

17<sup>th</sup> June 2010

## Biosecurity Costs Regulations Review Project

The Biosecurity (Costs) Regulations 2010 (the Regulations) and the Biosecurity (System Entry Levy) Order 2010 (the new levy order) will come into effect on 1 July 2010.

The new Regulations and the new levy order will bring a number of changes to the structure of charges paid by importers to MAF for biosecurity clearance of imported goods and other related activities at the border.

For transitional and containment facilities, the changes are summarised below.

Travel zone fees and charges for MAF inspectors:

- **Zone 1** (0-10 km) \$72.00 (GST incl);
- **Zone 2** (11-25 km) \$100.00 (GST incl);
- **Zone 3** (26-50 km) \$163.00 (GST incl); and
- for travel over 50 km from the inspector's base – \$100.00 per hour plus actual and reasonable costs (or 69 cents (GST incl.) per km) applied to the time spent away from the base including a return trip.

Specific fees for used vehicle clearances will only be charged at approved places of first arrival, i.e. airports and ports. Vehicle inspections / clearances at facilities outside of ports and airports will be charged at the hourly rate of \$100.00 per inspector, plus a zone fee or a rate of 69 cents per km for travel over 50 km as described above.

An annual facility fee of \$160 per transitional or containment facility registered will be charged after 1 July each year.

The current hourly rate of \$100 per hour per inspector will not change.

For those facilities where an inspector travels more than 50 km from the base of operations, there will be no change to the apportioning of costs amongst those facilities where work was undertaken.

## Cost recovery for MAF biosecurity border clearance services

The Costs Regulations Review Project webpage - <http://www.biosecurity.govt.nz/regs/cont-carg/costs-regs-levy-orders-project> will change from a 'project update' page to one providing business information related to cost recovery. At present the material used during the December 2009 – February 2010 consultation, and the submissions analysis and the regulatory impact analysis remain available.

The project team will soon post a series of reviewed Frequently Asked Questions and further project progress updates. Should you have any questions in relation to MAF biosecurity border clearance charges, please ask an inspector, the MAF Biosecurity New Zealand Facilities Group Managers, or directly the Project Team; [Howard.webber@maf.govt.nz](mailto:Howard.webber@maf.govt.nz) or 09 9098519.

## **GST rate increase from 1 October 2010 – Impact on fees and charges**

In May 2010 the Government announced that the GST rate will increase from 12.5% to 15% from 1 October 2010.

Under section 78 of the GST Act, the amount of fees and charges set by the Regulations and the levy rate prescribed by the new levy order, including its maximum amount, will be deemed to increase automatically by the amount of the increase in GST.

The project team will advise you on details of the new GST-inclusive fees and charges applicable from 1 October 2010 through the next two issues of the project review newsletter planned for August and September 2010.