



# Regulatory Impact Statement

## Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013

July 2013

Department of  
Environment and  
Primary Industries



## **Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013**

### **Regulatory Impact Statement**

In accordance with the *Victorian Guide to Regulation*, the Victorian Government seeks to ensure that regulations and other legislative instruments are well targeted, effective and appropriate, and that they impose the lowest possible burden on Victorian businesses and the community.

The Regulatory Impact Statement (RIS) process involves an assessment of regulatory proposals and allows members of the community to comment on proposed legislative instruments before they are finalised. Such public input provides valuable information and perspectives, and improves the overall quality of the instrument-making process.

This RIS has been prepared to facilitate public consultation on the proposed Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013 made under the *Fisheries Act 1995*. A copy of the proposed amendments is attached to this RIS.

Submissions are now invited on the proposed amendments. All submissions received will be treated as public documents and published on the Department's website. The submitter's name will be included unless requested otherwise.

Written comments and submissions should be forwarded by no later than **5:00pm, 24 September 2013** to:

Fisheries Cost Recovery RIS  
Fisheries Victoria  
Department of Environment and Primary Industries  
1 Spring Street  
Melbourne Vic 3000

or email: [fisheries.ris2013@depi.vic.gov.au](mailto:fisheries.ris2013@depi.vic.gov.au).

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**Department of Environment and Primary Industries**

**Fisheries (Fees, Royalties and Levies) Further  
Amendment Regulations 2013**

**Regulatory Impact Statement**

This Regulatory Impact Statement has been prepared in accordance with the requirements of the *Subordinate Legislation Act 1994* and the *Victorian Guide to Regulation*

July 2013



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Competition & Efficiency  
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21 June 2013

Megan Higson  
Senior Policy Analyst  
Fisheries Victoria  
Department of Environment and Primary Industries  
GPO Box 4440 Melbourne VIC 3001

Dear Ms Higson

### ADVICE ON THE ADEQUACY OF REGULATORY IMPACT STATEMENT

Thank you for seeking advice on the Regulatory Impact Statement (RIS) on the proposed Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013.

The Victorian Competition and Efficiency Commission (VCEC) advises on the adequacy of RISs as required under section 10(3) of the *Subordinate Legislation Act 1994* (the Act). I advise the final version of the RIS received by the VCEC on 18 June 2013 meets the requirements of section 10 of the Act.

The VCEC's advice is based on the adequacy of the evidence presented in the RIS and is focused on the quality of the analysis rather than the merits of the proposal itself. **Therefore, the VCEC's advice the RIS is adequate does not represent an endorsement of the proposal.**

In the interests of transparency, it is government policy VCEC's advice be published with the RIS when it is released for consultation.

If you have any questions, please contact [RegulationReview@vcec.vic.gov.au](mailto:RegulationReview@vcec.vic.gov.au).

Yours sincerely

Andrew Walker

**Assistant Director**

**Victorian Competition and Efficiency Commission**

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## **GLOSSARY**

**The Act** – *Fisheries Act 1995*

**The current Regulations** – Fisheries (Fees, Royalties and Levies) Regulations 2008

**CPI** – Consumer Price Index

**COAG** – Council of Australian Governments

**DEPI** – Department of Environment and Primary Industries

**FACS** – Fisheries Activity Costing System

**FCRSC** – Fisheries Cost Recovery Standing Committee

**FMS** – Fisheries Management Services (note: these will be renamed Fisheries Services under the proposed amendments)

**FRDC** – Fisheries Research and Development Corporation

**FS** – Fisheries Services

**GVP** – Gross Value Product

**NCP** – National Competition Policy

**SIV** – Seafood Industry Victoria

**TAC** – total allowable catch

# 1. SUMMARY

## *Background to proposed amendments*

The *Fisheries Act 1995* (the Act) establishes a framework to provide for:

- the management, development and use of Victoria's fisheries, aquaculture industries and associated aquatic biological resources in an efficient, effective and ecological sustainable manner
- promoting sustainable commercial fishing, viable aquaculture industries and quality recreational fishing opportunities for the benefit of present and future generations.

Fisheries Victoria, a division of the Victorian Department of Environment and Primary Industries (DEPI), provides a range of fisheries services. Of these, management, compliance, research and administration activities have been subject to cost recovery through fees, royalties and levies, which are prescribed via regulations.

The objectives of the Fisheries (Fees, Royalties and Levies) Regulations 2008 (the current Regulations) are to prescribe the fees, royalties and levies payable in respect of commercial fishery licences, individual quota units, recreational fishery licences, permits and boat registrations under the Fisheries Act and other provisions relating to those fees, royalties and levies.

## *Objective of proposed amendments*

**The objective of the proposed amendments to these Regulations is to ensure that levies on commercial fisheries licences, including wild-catch, fish receivers and aquaculture, and individual quota units are consistent with the government's Cost Recovery Guidelines; that is, to efficiently, equitably and effectively recover costs from beneficiaries of the provision of Fisheries Services (FS).**

This Regulatory Impact Statement (RIS) assesses options to make amendments to the current Regulations in relation to the setting of levies for commercial fisheries that relate to the costs of fisheries services provided by DEPI. There will be no change to the fees or royalty arrangements at this time; i.e. total levies and royalty paid for each of the three abalone zones is capped at 7.2 per cent of GVP.

## *Problem being addressed*

The problem being addressed by the proposed amendments is the realignment of the current commercial fisheries cost recovery levies to recover an appropriate amount of the actual costs of providing fisheries services in commercial fisheries, adjust the amounts collected by Victoria on behalf of the fishing industry for the Fisheries Research and Development Corporation (FRDC), and to remove cross-subsidisation between groups. The amendments will also provide the power for the Minister to refund Grants Levies, if required, and reduce or waive the payment of FS levies in circumstances where there has been a significant reduction in the level of service provided.

## *Identifying relevant costs to be recovered*

In conjunction with the Fisheries Cost Recovery Standing Committee (FCRSC), DEPI has recently undertaken a comprehensive review of the cost recovery framework, including the cost and level of fisheries services and the current levies. Taking into account an independent review of the cost recovery approach<sup>1</sup>, a number of problems with the current levies set in the Regulations have been identified. Problems identified include:

- while the revenue collected from levies on commercial fishers is likely to always be less than the total costs, the amount currently collected falls significantly short of an appropriate recoverable amount
- the existing system is complex and applied inconsistently across fisheries, is expensive to run, recovers costs on a retrospective basis (which dilutes the positive incentives available from cost recovery) and lacks transparency, with limited opportunity for sector input

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<sup>1</sup> Economic and Social Research Branch (2012) Commercial Wild Catch Fisheries and Aquaculture Cost Recovery Review, Department of Primary Industries.



