Australian Customs Notice 1996 44

**COST RECOVERY - IMPORT PROCESSING**

In the August 1996 Budget, the Government announced that from 1 January 1997 the Australian Customs Service will apply cost recovery for commercial customs activities required to process imports. These arrangements will require the passage of appropriate legislation before recovery can be implemented.

The services to be covered by the new charges are:

* cargo reporting (both sea and air)
* import entry processing - sea, air and post.

The current Cargo Automation Processing Charge will be absorbed by the new charges. Charges will not apply to the processing of export transactions, nor will they cover activity associated with Customs community protection functions relating to the detection and interception of prohibited imports and drugs.

Customs has undertaken a detailed activity based costing of its services to ensure that the costs recovered are clearly aligned to the costs calculated to process import transactions. The charges proposed are limited to the calculated costs of delivering the functions. Charges will be reviewed annually to ensure that they reflect any changes in the costing structure, including efficiencies.

The proposed charges, detailed below, have been amended since first discussed at the Customs National Consultative Committee (CNCC) on Friday 23 August 1996. The amendments are revenue neutral, changing the structure of electronic entry charges, the line charges for manual entries and making the manual refund application fee a flat rate. Investigation of appropriate and efficient collection mechanisms continues. Additional ACN's will be released over the implementation phase outlining details of new administrative arrangements. It is also proposed that a series of industry briefing sessions will be held in regional capitals over the next few months.

Proposed Fees

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| **Item** | **Charge** | **Levied Against** |
| Import Entry via sea (lodged electronically) | $29.65 plus $0.20 per line after line 10 | the importer, on entry into home consumption or into a warehouse |
| Manual Import Entry via sea | $51.40 plus $1.00 per line after the first line | the importer, on entry as above |
| Import Entry via air or post (lodged electronically) | $22.80 plus $0.20 per line after line 10 | the importer, on entry as above |
| Manual Import Entry charge via air or post | $44.55 plus $1.00 per line after the first line | the importer, on entry as above |
| Manual Reporting charge for sea cargo | $2.60 per manifest line | the cargo handler, on reporting |
| Manual Reporting charge for air cargo | $3.00 per house airway bill | the cargo handler, on reporting |
| 'Screen Free' charge for air cargo requiring no import entry | $2.40 per house airway bill | the cargo handler, on periodic settlement |
| Import Entry ex-warehouse (lodged electronically) | $5.00 plus $0.20 per line after line 10 | the owner, on removal from a warehouse |
| Import Entry ex-warehouse (lodged manually) | $26.75 plus $0.80 per line after the first line | the owner, on removal from a warehouse |
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| Licensing Fee for section 17(b) premises | $1000 for initial licence  $3000 per application  $4000 annual fee | existing 17(b) operators new 17(b) operator  all operators |
| Refund Application Fee (lodged electronically) | $50.00 per application | the duty payer, on application |
| Refund Application Fee (lodged manually) | $75.00 per application | the duty payer, on application |

If you require any further information, please contact Ms Jenny Peachey, Project Leader, Cost Recovery Implementation Group on (06) 275 5963 or (03) 9244 8797. (M J Roche)

Deputy Chief Executive Officer 10 September 1996