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### Call for Public Comment: Draft 2025-26 Cost Recovery Implementation Statement.

FSANZ's authority to recover costs is set out in section 146 of the *Food Standards Australia New Zealand Act 1991* (FSANZ Act) which provides that the [Food Standards Australia New Zealand Regulations 1994](#) (the Regulations) may charge for services provided by FSANZ.

Part 4, sections 6B to 9 of the Regulations establish the rates of charging, identify the circumstances in which instalments may be paid and the process for paying refunds for any unused variable hours fees.

Details on the framework for charges for paid applications are set out in the [Application Handbook](#), see Guideline 2.1, 2.1.5 Charges.

#### Send us your comments

Please submit your comments through the FSANZ Consultation Hub by **25 October 2024**.

Further information about how to make a submission is noted below.

#### What we are we proposing

FSANZ proposes amending fees paid by applicants to recognise the increase in cost incurred in undertaking the application assessment, these include salaries and wages of FSANZ staff and operational overheads. Overall fees are anticipated to increase by an average of 4.5 per cent from 2024-25 to 2025-26.

The fees are an estimate of the costs associated with undertaking the activity. Cost recovery does not seek to generate a profit for FSANZ or fund alternative activities. Fees are updated annually to reflect changes in costs.

The Cost Recovery Implementation Statement (CRIS) is supported by a costing methodology that remains unchanged since 2019. FSANZ does not proposed to modify this methodology until the future of Cost Recovery Activities have been agreed as part of the FSANZ Act Review.

The main costs of undertaking an application assessment are staff salaries and wages, these costs will increase by 3.8 per cent in line with the current FSANZ enterprise agreement which applies to all FSANZ employees excluding the Board Members, Chief Executive Officer (CEO) and SES Officers. The Salary for the Board Members and CEO are set by the Remuneration Tribunal with SES salaries contractually negotiated within Government policy parameters.

The other cost components are the overhead or corporate costs, which make up 20 per cent of the hourly rate and apply to each staff member, these are taken from the Commonwealth Department of Finance's approved costing methodology which takes into account the most recent and efficient costs across common organisational expenditure areas. The overhead or corporate costs have increased from an average of \$25.00 per hour to \$27.30 per hour, or 9.2 per cent that is reflective of higher average costs for property, ICT and organisational service costs.

The table below highlights the proposed movement in the hourly rates:

Office, Position, Classification of Authority Personnel	Hourly Rate (\$AUD)	
	2025-26	2024-25
Chairperson of the Board*	\$ 591	\$ 557
Member of the Board*	\$ 528	\$ 502
Chief Executive Officer	\$ 328	\$ 315
SES Officer	\$ 248	\$ 257
Principle research scientist	\$ 211	\$ 203
Executive Officer Level 2.6 or Legal 2	\$ 191	\$ 182

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Office, Position, Classification of Authority Personnel	Hourly Rate (\$AUD)	
	2025-26	2024-25
Executive Officer Level 2.5	\$ 187	\$ 178
Executive Officer Level 2.4	\$ 180	\$ 172
Executive Officer Level 2.3	\$ 175	\$ 167
Executive Officer Level 2.2 or Legal 1.9	\$ 167	\$ 159
Executive Officer Level 2.1	\$ 158	\$ 151
Executive Officer Level 1.3 or Legal 1.8	\$ 151	\$ 143
Executive Officer Level 1.2	\$ 144	\$ 137
Executive Officer Level 1.1 or Legal 1.7	\$ 138	\$ 131
Australian Public Service Level 6 or Legal 1.6	\$ 128	\$ 121
Australian Public Service Level 1-5 or Legal 1.1 to 1.5	\$ 118	\$ 107

\* Board hourly charging rates are based on the Remuneration Tribunal Determination and the costs associated with the operation of the Board function, this includes travel and other meeting attendance costs. Please note that the 2025-26 rates now include mandatory superannuation contributions, which were omitted from the 2024-25 in error.

The tables below compare the existing fees and the proposed fees for 2025-26 for each procedural level. Please note that the variable charge is based on the maximum variable hours multiplied by the average hourly rate which is determined based on recently completed application assessments and is \$139.90 per hour. Further information on the variable charge, fixed charge and the administration change can be found in the CRIS.

**Existing Fees**

Procedure	Maximum variable hours	Fixed charge \$AUD	Variable charge \$AUD	Administration charge \$AUD	Total fee payable \$AUD
General 1 or high-level health claims 1	180	\$ 22,608	\$ 24,120	\$ 750	\$ 47,478
General 2 or high-level health claims 2	290	\$ 22,608	\$ 38,860	\$ 750	\$ 62,218
General 3 or high-level health claims 3	420	\$ 22,608	\$ 56,280	\$ 750	\$ 79,638
General 4 or high-level health claims 4	520	\$ 22,608	\$ 69,680	\$ 750	\$ 93,038
General 5 or high-level health claims 5	more than 520	\$ 22,608	\$ 69,680	\$ 750	\$ 93,038+
Major procedure	810	\$ 22,608	\$ 108,540	\$ 750	\$ 131,898

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### Proposed Fees

Procedure	Maximum variable hours	Fixed charge \$AUD	Variable charge \$AUD	Administration charge \$AUD	Total fee payable \$AUD
General 1 or high-level health claims 1	180	\$ 23,697	\$ 25,180	\$ 750	\$ 49,627
General 2 or high-level health claims 2	290	\$ 23,697	\$ 40,570	\$ 750	\$ 65,017
General 3 or high-level health claims 3	420	\$ 23,697	\$ 58,760	\$ 750	\$ 83,207
General 4 or high-level health claims 4	520	\$ 23,697	\$ 72,750	\$ 750	\$ 97,197
General 5 or high-level health claims 5	more than 520	\$ 23,697	\$ 72,750	\$ 750	\$ 97,197+
Major procedure	810	\$ 23,697	\$ 113,320	\$ 750	\$ 137,767

### How to make a submission

Submissions should be made in writing, through the [FSANZ Consultation Hub](#) on or before **25 October 2024**.

Submissions received after this date will not be considered unless an extension had been given before the closing date. Any agreed extension will be notified on the FSANZ website and will apply to all submitters.

Questions about making a submission or this consultation process can be sent to [finance@foodstandards.gov.au](mailto:finance@foodstandards.gov.au).

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