- volatility in levies paid by industry from year-to-year (if the annual cost of services is recovered) makes it difficult for operators to plan their businesses
- the descriptions of activities in the current activity costing system are a poor match for current activities
- cost allocation and recovery principles underpinning the current system under-recover and are poorly aligned with government's *Cost Recovery Guidelines*.

### *Level of costs to be recovered*

DEPI has forecast the level and actual costs of the provision of fisheries services over the next four years. These costs have been allocated between licence classes, reflecting the level of services provided to those classes. From these forecasts, the proportion of costs that relate to commercial fisheries has been determined. This involved examining in detail the scope for efficiencies in service delivery in the short-term and specifying performance milestones to provide incentives for further efficiencies and consideration of alternative service delivery (where appropriate) in the longer term. As a result, it is estimated that the current fisheries services levy amounts would result in under-recovery of around \$2.0 million in 2013-14<sup>2</sup>, (with the shortfall increasing in dollar terms in future years). In total, there would be a shortfall of around \$8.2 million in relation to fisheries services for the remaining four years of the current Regulations. These numbers do not include the abalone royalty or FRDC payments.

### *Proposed approach*

The main rationale for the provision of fisheries services stems from the unique characteristics of fisheries themselves, which can result in fisheries being over-exploited. The reason that fisheries would likely be over-exploited without the fisheries services provided is because there are not clearly defined property rights. The consequence of these imperfect property rights is an incentive to over-exploit the fish resource, driving fish stocks to unsustainable levels.

The fisheries services provided by the Victorian Government are aimed at managing the resource in the long-term interests of fishers and the community. The essential task of fisheries management relates to ensuring that fisheries stocks and ecosystems are sustained whilst balancing the diverse needs of the community and a wide range of interest groups. This generally has to be achieved in an environment of imperfect knowledge about fish stocks and fisheries ecosystems. Usually, a precautionary approach needs to be taken to mitigate risks to fish stocks.

In this RIS it is suggested that the preferred outcome is to adjust the levies collected for fisheries services (FS) to reflect the actual cost of delivering the services, where it is established that the particular activity is one from which commercial fisheries participants directly benefit, or are undertaken only as a direct result of the operation of commercial fisheries.

Government policy is to implement full cost recovery unless there are clear policy objectives justifying a different approach. There may be risks of adopting a full cost recovery approach when other charges or costs imposed on businesses do not reflect social costs. In these instances, setting levies to recover full costs, may lead to a reduced take-up of licences in particular fisheries, resulting in under-harvesting of available fish stocks with impacts on fish harvesting operations and other businesses dependant on fishing. Further, based on a strict application of full cost recovery, there are a number of fishery classes where the recoverable FS cost (when added to the other levies that the government must collect on behalf of others), make up a large proportion of the value of the catch, or even exceed it. This may warrant an approach that is less than full cost recovery to address economic impacts and provide industry time to adjust. Noting that in some licence classes where there is a large amount of latent fishing effort, the impact of full cost recovery may assist in reducing that latent effort. Thus, the preferred outcome includes a number of concessions and a phasing-in of proposed increases over three years to mitigate undesired consequences of immediate imposition of full cost recovery.

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<sup>2</sup> **Dates used in this RIS refer to the financial year when levies are paid, not the associated licensing period.**

Levies are generally collected in April and June each year, meaning the levies collected in the 2013-14 financial year relate to the 2014-15 licensing period.



Under full cost recovery there may also be a risk of regulatory evasion if levies are perceived as being too high. In practical terms, this is the risk that increasing levies will lead to fishing without the required authorisation. DEPI considers this risk to be relatively low; there is already a low level of unlicensed fishing. However, it would remain a risk that would likely increase with a significant increase in levy amounts.

The options considered in this RIS are therefore:

1. **full cost recovery**, with FS levies matching the total recoverable FS costs incurred by DEPI, matched on a per fishery basis
2. **partial cost recovery**, with specific reductions in the level of cost recovery for some activity types as well as some particular fisheries.

### *Preferred option*

This RIS found that there was a basis for preferring the second option (partial cost recovery), as a moderately high level of cost recovery could still be achieved, with appropriate mitigations against undesired consequences.

Under the preferred option, the following reductions have been included following consultation with the FCRSC to best target undesired consequences:

- Nil cost recovery for the surveillance aspect of commercial compliance for all fisheries except wild-catch abalone<sup>3</sup>
- Nil cost recovery for intelligence and investigation aspects of commercial compliance for all fisheries except wild-catch abalone<sup>3</sup>
- Reduced cost recovery for Catch & Effort administration
- Nil cost recovery for the preparation of fishery management plans
- Reduced attribution of costs to particular commercial finfish fisheries
- A ‘small operator’ concession provided by capping levies (FS component) for small fisheries at \$500 per licence.<sup>4</sup>

The preferred option, if implemented in full immediately, would increase FS levy revenue by around \$1.1 million, or 37 per cent, in the 2013-14 financial year (note this figure relates only to FS levies and not any consequential impact on the abalone royalty).

### *Impact of proposed amendments*

The groups affected by the proposed amendments are the commercial fishing sector (which includes wild catch, fish receivers and aquaculture sectors). The impact is in general an increase in levies to be paid. In response to the size of the planned increases, DEPI has proposed to phase in the increases in FS levies over three years (the first two years being transition years during which DEPI and FCRSC will re-assess the new levies and identify any changes required). This will assist in industry adjustment to the new levy amounts, and also allow DEPI, in consultation with industry, to continue ongoing work to review the nature and extent of fisheries services.

The proposed phase-in is: 30 per cent of the proposed increase in the first year; 60 per cent of the proposed increase in the second year; and 100 per cent of the proposed increase in the third year. This will apply to individual FS levy components in each fishery.

The proposed increases to the FS levies are shown in Table 1, which sets out:

- FS levies in dollar terms for future years, and therefore include indexation of levy amounts each year as well as the increase in the proportion of costs recovered through levies. The proposed amendments to the Regulations will include levies expressed in fee units, therefore the actual levy amount in each year

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<sup>3</sup> As requested by the wild-catch abalone members and advisers of the Fisheries Cost Recovery Standing Committee.

<sup>4</sup> The cap will be expressed as 38.9 fee units, therefore the nominal amount of the cap will increase each year in line with the Treasurer’s determination of the fee unit value.

will depend on the value of a fee unit determined each year by the Treasurer. For the purpose of this analysis, it is assumed that the fee unit value will increase by 2.5 per cent per year.

