



Dairy Export Cost Recovery Charging Arrangement Cessation of Remissions from 1 July 2017

Date of issue: 7 June 2017

Date of effect: 1 July 2017

Reference number: MAA1707

1. Purpose

To advise of the cessation of the remission program for the Dairy Export Cost Recovery Arrangement (the arrangement) from 1 July 2017. Remissions currently applied to cost recovered levies for Establishment Registration and Electronic Certificates will cease from 1 July 2017.

2. Scope

This notice applies to:

- All dairy export registered establishments
- All exporters of dairy and dairy products

3. Background

Fees and levies for the arrangement are set to recover the costs associated with the delivery of inspection, audit and certification services with respect to the export of dairy and dairy products from Australia. The department maintains a Cost Recovery Reserve (CRR) for the arrangement to manage unanticipated changes in activity that cannot immediately be managed through expenditure alone. Departmental policy is to maintain a balance of between 0-5% of annual program expenditure.

Over recoveries may be managed through reduction in charges known as remissions. Remissions are subject to industry consultation and government approval, and may be implemented within existing legislation. This allows the department to adjust charges without a cost recovery review, which may require legislation and may take up to twelve months. When a remission is agreed, the legislated fees and levies do not change, a remission is applied to reduce the amount payable.

All remissions are temporary and are closely monitored to ensure ongoing affordability. Remissions may need to be adjusted if trade volumes and/or costs change unexpectedly. Any adjustments are subject to industry consultation, with an agreed lead time for industry to respond to a change in price.

4. Issues

The arrangement currently has a number of remissions in place which were implemented as part of the 2014-15 fee review and following consultation with industry. The remissions

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were designed to address the continuing accumulation of the CRR. Further information on the remissions program is available in the Food Exports Cost Recovery Implementation Statement (see references section below). The arrangement currently has remissions in place against the following charges:

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- Establishment Registrations
- Electronic Certificates

If the current remission program were to continue at the existing remission rates, taking into consideration the anticipated downturn in the dairy sector, the CRR balance would be anticipated to be depleted in the 2017-18 financial year.

In order to maintain a balance in the dairy export CRR, remissions on Establishment Registrations and Electronic Certificates will be ceased from 1 July 2017. Table 1 provides a summary of the 2016-17 Remission Program showing the legislated rate, the remission rates and amount payable pre and post 1 July 2017.

Table 1 – Summary of the 2016-17 Adjusted Charges Payable

Activity Stream	Unit of Charge	Type of Charge	Legislated Rate	1 July 2016 - 30 June 2017		From 1 July 2017	
				Remission Rate	Amount Payable	Remission Rate	Amount Payable
Program Management							
Establishment Registration							
Establishment- Corporation/ Co-operative exporting ≥ 2000tns	Annual	Levy	\$7,729	\$878	\$6,851	-	\$7,729
Establishment- Corporation/ Co-operative exporting < 2000tns	Annual	Levy	\$4,275	\$485	\$3,790	-	\$4,275
Establishment- Storage establishment - Dairy	Annual	Levy	\$1,820	\$206	\$1,614	-	\$1,820
Documentation and Certification							
Electronic Certificate	Document	Levy	\$15.00	\$4.00	\$17.00	-	\$21.00
		Fee	\$6.00	-		-	

5. Impact

Dairy establishments and exporters will be affected by the removal of the remission program. The removal of the remissions increase charges payable for Establishment Registrations and Electronic Certificates, but does not impact the legislated rate.

Invoices will reflect the relevant rate for services to be provided from 1 July 2017.

6. References

Details of the fees and levies recoverable for the dairy export industry are published on the Department's website:

- Cost Recovery Implementation Statement: <http://www.agriculture.gov.au/fees/cost-recovery/food-cris>

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- Food Export Charging Guidelines <http://www.agriculture.gov.au/fees/charging-guidelines>

7. Contacts

If you have any further questions regarding this adjustment to the remission program please email the Cost Recovery Operations team:

Phone: 1800 900 090

Email: CostRecovery@agriculture.gov.au