



Australian Government

**Australian Customs and
Border Protection Service**

**Department of Immigration
and Border Protection**

Joint Review of Border Fees, Charges and Taxes

Industry Consultation Paper

17 September 2014

Background and purpose

The Government has commissioned a joint review of charges, fees and taxes (Fees Review or Review) at the border which will focus on identifying where the border charging arrangements can be improved to better support future border operations and outcomes for industry.

The Minister for Immigration and Border Protection, Scott Morrison announced the commencement of the Fees Review on Wednesday, 17 September 2014.

This Review will be led by the Australian Customs and Border Protection Service (ACBPS) and the Department of Immigration and Border Protection (DIBP) and will be conducted jointly with the Department of Agriculture (Agriculture) given similarities in certain border charging arrangements.

This Review will provide an opportunity for industry and Government to work together to deliver improvements in current arrangements while ensuring the cost of maintaining the efficiency and integrity of our border is appropriately shared with those who use it. The proposed consultation process will provide opportunities for industry to contribute ideas on how current arrangements could be improved.

As part of the announcement, this Industry Consultation Paper invites stakeholder input and feedback concerning the current border charging arrangements.

Scope

The Fees Review will consider changes to current charges, fees and taxes as well as new approaches to charging in the future. It will include charges levied by ACBPS, DIBP and some import related fees and charges applied by Agriculture.

The Review will cover current major charging arrangements at the border, including:

- Import Processing and Passenger Movement Charges levied by ACBPS.
- Import related fees and charges recovered by Agriculture such as full import declaration charges, container charges and registration fees.
- Visa Application Charges administered by DIBP.
- Current and future cost recovery based charging for services, particularly those resulting from industry demand factors.

While the Review will focus on the major charging arrangements mentioned above, views on current and potential future charges outside these groups are welcome.

A number of other fees, charges and taxes will not form part of the Review, including:

- Customs Duty (including refunds, Tariff Concessions, Drawbacks), the Goods and Services Tax (GST) and other indirect taxes ACBPS collects on behalf of Commonwealth.
- Fees and charges recovered by Agriculture for services such as document assessments, inspections, treatments, export certification and post entry quarantine activities.

Agriculture is completing a comprehensive review of its cost recovery arrangement which will include fees and charges excluded from within the scope of this Review. Further information on these can be found on the [Agriculture website](#).

Visa Application Charges recently underwent changes. This Review will focus on examining the outcome of these changes, and look for opportunities for improvements within the current pricing framework.

The Review will encompass a series of activities undertaken to support proposed recommendations, including the analysis of:

- Current domestic and international trade agreements and legislative requirements.
- Costs and benefits including impacts of potential changes on identified industries.
- Industry submissions and feedback.
- Comparative international jurisdictions, particularly their regulatory frameworks, and the charging structures currently adopted.
- Current and future costs of the agencies to ensure alignment with cost recovery guidelines where applicable.

The Review will be guided and influenced by a number of current and future border initiatives which will be delivered through the consolidation and reform of border protection services within the Department of the Immigration and Border Protection, including the future Australian Border Force. Examples of such initiatives would include the proposed trusted trader programme, further automation of airports and other services, and improved intelligence capabilities to facilitate passage of compliant trade and travellers across the border.

While the consolidation of border protection services does not include the Department of Agriculture, some of these initiatives will be jointly pursued with Agriculture.

Goals of the Fees Review

The goals of the Review include:

- Exploring deregulation opportunities to minimise, where possible, the administrative burden for Industry and Government and to consider better aligning border charges levied by the Commonwealth.
- Achieve at minimum a revenue neutral position, balancing user charging arrangements for the management and protection of our border without unduly impeding economic growth and Australia's international competitiveness.
- Explore opportunities to consolidate the number of border fees, charges and taxes, and reduce complexity associated with their collection.
- Incentivise industry towards efficient and compliant behaviour while ensuring an appropriate distribution of costs across the users of Australia's border.
- Align fees and charges with future border initiatives, new services being requested by industry and longer term objectives.

What are the opportunities?

For Industry

To advise on:

- Current issues and experiences with the fees, charges and taxes in scope.
- Innovative future looking ideas related to border charging.
- How charging processes at the border could be streamlined.
- Unnecessary or costly to administer pricing mechanisms to change or remove.
- New or improved border related services that could be funded through charging arrangements.

- How the costs of border operations could be better shared across industry.

For Government

- Leverage industry experience and knowledge to improve Australia's international competitiveness.
- Address industry feedback on current arrangements and improve working relationships.
- Incentivise industry towards efficient and compliant behaviour.
- Maintain the integrity and efficiency of the border in the face of ever increasing volumes of trade and passengers.
- Consolidate fees and charges across "like" services to make the regime simpler and more efficient.
- Contribute to the Government's net regulatory burden reduction target.

Considerations

Agencies that have a role in managing Australia's border have a diverse range of stakeholders. These include all those who travel and trade across the border; the public and businesses that have or share an interest in the security of our border and Australia's biosecurity; state and territory governments; and other Commonwealth agencies.

The complexity in this Review comes with capturing and addressing feedback from this wide range of stakeholders with different priorities, wants and needs. The Review will need to strike a balance between these various views but within the context of the Government's current fiscal and budget strategy.

The challenge for Government and each industry group alike, will be considering the needs of other groups impacted by any change. Each group will need to take these on board when contributing. This is necessary to design a practical system that ensures an appropriate distribution of the costs associated with maintaining the integrity of our border.

Consultation process

Industry, Government and the community can play a key role in the Fees Review by sharing their views on current charges at the border.

We want to hear from industry participants involved in travel and trade across the border on how we could improve the current charging regime. Organisations and individuals with peak body representation are encouraged to direct their ideas through their respective industry body. We will be writing to peak industry bodies to inform them of the Review and how submissions can be made.

This is an opportunity to contribute ideas about how we might better share the cost burden of managing our border with industry and the community to enhance trade growth and boost Australia's economic prosperity.

Public comments and feedback may be provided online at www.customs.gov.au/feesreview using an online submission form.

The closing date for submissions is **31 October 2014**.

Industry feedback will be invaluable to inform the process of ensuring a more efficient and sustainable system. All submissions will be reviewed by the relevant agencies.

Next steps

Following the written submission process, industry consultation will continue with targeted working groups and through existing industry consultative committees to explore and discuss ideas outlined in submissions and potential recommendations of the Fees Review to Government.

The Fees Review will be completed early next year and will include a number of recommendations for consideration by the Government as part of the 2015-16 Commonwealth Budget.

Indicative timeframes

Sep – Oct 2014	Development of submissions by stakeholders
Oct – Dec 2014	Review of submissions Targeted industry engagement via working groups and other fora
Jan – Apr 2015	Development of options and recommendations Finalisation of recommendations to Government
May 2015	2015-16 Budget
Post-May 2015	Implementation stage

Further information

Please refer to the [ACBPS website](#) for further information. Further detail on how Agriculture's fees and charges relate to the review can be found on [Agriculture's website](#).