- Levy changes to wild catch abalone, giant crab and rock lobster also include changes to how levies are divided between the licence and quota units listed on the licence. Weighting of Giant Crab and Rock Lobster levies is equivalent to 70 per cent from licences:30 per cent from quota units listed on the licence. No levies are to be charged on pot entitlements listed on Rock Lobster licences. Therefore, all components should be considered when determining the overall change.
- Levy changes to wild catch abalone will also have consequential impacts on the amount of royalties paid by these fisheries, such that there is no net change in the total amount of revenue that otherwise would be collected from these fisheries (this is because of the abalone royalty arrangements).

**Table 1: Proposed changes in Fisheries Services (FS) levies per licence and quota unit<sup>5</sup>**

Class of licence		Current	Proposed			Percentage change over 3 years
		2012-13	2013-14	2014-15	2015-16	
Abalone	Western Zone - licence	\$3,111.20	\$400.60	\$410.60	\$420.90	-86%
	quota unit (blacklip)	\$895.90	\$879.60	\$1,031.80	\$1,228.90	37%
	quota unit (greenlip)		\$717.80	\$772.60	\$836.40	-7%
	Central Zone - licence	\$3,111.20	\$179.80	\$184.30	\$188.90	-94%
	quota unit (blacklip)	\$809.40	\$712.60	\$791.00	\$894.40	11%
	quota unit (greenlip)		\$490.50	\$563.30	\$661.00	-18%
	Eastern Zone - licence	\$3,111.20	\$172.10	\$176.40	\$180.80	-94%
	quota unit	\$1,479.80	\$1,016.90	\$1,125.30	\$1,268.10	-14%
	Bait (General)	\$337.00	\$412.10	\$512.00	\$524.80	55%
	Corner Inlet	\$2,276.60	\$1,620.40	\$2,003.10	\$2,521.80	11%
	Eel Fishery	\$583.90	\$1,206.90	\$1,876.80	\$2,795.10	379%
	Giant Crab	licence	\$308.20	\$1,135.00	\$2,008.40	\$3,216.00
quota unit		\$32.60	\$37.30	\$50.00	\$66.10	103%
Gippsland Lakes	Fishery	\$2,274.20	\$4,309.10	\$6,502.90	\$9,517.20	318%
	Bait	\$471.10	\$499.50*	\$512.00	\$524.80	11%
	Mussel Dive	\$365.80	\$499.50*	\$512.00	\$524.80	43%
Lake Tyers (Bait)	\$308.20	\$499.50*	\$512.00	\$524.80	70%	
Mallacoota Lower Lake Fishery (Bait)	\$393.40	\$499.50*	\$512.00	\$524.80	33%	
Ocean	\$325.70	\$208.00	\$389.60	\$642.10	97%	
Port Phillip Bay (Mussel Bait)	\$398.40	\$499.50*	\$512.00	\$524.80	32%	
Purse Seine	Ocean	\$395.90	\$1,371.30	\$2,422.90	\$3,874.30	879%
	Port Phillip Bay	\$367.10	\$1,791.10	\$3,295.50	\$5,373.10	1364%
Rock Lobster	Western Zone - licence	\$1,248.00	\$2,746.50	\$5,082.80	\$8,307.20	566%
	quota unit	\$76.40	\$61.70	\$65.80	\$68.80	-10%

<sup>5</sup> Years in the table refer to the financial year, not the associated licensing period. For example levies collected in the 2013-14 financial year relate to the 2014-15 licensing period.

Class of licence		Current	Proposed			Percentage change over 3 years	
		2012-13	2013-14	2014-15	2015-16		
	pot	\$28.80	\$0.00	\$0.00	\$0.00	-100%	
	Eastern Zone - licence	\$695.40	\$2,113.50	\$3,619.30	\$5,695.50	719%	
	quota unit	\$42.60	\$61.60	\$81.60	\$110.60	160%	
	Scallop (Ocean)	\$145.30	\$448.10	\$768.60	\$1,211.40	734%	
	Snowy River (Bait)	\$363.30	\$499.50	\$512.00	\$524.80	44%	
	Sydenham Inlet (Bait)	\$368.30	\$1,014.30	\$1,699.10	\$2,645.40	618%	
	Trawl (Inshore)	\$354.50	\$622.60	\$913.40	\$1,312.60	270%	
	Westernport/Port Phillip Bay	\$2,339.30	\$1,949.10	\$2,479.50	\$3,198.50	37%	
	Wrasse (Ocean)	\$352.10	\$1,362.20	\$2,432.20	\$3,906.70	1010%	
<b>Fish Receivers' Licence</b>	Abalone	\$330.80	\$2,205.90	\$4,523.40	\$7,727.10	2236%	
	Scallop <sup>5</sup>	\$682.90	\$2,424.00	\$2,484.60	\$2,546.70	273%	
<b>Aquaculture Licence</b>	Crown Land	Abalone	\$223.10	\$797.30	\$1,474.00	\$2,409.30	980%
		Bivalve	\$561.40	\$1,628.10	\$2,830.90	\$4,489.50	700%
		Eels	\$566.40	\$708.80	\$939.70	\$1,254.60	122%
		Offshore	\$749.40	\$1,012.50	\$1,374.40	\$1,823.10	143%
		Other	\$65.20	\$444.20	\$910.70	\$1,556.70	2288%
	On-shore Abalone	\$180.50	\$834.50	\$1,592.50	\$2,640.00	1363%	
	Private Land	Eels	\$65.20	\$303.00	\$621.20	\$1,063.00	1530%
		Indoor Intensive	\$65.20	\$315.80	\$646.20	\$1,104.80	1594%
		Marine	\$130.40	\$536.60	\$1,034.50	\$1,721.30	1220%
		Ornamentals	\$384.80	\$371.00	\$490.90	\$652.90	70%
		Other	\$370.90	\$1,025.80	\$1,791.20	\$2,845.00	667%
		Salmonids	\$184.30	\$367.20	\$630.40	\$994.20	439%
		Tourism	\$65.20	\$315.80	\$646.20	\$1,104.80	1594%
		Warm Water Finfish	\$137.90	\$410.80	\$771.20	\$1,266.70	819%
		Yabbies	\$110.30	\$224.70	\$415.90	\$679.90	516%
Multiwaters <sup>6</sup>	\$65.20	\$1,092.00	\$1,119.30	\$1,147.30	1600%		

