Quarantine Amendment Bill 1994

Date Introduced: 12 October 1994
House: Senate
Portfolio: Primary Industries and Energy
Commencement: Royal Assent

Purpose

To provide the Minister with the power to refund the whole or part of a fee payable by a person for a quarantine service provided by the Australian Quarantine Inspection Service.

Background

The principal amendment proposed by the Bill is to provide the Minister with the power to refund the whole or part of a fee payable by a person for a quarantine service provided by the Australian Quarantine Inspection Service (AQIS).

The reason for the proposed amendment, as stated in the Second Reading Speech to the Bill, is "to allow revenue collections which are surplus to cost recovery requirements in a financial year to be returned to the relevant industry groups in the form of uniform fee rebates in the following financial year." According to the Second Reading Speech, surplus revenue from quarantine inspection activities totalled approximately $6.1 million in 1993-94.

The proposed refund of surplus revenue from quarantine inspection activities was foreshadowed by the Minister for Primary Industries and Energy in a Media Release of 31 July 1994. In that Media Release the Minister announced that AQIS would shortly be providing details of surplus revenue for 1993-94 financial year and, once accounts are finalised AQIS, would be discussing with industry ways of refunding surplus monies. The amount of over-recovery was estimated by the Minister to be approximately $15 million. AQIS reports that its programs
which over-recovered in 1993-94 were: processed foods exports (including dairy, fish and dried fruit exports); livestock exports; grain exports; and quarantine import clearance (airports and seaports).1

It is stated in the Explanatory Memorandum to the Bill that refunds will be "structured for each industry group in accordance with agreements entered into with AQIS through AQIS Charging Review Committees." AQIS has established a number of committees (one for each major sector of industry AQIS services). There are nine committees. The nine Committees cover: meat exports; processed foods exports; organic foods exports; grain exports; horticultural imports and exports; live animal imports and exports; imported foods; quarantine import clearance; and quarantine, airports and seaports. The terms of reference for each of the committees are:

"Within the framework of the Government's policy of recovery of user-attributable costs and against the background of current risk assessments and decisions:

- assess current AQIS operational procedures and processes;
- assess whether AQIS staffing levels are consistent with agreed operational processes and current workloads;
- consider the composition of user attributable costs, including field services, regional support services and central overheads;
- advise on the most appropriate structure for charges to recover AQIS costs;
- advise on the rates of charges to be applied."2

Most peak industry bodies are represented on their relevant committee.3

In August 1994, AQIS reported that it intended to hand back over-recovered funds, was seeking input through the committees on how this can best be done, and options being considered by the committees included a temporary rebate on AQIS charges and the funding of specific joint projects such as the advancement of quality assurance programs or electronic initiatives.4 The principal amendment proposed by the Bill represents the outcome of discussions between AQIS and committees as to how to hand back over-recovered funds.

Main Provisions

Clause 3 inserts a new subsection 86E(2AA) in the Quarantine Act 1908 which provides that the Minister may refund the whole or part of a fee payable by a person for a quarantine service if he/she is satisfied it is appropriate to do so having regard to certain matters, including:
• the total cost of providing quarantine services in the financial year preceding that in which the quarantine service is provided;

• the total fees that the Minister estimates will be collected in the financial year in which the quarantine service is provided; and

• the total fees that the Minister estimates will be paid by the person in the financial year in which the quarantine service is provided.

Endnotes

4. Ibid.

I. Ireland (Ph. 06 2772438) 8 November 1994
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