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\$11m lost through delay in new fees

A DELAY in implementing new fees and charges for Immigration Department services resulted in a failure to collect an estimated \$11 million in revenue in 1989-90.

In 1988, a cost study of the Immigration Department by the Director of Accounting Services revealed an under-recovery of costs for the provision of some services including the registration of births, deaths and marriages and the issuing of travel documents.

However, there was an over-recovery of costs for the issuing of visas and entry permits.

The Director of Immigration subsequently conducted a review of fees and charges with a view to introducing them in the last quarter of 1988-89.

Although fee proposals were ready by October 1988, the Secretary for Security and the Secretary for the Treasury were unable to resolve differences over whether fees for over-charged items should be increased.

Under pressure from the Director of Immigration, in November 1989 the Secretary for the Treasury finally agreed to the Secretary for Security's suggestion that the 1988 fee proposals should proceed in all cases, except for those relating to visas and entry permits.

However, the Director of Accounting Services then pointed out that the 1987-88 costings were outdated and the proposed new levels would not cover current costs.

A projection of the 1987-88 costing figures to 1990-91 levels was provided, but the Director of Accounting Services said it was impossible to establish precise figures unless a further costing exercise was carried out.

In May this year, the Secretary for the Treasury warned that further delays would be intolerable, given the Government's financial situation.

It was not until September that the Secretary for Security forwarded a draft Executive Council memorandum and instructions to the Attorney-General for drafting the necessary legislation.

The Director of Audit estimated that the amount of revenue forgone in 1989-90 could be as high as \$11 million based on the fee increases proposed in October 1988 for the services where there was an under-recovery of costs.