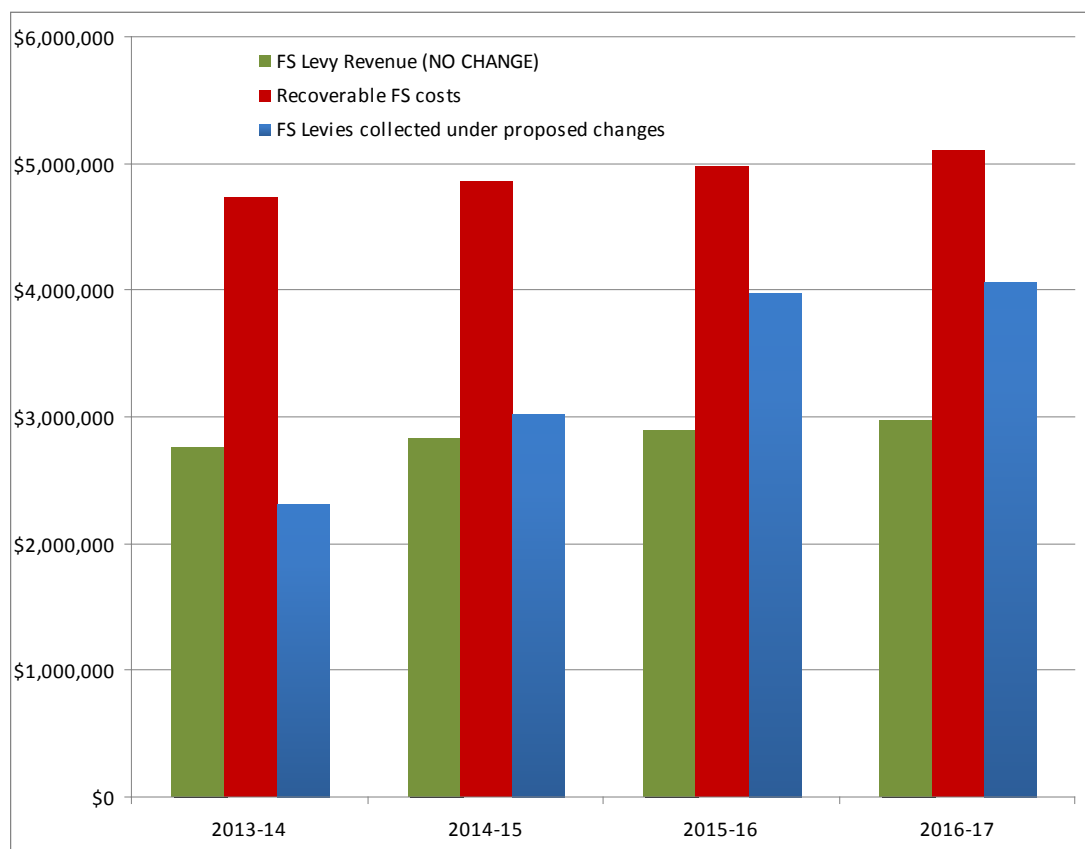
\*Note: Under the *Monetary Units Act 2004* fee units can be set to one decimal place of a fee unit and then rounded to the nearest 10 cents. As such, the fee amounts for \$499.50 are not set at precisely \$500.

### *Aggregate impact*

The aggregate impact each year means that the FS levies collected will, over time, better match the costs of providing the services, noting that over the next four years (the remaining period for the current Regulations) total FS levy revenue will still be below current estimated full recoverable costs—see Figure 1.

<sup>6</sup> There are currently no licences for these classes. DEPI has therefore estimated the incremental cost of a new licence should one be granted. This cost has been inserted into the draft regulations in case such a licence is issued.

**Figure 1: Current and proposed FS levies, compared to recoverable costs of services**



*Note: The graph refers to financial years not licensing years, i.e. costs and levies in the 2013-14 financial year relate to the 2014-15 licensing year. Numbers do not include royalties.*

It is proposed the concessions will apply for the remaining period of the current Regulations (i.e. up to 2017-18), at which point the Regulations will be reviewed. Within this time frame there is likely scope for further reduction in the cost of services under a prospective system through technology advances and other improved efficiencies in service delivery. There is also prospect for external provision of services for some types of services. The concessions therefore reflect a recognition that increases in levies provide mitigation of adverse consequences while reform of the cost recovery framework continues through ongoing examination of the efficiency of services.

The value of these ‘concessions’ is around \$965,000 per annum (in 2013-14 dollars, excluding flow on impacts on abalone royalties), with individual elements shown in Table 2.

**Table 2: Value of proposed concessions from full cost recovery**

Concession	Value (full year value 2013-14 dollars)
<b>Nil cost recovery for surveillance of commercial compliance (except abalone)</b>	\$374,716
<b>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</b>	\$294,624
<b>Reduced cost recovery for Catch and Effort recording admin</b>	\$114,531
<b>Nil cost recovery for preparation of fishery management plans</b>	\$65,478
<b>Reduced attribution of costs to finfish fisheries</b>	\$83,450
<b>Small operator concession</b>	\$32,631

## *Broader reforms*

The proposed amendments are part of a broader reform of the approach to cost recovery for commercial fisheries. In combination, these changes will result in an overall improved system that enhances transparency and efficiency.

The FCRSC has noted that a move towards forward budgeting will allow an increase in transparency of costs, and the ability for industry to have input into the nature, design and extent of services to be provided by DEPI or alternative service providers, with a view to realising both improved efficiency and cost savings. The FRCSC will have a key role overseeing implementation of the forward budgeting approach and monitoring the impact of the proposed levy changes as they occur. DEPI will work with FCRSC and fishery-specific forums to identify further opportunities for reducing costs and improving efficiencies at a fishery level in the medium to longer term.

DEPI believes that providing concessions from full cost recovery, and allowing a three-year phasing in of levy increases, provides industry time to adjust to the higher levies. Over this period the implementation of efficiency measures may further reduce the levies.

The proposed amendments apply only to 2018, at which point the current Regulations sunset. This will be a suitable point to further assess how the new cost recovery approach is working and identify further efficiency improvements.

## *Determining efficiency*

It is difficult to objectively demonstrate that the costs to be recovered through the FS levies are efficient and reflect the minimum cost necessary to provide the services to the required level. There is limited ability to benchmark costs against other jurisdictions as:

- The costs of activities in other jurisdictions are generally not transparent in terms of matching costs to individual activities. Where cost information is available it is not clear how these would be attributable to the commercial fisheries sectors.
- The level of activities required to be undertaken must be tailored to the particular locations, and therefore Victoria's geography, fisheries distributions, seasonal differences, and policies on the level of sustainable fishing all contribute to a level of services that are unique to Victoria.

However, comparisons to data from South Australia (being the only other state that has implemented a comprehensive cost recovery framework and reports on costs) indicates that the Victorian costs are reasonable at around 6.4 per cent of GVP compared to South Australia's regulatory costs amounting to 6.6 per cent of GVP.

