per 15 mins.</li> <li>• If an exporter does not have the option of an authorised officer (for example, protocol markets) this cost will be \$36 per 15 mins.</li> </ul>

**Authorised officers**

	Current	From 1 Dec	Comment
<b>Reg. fee - PA</b>		\$750	<ul style="list-style-type: none"><li>• Cost for the training of authorised officers has been socialised across the program for the last four years. There was no charge to complete the training program.</li><li>• In 2013, it was announced that funding for the program would cease.</li><li>• Costs for the authorised officer programme will be recovered from clients using this service. The introduction of a price signal will ensure that departmental training resources are most effectively utilised</li></ul>
Assessing new applications		\$250	
Training & assessment		\$1750 and \$2000	