

Call for Public Comment: Draft 2024-25 Cost Recovery Implementation Statement.

Food Standards Australia New Zealand (FSANZ) is seeking comment on revised regulatory charges to recover costs for paid applications.

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.

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 **20 October 2023**.

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 efficiencies achieved by FSANZ since the last cost recovery review in 2019, which has resulted in applications being processed faster with less variable hours required
- the increase in costs associated with salaries and wages of FSANZ staff since 2019 that have not been reflected in application costs.

In considering these factors, an adjustment to the hourly rates is required to ensure the regulatory charges cover the cost of developing food regulatory measures.

The Cost Recovery Implementation Statement (CRIS) provides information on how FSANZ implements cost recovery for developing food regulatory measures. The fees associated with developing food regulatory measures primarily reflect staff effort, represented through hourly charging rates and an estimate of the hours required.

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.

The CRIS is supported by a costing methodology that remains unchanged since 2019. FSANZ proposes to review this methodology in the future.

The tables below compares the fee charged for each procedural level against the existing fees and the proposed fees for 2024-25.

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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	240	\$ 19,470	\$ 36,912	\$ 1,000	\$ 57,382
General 2 or high-level health claims 2	380	\$ 19,470	\$ 58,444	\$ 1,000	\$ 78,914
General 3 or high-level health claims 3	540	\$ 19,470	\$ 83,052	\$ 1,000	\$ 103,522
General 4 or high-level health claims 4	680	\$ 19,470	\$ 104,584	\$ 1,000	\$ 125,054
General 5 or high-level health claims 5	more than 680	\$ 19,470	\$ 104,584	\$ 1,000	\$ 125,054+
Major procedure	1050	\$ 19,470	\$ 174,930	\$ 1,000	\$ 195,400

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	\$ 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

It is proposed that the maximum variable hours would be reduced to align with recent activity which identified that only 70% of the existing variable hours were being utilised. Also proposed is a reduction of the administration charge by 25% reflecting reduced costs experienced relating to gazettal and publication costs.

The proposed 2024-25 hourly charging rates would be increased in line with salary increases which have totalled 14.8% since the last review in 2019, including an expected pay rise for the Australian Public Service of 4 per cent in 2023-24, depending on the outcome of enterprise bargaining negotiations.

This would be slightly offset by a reduction in overhead or corporate costs which reduced from \$40,000 to approximately \$32,000 per annum. The table below compares the hourly rates, with a proposed net increase of 9 per cent over the 5 years (2019-20 to 2023-24).

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Office, Position, Classification of Authority Personnel	Hourly Rate (\$AUD)	
	Proposed	Existing
Chairperson of the Board	\$ 557	\$ 435
Member of the Board	\$ 502	\$ 420
Chief Executive Officer	\$ 315	\$ 288
SES Officer	\$ 257	\$ 220
Principle research scientist	\$ 203	\$ 182
Executive Officer Level 2.6 or Legal 2	\$ 182	\$ 164
Executive Officer Level 2.5	\$ 178	\$ 161
Executive Officer Level 2.4	\$ 172	\$ 156
Executive Officer Level 2.3	\$ 167	\$ 152
Executive Officer Level 2.2 or Legal 1.9	\$ 159	\$ 145
Executive Officer Level 2.1	\$ 151	\$ 138
Executive Officer Level 1.3 or Legal 1.8	\$ 143	\$ 133
Executive Officer Level 1.2	\$ 137	\$ 128
Executive Officer Level 1.1 or Legal 1.7	\$ 131	\$ 122
Australian Public Service Level 6 or Legal 1.6	\$ 121	\$ 114
Australian Public Service Level 1-5 or Legal 1.1 to 1.5	\$ 107	\$ 100

How to make a submission

Submissions should be made in writing, through the [FSANZ Consultation Hub](#) on or before 20 October 2023.

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.

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