The efficiency of activities and costs has therefore been considered with reference to the following:

- The staff time and other costs of each activity per licence class have been set out in this RIS. This transparency, and the process of review in initial two transition years, will allow stakeholders to examine the resources required to deliver the services and provide incentives for efficiencies in service delivery over time. It also provides a basis for future consideration of alternative service delivery where appropriate. Stakeholders are able to provide feedback to DEPI on the resources used in undertaking each activity, as well as whether the activity itself is a necessary activity or can be delivered in an improved or more efficient manner.
- Despite the total number of licences being relatively stable in recent years, the total number of DEPI staff (FTE) involved in all fisheries services has fallen over the past four years. This has been due to informal and formal reviews, as well as efforts to reduce costs across government, resulting in some efficiency improvements.
- The FCRSC reviews fisheries service delivery and the associated impacts on industry sectors of annual levies. In recognition that there is no perfect benchmark for cost efficiency, the FCRSC will regularly review performance against agreed performance milestones.

## Other amendments

The proposed amendments also realign the levies collected as FRDC levies to better match the levy with its intended application. Victoria collects these on behalf of the fishing industry for FRDC, with the intention to collect a levy equal to 0.25 per cent of GVP for each fishery. Over time, changes in GVP have diverged significantly from the original levy amounts. By recalculating the FRDC levy with updated GVP data, the total revenue collected will increase from around \$165,000 in 2013-14 to around \$186,000 in 2013-14 under the proposed amendments, an increase of around 12.7 per cent. While this is small in total, the impact on some individual fisheries is significant in percentage change terms.

The proposed realignment of FRDC levies to reflect updated GVP data is estimated to impact on the FRDC levies as shown in Table 3. The proposed FRDC levies in Table 3 are calculated based on the average GVP over the preceding three years. The changes to the FRDC levies will not be phased in but take full effect from 2013-14, as they relate to external arrangements.

DEPI is also considering future amendments to express the FRDC levy as a formula rather than fixed fee unit amounts in order to automatically account for actual variations in GVP and avoid the need to amend the regulations annually.

As with changes to the FS levies, any changes to the FRDC levies for wild catch abalone results in no net change in costs paid by the abalone sector due to the capping effect of the abalone royalty arrangements.

**Table 3: Proposed changes to FRDC levies per licence and quota unit<sup>7</sup>**

Class of licence		Current	Proposed	Percentage change	
		2012-13	2013-14		
Fishery	Abalone	Western Zone - licence	\$0.00	\$0.00	-
		quota unit (blacklip)	\$51.40	\$39.80	-23%
		quota unit (greenlip)		\$39.80	-23%
		Central Zone - licence	\$0.00	\$0.00	-
		quota unit (blacklip)	\$51.40	\$39.80	-23%
		quota unit (greenlip)		\$39.80	-23%
	Eastern Zone	licence	\$0.00	\$0.00	-
		quota unit	\$51.40	\$39.80	-23%
		Bait (General)	\$12.50	\$9.00	-28%
		Corner Inlet	\$299.50	\$364.70	22%
		Eel Fishery	\$99.00	\$92.40	-7%
		Giant Crab	licence	\$46.40	\$42.40
quota unit	\$0.00		\$1.30	-	
Gippsland Lakes	Fishery	\$261.90	\$367.20	40%	
	Bait	\$12.50	\$24.40	95%	
	Mussel Dive	\$12.50	\$1.30	-90%	

<sup>7</sup> Years in the table refer to the financial year, not the associated licensing period. For example levies collected in the 2013-14 financial year relate to the 2014-15 licensing period.

		<i>Current</i>	<i>Proposed</i>		
Class of licence		2012-13	2013-14	Percentage change	
	Lake Tyers (Bait)	\$12.50	\$0.00	-100%	
	Mallacoota Lower Lake Fishery (Bait)	\$12.50	\$0.00	-100%	
	Ocean	\$17.50	\$3.90	-78%	
	Port Phillip Bay (Mussel Bait)	\$12.50	\$0.00	-100%	
Purse Seine	Ocean	\$17.50	\$3,618.30	20576%	
	Port Phillip Bay	\$0.00	\$445.50	-	
	Western Zone - licence	\$423.50	\$315.90	-25%	
	quota unit	\$0.00	\$2.60	-	
Rock Lobster	pot	\$0.00	\$0.00	-	
	Eastern Zone - licence	\$104.00	\$119.40	15%	
	quota unit	\$0.00	\$2.60	-	
	Scallop (Ocean)	\$18.80	\$0.00	-100%	
	Snowy River (Bait)	\$12.50	\$1.30	-90%	
	Sydenham Inlet (Bait)	\$12.50	\$14.10	13%	
	Trawl (Inshore)	\$27.60	\$41.10	49%	
	Westernport/Port Phillip Bay	\$177.90	\$240.10	35%	
	Wrasse (Ocean)	\$17.50	\$37.20	113%	
<b>Fish Receivers' Licence</b>	Abalone	\$0.00	\$0.00	-	
	Scallop	\$0.00	\$0.00	-	
<b>Aquaculture Licence</b>	Crown Land	Abalone	\$179.20	\$0.00	-100%
		Bivalve	\$179.20	\$396.80	121%
		Eels	\$179.20	\$5.10	-97%
		Offshore	\$179.20	\$0.00	-100%
		Other	\$179.20	\$34.70	-81%
	On-shore Abalone	\$179.20	\$3,911.10	2083%	
	Private Land	Eels	\$179.20	\$1,028.50	474%
		Indoor Intensive	\$179.20	\$12.80	-93%
		Marine	\$179.20	\$0.00	-100%
		Ornamentals	\$179.20	\$304.30	70%
		Other	\$179.20	\$0.00	-100%
		Salmonids	\$179.20	\$598.30	234%
		Tourism	\$179.20	\$0.00	-100%
		Warm Water Finfish	\$179.20	\$291.50	63%
	Yabbies	\$179.20	\$6.40	-96%	
	Multiwaters	\$179.20	\$0.00	-100%	



The regulations will also be amended to provide for the Minister to refund the Grants Levy and reduce or waive the payment of Fishery Services (FS) levies in particular circumstances.

DEPI is also considering future amendments to maintain the total amount raised under the Grants Levy that is provided to Seafood Industry Victoria at its current level (in real terms) by adjusting the levy to account for changes in the number of licences within each fishery.

### *Net impacts*

Table 4 shows the net impact on revenue collected from the proposed changes to the FS levies and the FRDC levy calculation, including the impact of the concessions and phased implementation. It also includes the consequential impact on abalone royalties as a result of these changes.

