

17th June 2010

Biosecurity Costs Regulations & Levy Orders 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.

Biosecurity (System Entry Levy) Order 2010

The new levy order replaces 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. The new single levy of \$12.50 will be applied every time an Import Entry Transaction Fee (ITF) is applied in the New Zealand Customs Service (Customs) system for the clearance of imported goods. The levy will be invoiced by Customs on behalf of MAF, and will be notated on the invoice as "Biosecurity Levy".

The last invoices for the shipping container and gypsy moth levies, for containers imported in June 2010, will be sent out in July. From 1 July 2010 the new Biosecurity System Entry Levy (BSEL) will be invoiced by Customs.

Changes to the New Zealand Customs Service Costs Recovery System

From 1 July 2010, the New Zealand Customs Service will begin applying an import transaction fee (ITF) 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.

Biosecurity (Costs) Regulations 2010

The new Regulations have been simplified, with the number of specific charges reduced.

- Travel zone fees and charges for MAF inspectors are:
 - 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
- Zone 4 has been disestablished, activities at sites more than 50 km from a MAFBNZ base will be charged on the Inspector's time, plus 69 cents per km, plus any actual or reasonable expenses.
- Call-out costs – the rates for Inspectors undertaking work outside of their normal operational hours are listed, as is the rate for undertaking work on a public holiday if the Inspector is not rostered on duty.
- Inspections of motor vehicles – these have been split into those inspected at approved places of first arrival (i.e. ports and airports), and those inspected at all other places or facilities. The specific fees for ports and airports are:
 - \$16 per motorcycle or moped;
 - \$40.50 per vehicle up to 3,500 kg;
 - \$57 per vehicle in excess of 3,500 kg.

All vehicles inspected at any other place or facility will be charged at the hourly rate per inspector, plus a zone fee (or for facilities over 50 km from a MAFBNZ base where a zone fee does not apply), plus 69 cents per km, plus any actual or reasonable expenses.

- An hourly rate charge for the inspection and clearance of personal effects has been added to the Regulations schedule. The rates per number of items remain the same.
- A number of changes relating to the inspection and clearance of live animals and animal material have resulted from the splitting of goods imported directly from European Community (EC) member countries, from those imported from all other countries:
 - Live animals and animal material imported directly from the EC will retain the charges set out in the EC Agreement¹.
 - Pet animals from all other countries will be charged at \$40 per animal.
 - Assistance animals imported from any country will not be charged if accompanying the person being assisted.
 - All other live animals or animal material will be charged at the hourly rate of \$100 per Inspector.

¹ Agreement between the European Community and New Zealand on Sanitary Measures Applicable to Trade in Live Animals and Animal Products.

- Permits issued under Import Health Standards will be charged at \$163 for each application processed.
- An annual Facility Fee of \$160 per transitional or containment facility registered will be charged after each 01 July.

This list is not fully detailed, but gives a broad overview of the changes in the new Regulations. More 'specific' briefs to stakeholders on their particular imported goods and the effects the changes will have for them will be distributed. All briefs will be available at the MAFBNZ Cost Recovery website.

Cost recovery for MAF biosecurity border clearance services

The current project information webpage at <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 for MAF biosecurity border clearance services. Currently all information from the consultation phases of the project, i.e. the Discussion Paper, Submissions Analysis, Regulatory Impact Analysis, etc. is still available for viewing.

The Frequently Asked Questions are being updated to focus more on the business requirements, and less on those of the review.

The project will manage the implementation of the new cost recovery regime with a single biosecurity levy and the disestablishment of the three existing levies.

For information on the Biosecurity Costs Regulations Review Project, please contact Howard.webber@maf.govt.nz or phone 09 9098519.

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 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.

