

17th June 2010

Biosecurity Costs Regulations and Levies Review Project

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

The new levy order will revoke and replace the three existing levy orders - the Biosecurity Risk Screening Levy Order 2006, the Biosecurity Shipping Container Levy Order 2006 and the Biosecurity Gypsy Moth Levy Order 2004. This will mean the cessation of the administration and collection system for the shipping container and gypsy moth levies.

This brief is to advise of the change process from the current levies to the new single levy, and includes some information about the new Regulations.

The Current Levy Charging System

Currently all shipping containers are counted monthly and the figures are forwarded to MAF Finance. From this data, the levy invoices are formed and sent out to shipping companies in the main (there are others in relation to the Gypsy Moth Levy).

In July 2010, these invoices will be sent out for the June importations, and it is expected that these will be paid in the normal manner. Towards the end of 2010, these systems will be disestablished by MAF Finance and the Project.

The New Levy Charging System

From 1 July 2010, the new levy will be invoiced on MAF's behalf by the New Zealand Customs Service (Customs). The new levy of \$12.50 will be charged at the same time as Customs invoices for the import entry transaction fee (ITF). On the same invoice, the new levy will be identified as the "Biosecurity Levy".

Changes to the New Zealand Customs Service cost recovery

From 1 July 2010, the New Zealand Customs Service will begin applying an import transaction fee of \$24.75 (\$22 plus GST) to a range of import consignments which were previously exempt from the fee.

Generally the import transaction fee will apply to goods valued over \$400 but at times packages valued at less than \$400 will attract the fee. Further details are available on Customs' website www.customs.govt.nz

The import transaction fee will from 1 July 2010 be charged on:

- private import consignments valued at between the *de minimis* (around \$400 if there is no import duty to pay and freight costs are minimal) and \$1,000;

- unaccompanied passengers' baggage and personal effects where these exceed \$400 in value;
- "voluntary" import entries for consignments valued at below the *de minimis*; and
- temporary import entries.

The new Biosecurity (Costs) Regulations 2010

These new Regulations will contain a number of changes to specific fees, but there are no changes in relation to the invoicing by MAF Finance.

For further information about changes to specific fees within the Regulations, please visit the Costs Regulations Review Project webpage at <http://www.biosecurity.govt.nz/regs/cont-carg/costs-regs-levy-orders-project>

For information in relation to the current levy invoicing and MAF Finance matters, please contact accountsreceivable@maf.govt.nz

Post 1 July 2010, any requests for invoicing information on the new levy, please contact the New Zealand Customs Service in the normal manner.

GST rate increase from 1 October – 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 with the increase in GST.

Details of the new GST-inclusive fees and charges applicable from 1 October 2010 will be included in the next two issues of the project newsletter planned for July and August 2010.