**Table 4: Net impact on revenue collected from commercial fisheries including concessions and phased implementation (compared to base case of continuing current regulations in each year)<sup>8</sup>**

Change	2013-14	2014-15	2015-16	2016-17
Change in FS levies	-\$443,520	\$192,494	\$1,072,335	\$1,099,143
Change in FRDC levies	\$21,642	\$22,183	\$22,738	\$23,307
<i>Consequential change in aggregate Abalone royalties</i>	\$563,763	\$459,465	\$309,906	\$317,654
<b>NET IMPACT</b>	<b>\$141,885</b>	<b>\$674,142</b>	<b>\$1,404,979</b>	<b>\$1,440,103</b>
<i>Value of amounts not recovered:</i>				
<i>Value of amounts not recovered under partial cost recovery option</i>	\$965,430	\$989,566	\$1,014,305	\$1,039,663
<i>Value of amounts not recovered during phased transition period</i>	\$1,458,606	\$847,969	\$0	\$0

Note: the figures beyond 2013-14 assume increases in fee unit values of 2.5 per cent per annum, and growth in GVP of 2.5 per cent annum. These are indicative only as actual figures may be different depending on the actual fee unit and GVP values each year.

The value of amounts not recovered items in Table 4 show the value, in terms of FS levy revenue forgone, due to the preferred approach of partial cost recovery of FS costs and the proposed phasing in of increases.

The overall negative impact on FS levies in 2013-14 (Table 4) reflects two aspects:

- levies for Central and Eastern Zone Abalone fisheries are being reduced, with immediate effect in 2013-14
- for other fisheries, where individual FS components of the levies are being reduced, these reductions will take place immediately, whereas any increases to individual levy components are being phased in.

For each of the Abalone zones, while there would be changes in the amount of FS and FRDC levies per licence and per quota unit, within each zone there is no change to the total amount recovered (beyond the base case) due to the capping effect of the current abalone royalty arrangements. Royalties are calculated under the Regulations as 7.2 per cent of GVP *less* any FS and FRDC levies payable. Therefore, a change in the amount of FS or FRDC levies for abalone leads to a corresponding and opposite change in the royalty to be paid so that overall there is no net change in the amount paid. This means in low GVP situations the cost of fishery services could well exceed the costs recovered. For the proposed changes to FS and FRDC levies:

- The total levies collected from Western Zone Abalone (licence and quota units) are proposed to be increased, leading to a corresponding reduction in the royalty

<sup>8</sup> Years in the table refer to the financial year, not the associated licensing period. For example levies collected in the 2013-14 financial year relate to the 2014-15 licensing period.

- The total levies collected from Eastern and Central Zone Abalone (licence and quota units) are proposed to be reduced, leading to a corresponding increase in the royalty

Without the abalone royalty arrangements, levies paid by the Central and Eastern Zones would have reduced.

### *Consultation*

All proposed levies have been developed in consultation with the Fisheries Cost Recovery Standing Committee (FCRSC), which has reviewed the level and costs of fisheries services, proportion of costs attributable to the commercial fisheries sector, levels of concessions, and transition arrangements. The FCRSC will continue to provide advice on the implementation of the proposed levies.

The regulations underpin the move to a prospective cost recovery regime that forecasts the nature and extent of services to be provided across each fishery over the next four years. During this time there will be quarterly reporting against performance milestones and comprehensive review of the nature and extent of services at the end of each four year period. To implement this approach, the first two years will be transition years during which time DEPI and FCRSC will re-assess the new levies and identify any changes required, including whether or not services can be better defined or more efficiently delivered.

### **Questions for comment**

The primary objective of the RIS process is to present the analysis undertaken to date on the proposed regulatory changes, and to invite public comment on the RIS and the proposed regulatory amendments. Comments on any aspect of the proposed amendments are welcomed; stakeholders may particularly wish to respond to the following questions:

- Do you have comments on the level and nature of services to be provided to your fishery? Are there other benchmarks available to compare the level of services and the costs?
- Do you have comments on the proposal to charge less than the full recoverable costs associated with providing the fisheries services? Are the concessions appropriate? Could they be better targeted?
- Is it reasonable to phase-in the new levies over three years? Is this the right amount of time for transition?
- Are there any other implementation issues not identified in the RIS of which the Department should be aware?
- The proposed amendments have retained the existing basis for charging levies (i.e. on a per licence basis except for abalone which has levies based on quota units). Are there other approaches to changing the levies across fisheries that would be preferable while still aligned with the government's Cost Recovery Guidelines?
- The Department is considering amendments to maintain the current overall level of grants levy funds that go to Seafood Industry Victoria. Do you have any comments on this?

**[See Sections 2 – 11](#)**

**[See APPENDICES 1-4](#)**

**[See Draft Regulations](#)**



# Regulatory Impact Statement

## Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013

July 2013

Department of  
Environment and  
Primary Industries



## **Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013**

### **Regulatory Impact Statement**

In accordance with the *Victorian Guide to Regulation*, the Victorian Government seeks to ensure that regulations and other legislative instruments are well targeted, effective and appropriate, and that they impose the lowest possible burden on Victorian businesses and the community.

The Regulatory Impact Statement (RIS) process involves an assessment of regulatory proposals and allows members of the community to comment on proposed legislative instruments before they are finalised. Such public input provides valuable information and perspectives, and improves the overall quality of the instrument-making process.

This RIS has been prepared to facilitate public consultation on the proposed Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013 made under the *Fisheries Act 1995*. A copy of the proposed amendments is attached to this RIS.

Submissions are now invited on the proposed amendments. All submissions received will be treated as public documents and published on the Department's website. The submitter's name will be included unless requested otherwise.

Written comments and submissions should be forwarded by no later than **5:00pm, 24 September 2013** to:

Fisheries Cost Recovery RIS  
Fisheries Victoria  
Department of Environment and Primary Industries  
1 Spring Street  
Melbourne Vic 3000

or email: [fisheries.ris2013@depi.vic.gov.au](mailto:fisheries.ris2013@depi.vic.gov.au).

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This document is also available on the internet at  
[www.depi.vic.gov.au/fisheries](http://www.depi.vic.gov.au/fisheries)

**Department of Environment and Primary Industries**

**Fisheries (Fees, Royalties and Levies) Further  
Amendment Regulations 2013**

**Regulatory Impact Statement**

This Regulatory Impact Statement has been prepared in accordance with the requirements of the *Subordinate Legislation Act 1994* and the *Victorian Guide to Regulation*

July 2013



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Competition & Efficiency  
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21 June 2013

Megan Higson  
Senior Policy Analyst  
Fisheries Victoria  
Department of Environment and Primary Industries  
GPO Box 4440 Melbourne VIC 3001

Dear Ms Higson

### ADVICE ON THE ADEQUACY OF REGULATORY IMPACT STATEMENT

Thank you for seeking advice on the Regulatory Impact Statement (RIS) on the proposed Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013.

The Victorian Competition and Efficiency Commission (VCEC) advises on the adequacy of RISs as required under section 10(3) of the *Subordinate Legislation Act 1994* (the Act). I advise the final version of the RIS received by the VCEC on 18 June 2013 meets the requirements of section 10 of the Act.

