

## DRAFT SECOND READING SPEECH

HON MICHAEL FERGUSON MP

*Fee Units Amendment Bill 2023*

*\*check Hansard for delivery\**

Mr Speaker,

This Bill introduces changes to streamline the administration of the annual process to apply indexation to the level of Government fees.

The Fee Units Act 1997 is the framework under which State Government fees are indexed every year to reflect increases in the cost to the Government for providing certain services. The Act requires that all fees in Tasmanian legislation, other than exempt fees, must be expressed as a number of fee units. For all relevant fees, the fee payable is the number of fee units specified in the relevant legislation multiplied by the value of the fee unit for that financial year.

This fee indexation framework was introduced as a more efficient way of increasing fees in line with increasing costs, compared to periodically amending all legislation that prescribes fees.

The Act requires the Minister administering the Act to determine the value of a fee unit for the next financial year based on the annual increase in the Consumer Price Index for Hobart through to the December quarter and an adjustment factor as determined, and published, by the Treasurer.

An adjustment factor can only be used to index fees at a rate below movements in the Consumer Price Index. An adjustment factor, other than zero, was applied following the introduction of the GST and as a consequence of the fee freeze associated with the 2020 COVID-19 pandemic.

As Treasurer, I also approved a positive adjustment factor for 2023-24. Government fees would have increased by 7.17 per cent in 2023-24 if no adjustment factor had been applied. The large increase in the CPI over this period was in part driven by specific events such as the Russian invasion of Ukraine and flood events on mainland Australia, rather than reflecting increases in the cost of Government services. The adjustment factor I determined brings the fee increase for 2023-24 to an amount that reflects underlying inflation and removes the most volatile impacts of relevant inflationary events. The application of the adjustment

factor in 2023-24 will result in an increase in fees of 4.71 per cent and is estimated to result in savings to the community of about \$400 000 in 2023-24, with these savings embedded on an ongoing basis.

The Fee Units Act 1997 has been in place for over 25 years and includes a number of publication requirements and processes that are administratively onerous and do not reflect current practice in how the community seeks information on the level of Government fees.

For example, the Act currently requires a Government Gazette notice by 15 February each year setting out the fee unit value for the following financial year. The Act also requires all fees to be published in the Gazette by 31 March each year and subsequently tabled in both Houses of Parliament.

The community now generally uses agency websites to be informed about the level of fees or are advised directly by agencies. In addition, there are now approximately 2 450 individual fees across all agencies to which the Fee Units Act 1997 relates. The process of developing gazettal notices for all these individual fees is resource-intensive and has a high risk of errors. Not only is this process inefficient, but it is now unnecessary given the way Government information is currently sought out and obtained by the community.

Mr Speaker, the Bill does not change the way that indexation is calculated and applied to fee units. Rather, it streamlines the publication requirements in relation to the value of a fee unit and fees. These changes will reduce unnecessary administrative processes within Government agencies and free up resources to focus on higher priority tasks.

The current requirements to publish annual notices in the Government Gazette individually listing the following year's fees and then table these notices in both Houses of Parliament will be removed. These provisions will be replaced with a requirement for the value of a fee unit for the coming year to be published in the Government Gazette and tabled in both Houses of Parliament. This notice will be subject to the same parliamentary scrutiny provisions that currently apply in relation to the tabling of individual fees.

An obligation will be placed upon Heads of Agencies to publish on the relevant agency website, prior to 1 July each year, the level of the fees that will apply in the following financial year. An additional obligation will be placed on Heads of Agencies to provide such information to members of the public upon request.

Agencies will only be able to charge the level of fees specified on their website.

The current process under the Act to correct errors or omissions is also administratively inefficient. The changes to the Act will allow an agency to update its website at any time to correct errors or omissions.

There are existing provisions in the Act to deal with refunds for over-charging of fees. It is not intended to substantially amend those provisions in their effect.

For instances of over-charging, refund provisions remain. For instances of under-charging, agencies will only be permitted to charge the correct fee amount once its website has been updated accordingly and cannot retrospectively apply the higher amount.

New or amended fees, which would be established through legislation and/or subordinate legislation within a financial year, would also be able to be published and charged as they come into effect based on the current value of a fee unit. Mr Speaker, a number of other smaller amendments are also included which involve clarifying the application of GST, amending some definitional terms and transferring the responsibility for determining the annual adjustment factor to the Minister administering the Act.

The proposed amendments will achieve more flexible and efficient administration of annual fee indexation and better reflect how the community now seeks information on the level of Government fees, while maintaining transparency and parliamentary oversight.

I commend the Bill to the House.