

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 91**

**Senator Ludwig asked the following question at the hearing on 25 May 2006:**

- a) Can the modelling relating to both the 2005 legislation and the subsequent re-look at the import processing charge post that, and what proposals then concluded the eventual result?
- b) Can dates also be provided?

**The answer to the honourable senator's question is as follows:**

- a) The information printed in Attachment 1 represents the modelling of the impact of the increase in the thresholds to \$1,000 and the required increase in the import processing charges (IPCs) to maintain full cost recovery.
- b) The Government made the decision to increase the threshold in September 2005 and announced the increase in IPCs on 27 April 2006.

## Costing Model for Import Processing Charges post Threshold increase

### Import Processing: Revised Charging Structure

#### Total Costs to be Recovered

	2005-06	2006-07	2007-08
	\$m	\$m	\$m
Import Processing Costs	96.9	99.4	101.9
CEF Logistics	30.3	31.0	31.8
IQI costs	12.1	12.4	12.7
	<u>139.3</u>	<u>142.8</u>	<u>146.4</u>

#### Cost Recovery Revenue Estimates

		Proposed Charges \$	Volumes	Volumes	Volumes	Revenue from Base Charges		
			2005-06	2006-07	2007-08	2005-06	2006-07	2007-08
			000,000's	000,000's	000,000's	\$m	\$m	\$m
<b>Import Declarations</b>								
Sea	Above \$1,000	50.00	1.4	1.5	1.5	71.7	73.5	75.3
	Below \$1,000	-	0.0	0.0	0.0	-	-	-
			<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>71.7</u>	<u>73.5</u>	<u>75.3</u>
Air/Post	Above \$1,000	40.20	1.5	1.6	1.6	61.7	63.3	64.9
	Below \$1,000		0.6	0.6	0.6	-	-	-
			<u>2.1</u>	<u>2.1</u>	<u>2.2</u>	<u>61.7</u>	<u>63.3</u>	<u>64.9</u>
<b>Total Declaration Charges</b>			<u>3.6</u>	<u>3.6</u>	<u>3.7</u>	<u>133.4</u>	<u>136.7</u>	<u>140.2</u>
<b>Total Other Fees and Charges</b>						5.8	6.0	6.1
<b>Total Projected Revenue</b>						<u>139.2</u>	<u>142.7</u>	<u>146.3</u>