The VCEC's advice is based on the adequacy of the evidence presented in the RIS and is focused on the quality of the analysis rather than the merits of the proposal itself. **Therefore, the VCEC's advice the RIS is adequate does not represent an endorsement of the proposal.**

In the interests of transparency, it is government policy VCEC's advice be published with the RIS when it is released for consultation.

If you have any questions, please contact [RegulationReview@vcec.vic.gov.au](mailto:RegulationReview@vcec.vic.gov.au).

Yours sincerely

Andrew Walker

**Assistant Director**

**Victorian Competition and Efficiency Commission**

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## **GLOSSARY**

**The Act** – *Fisheries Act 1995*

**The current Regulations** – Fisheries (Fees, Royalties and Levies) Regulations 2008

**CPI** – Consumer Price Index

**COAG** – Council of Australian Governments

**DEPI** – Department of Environment and Primary Industries

**FACS** – Fisheries Activity Costing System

**FCRSC** – Fisheries Cost Recovery Standing Committee

**FMS** – Fisheries Management Services (note: these will be renamed Fisheries Services under the proposed amendments)

**FRDC** – Fisheries Research and Development Corporation

**FS** – Fisheries Services

**GVP** – Gross Value Product

**NCP** – National Competition Policy

**SIV** – Seafood Industry Victoria

**TAC** – total allowable catch

## 1. SUMMARY see

## 2. BACKGROUND

The Minister for Agriculture and Food Security is responsible for the regulation and management of fisheries in Victoria via the *Fisheries Act 1995* (the Act). The Act establishes a framework to provide for:

- the management, development and use of Victoria's fisheries, aquaculture industries and associated aquatic biological resources in an efficient, effective and ecological sustainable manner
- promoting sustainable commercial fishing and viable aquaculture industries and quality recreational fishing opportunities for the benefit of present and future generations.

The Department of Environment and Primary Industries (DEPI) designs and delivers government policies and programs to efficiently manage public and private land, and waterways in partnership with the community, land care groups and stakeholders. This involves enabling Victoria's primary industries to sustainably maximise the wealth and wellbeing they generate.

Fisheries Victoria, a division of DEPI, is responsible for the administration under the Act and its associated regulations in relation to fisheries and aquaculture. The objectives of the Fisheries Act are to:

- provide for the management, development and use of Victoria's fisheries, aquaculture industries and associated aquatic biological resources in an efficient, effective and ecologically sustainable manner
- protect and conserve fisheries resources, habitats and ecosystems including the maintenance of aquatic ecological processes and genetic diversity
- promote sustainable commercial fishing and viable aquaculture industries and quality recreational fishing opportunities for the benefit of present and future generations
- facilitate access to fisheries resources for commercial, recreational, traditional and non-consumptive uses
- promote the commercial fishing industry and to facilitate the rationalisation and restructuring of the industry
- encourage the participation of resource users and the community in fisheries management.

### 2.1. Fisheries in Victoria

Geographical features of Victoria include over 2,000 kilometres of coast adjacent to open coastal waters, bays and estuaries. Inland Victoria features thousands of kilometres of rivers and streams as well as a large number of lakes and impoundments. These aquatic environments support hundreds of different species of fish, molluscs, crustaceans and other aquatic invertebrates.

Many species are valued by fishers and/or fish consumers and are used for commercial, recreational or subsistence purposes. The community also values fish and aquatic ecosystem habitats for environmental and other non-consumptive uses.

The commercial wild harvest fishing and aquaculture sectors provide direct and indirect employment for over 1,700 Victorians. Licensed operators have capital investments in boats, licences and processing facilities exceeding \$1 billion. The Gross Value Product (GVP) of the sector has averaged in excess of \$70 million per annum over the past three years.

The abalone and southern rock lobster fisheries are the most valuable, worth annually around \$23 million and \$16 million respectively. There is a range of other commercial fisheries in Victoria which encompass a wide range of fish species, such as eels, scallop, giant crab, squid, sardine, salmon, whiting, snapper, garfish and bream.


Victorian aquaculture is undertaken in a variety of offshore, coastal and inland facilities and includes the production of trout, abalone, blue mussel, aquarium finfish, eel, Murray cod, barramundi and yabby.

Without a system of effective fisheries management, there is a risk that scarce fisheries resources will become over-exploited. Therefore, access to fisheries is regulated in Victoria. The system of fisheries resource management aims to:

- restrict harvesting to a level that is sustainable in the long-term and that maximises returns to fishers and the community
- assign clearly specified access and extraction rights (e.g. quotas and licences)
- monitor and enforce these rights including through inspections to ensure compliance with harvest limits, and undertake additional surveillance, monitoring and enforcement services.

The key elements of the framework for managing fisheries are shown in Figure 2.

**Figure 2: Framework for managing a fishery**

<b>Set total sustainable catch</b>	<b>All sectors</b>		
	<b>Commercial</b>	<b>Recreational</b>	<b>Aboriginal</b>
<b>Allocate access</b>	Limited access (commercial entitlements)	Open access (licensing applies)	Traditional owners
<b>Access entitlements</b>	Harvest managed within specific limits and targets, with performance indicators, and clear decision rules	Harvest managed within general limits and targets, with clear decision rules	Estimated take provided for within the harvest strategy
<b>Harvest strategy</b>	Output or input controls	Input controls (e.g. size, bag limits)	Input controls
<b>Management tools</b>	 Management planning, involving stakeholders and underpinned by cost recovery		

Fisheries management is supported by published management plans. DEPI prepares and reviews management plans that cover the recreational, commercial and aquaculture sectors. These plans identify policies and strategies for the ecologically sustainable development of Victoria’s fisheries. The development of plans is an open process that includes valuable input from a wide range of stakeholders.

The fisheries services (FS)<sup>1</sup> provided by DEPI are described in Table 5.

The main rationale for the provision of fisheries services stems from the unique characteristics of fisheries themselves, which can result in fisheries being over-exploited. The reason that fisheries would likely be over-exploited without the fisheries services provided is because there are not clearly defined rights. The consequence of these imperfect property rights is an incentive to over-exploit the fish resource driving fish stocks to unsustainable levels.

The fisheries services provided by the Victorian Government are aimed at managing the resource in the long-term interests of fishers and the community. The essential task of fisheries management relates to ensuring that fisheries stocks and ecosystems are sustained whilst balancing the diverse needs of the community and a wide range of interest groups. This generally has to be achieved in an environment of imperfect knowledge about fish stocks and fisheries ecosystems. Usually, a precautionary approach needs to be taken to mitigate risks to fish stocks.

<sup>1</sup> These services were previously referred to as Fisheries Management Services (FMS), however the proposed amendments will now refer to these as Fisheries Services (FS).

**Table 5: Fisheries services provided by DEPI**

<b>Fisheries Service</b>	<b>Description</b>
<b>Policy development and Ministerial services</b>	Governments undertake a range of legislative, parliamentary and policy development functions, which are part of their broad role in managing fisheries for the community as a whole.
<b>Research - includes scientific assessment and modelling</b>	Applied scientific research studies and assessments are required to understand the biology of the fishery to establish the Total Allowable Catch (TAC). This includes analysis and modelling of data for stock assessment (including from catch and effort recording, dive surveys and other surveys). This type of research is essential to determine the sustainable resource base for a fishery.
<b>Management – includes planning and operational management for fisheries</b>	For most Victorian fisheries in Victoria, a management plan is typically developed to manage harvest and access. This plan covers a range of aspects such as: the establishment of the TAC; its assignment to quota holders (e.g. for quota-managed fisheries such as rock lobster, abalone, giant crab and scallops in Victoria) and effort or input controls to limit catch; compliance issues; and other regulatory issues. In the aquaculture sector, reserve management plans are prepared for the allocation of crown resources.
<b>Compliance - includes surveillance, intelligence, inspections and education</b>	There are a range of compliance services that are undertaken, such as surveillance, intelligence, investigations, inspections and education services. Some compliance services are solely associated with the commercial sector (e.g. compliance by licence/quota holders with commercial fishing rules) while others are associated with the overall protection of the fishery, such as monitoring to detect illegal fishing.
<b>Licence administration</b>	Licensing is used to manage commercial and recreational access. Licences are required for commercial and recreational fishing and for boat registrations and renewals. This service also includes managing the collection of “catch and effort” data that must be provided to DEPI by licence holders.
<b>Cost recovery administration</b>	To maintain and administer the cost recovery system requires appropriate process and systems; consultation on services and costs; and fees and levy setting. It also includes support for the FCRSC, including sitting fees and personal expenses of members.

Victoria's fisheries resources are utilised by a wide range of interest groups. While much of the population enjoys eating seafood products, people are predominantly dependent on retail access for their supply of fish. Substantial numbers of commercial and non-commercial fishers, directly harvest from wild-fish stocks.

The task of fisheries management is dynamic. It involves ongoing and continual review and maintenance of the management tools employed. Changes in habitat or environmental factors can produce changes in fish stocks. In addition, local or regional changes in human populations and behaviour, the technology utilised, market (consumer) demands and changes in knowledge about fish stocks can all contribute to a need for changes (minor or major) to a regulatory framework.

## 2.2. Licensing of fisheries

The Fisheries Act and associated regulations establish a number of types of licences, with each required to make financial payments as set out in Table 6.

**Table 6: Fees, Royalties and Levies payable by licence type**

	Commercial licences†	Commercial quota‡	Recreational licences*	General permit	Boat registrations	Protected aquatic biota permits
<b>Fees</b>	Application	✓	-	✓	✓	✓
	Renewal	✓	-	-	✓	-
	Variation	✓	-	-	✓	✓
	Transfer	✓	-	-	-	✓
<b>Royalties</b>	-	✓**	-	-	-	-
<b>Levies</b>	✓	✓	✓	✓	-	-

† Includes commercial access licences, fish receivers licences and aquaculture licences.

‡ Applies to Abalone, Rock Lobster, Giant Crab and Scallop Fisheries

\* Persons under 18 are not required to hold a licence for recreational fishing. Persons over 70 and some concession card holders are also exempt.

\*\* Royalties are only applicable to the abalone sector.

Within this framework, fees relate to the administrative costs of processing, renewing, varying and/or transfer the relevant licence. Royalties are payments for removal of assets, and payable by commercial abalone operators as a percentage of gross value product (GVP). Levies are charged to pay for the recoverable cost components of fisheries services provided by DEPI.

The current fees, royalties and levies are set out in the Fisheries (Fees, Royalties and Levies) Regulations 2008 (the current Regulations), which also set other rules including the classes of commercial licences and methods of payment. While the Regulations set these charges for all licences types as shown in the above table, the proposed amendments assessed in this Regulatory Impact Statement (RIS) deal only with levies for commercial licences and quota (the shaded element in Table 6). The other charges are subject to ongoing review and are not considered in this RIS.

Table 7 shows the FS levy revenue per fishery in the 2012-13 financial year. The levies applied to commercial fisheries are for the purpose of recovering costs incurred by DEPI in providing fisheries services (FS) to the commercial fisheries. The current Regulations also include a component collected on behalf of the fishing industry for FRDC and a grants<sup>2</sup> component. The proposed amendments to the Regulations will change the FS components and realign the FRDC component, but do not seek to change the portion of the

<sup>2</sup> The grants levy consists of an amount collected from all wild-catch licence and quota unit holders, and processor licence holders, which is provided to Seafood Industry Victoria (SIV) as the identified representative body for the commercial fishing industry. In the Abalone Central and Western Zones, an additional portion is collected from quota unit holders for the zonal representative bodies.

grants levy that goes to SIV. The Department is considering future amendments to maintain the total amount raised under the Grants Levy that is provided to SIV at its current level (in real terms).

Only around \$160,000 was collected from the FRDC levy in 2012-13 financial year, with around \$165,000 expected for 2013-14 (or 0.22 per cent of GVP) under the existing arrangements.

FS levies on commercial licences and quota generated a notional amount of about \$2.7 million in 2012-13 (about 3.6 per cent of GVP). This does not include abalone royalties; \$2.6 million was generated when the abalone royalty is taken into account. Royalties are calculated under the Regulations as 7.2 per cent of GVP *less* any FS and FRDC levies payable. Therefore a change in the amount of FS or FRDC levies for abalone leads to a corresponding change in the royalty to be paid so that overall there is no net change in the amount paid, i.e. the amount paid by abalone fisheries is capped. If the total of FS and FRDC levies exceeds 7.2 per cent of GVP, there is a “negative royalty” of the amount of the excess. In 2012-13, the amount of this negative royalty, for all Abalone zones in total, was around \$120,000. In low GVP situations the cost of fishery services could well exceed the costs recovered.



**Table 7: Commercial licence classes, numbers and FS levy revenue (2012-13 financial year )**

Class of licence		No.	Levy revenue†	
<b>Fishery Access Licence</b>	Abalone	Western Zone	14	\$306,950
		Central Zone	34	\$683,719
		Eastern Zone	23	\$752,262
	Bait (General)		18	\$6,067
	Corner Inlet		18	\$40,981
	Eel Fishery		18	\$10,510
	Giant Crab		23	\$23,378
	Gippsland Lakes	Fishery	10	\$22,742
		Bait	9	\$4,240
		Mussel Dive	2	\$732
	Lake Tyers (Bait)		2	\$616
	Mallacoota Lower Lake Fishery (Bait)		2	\$787
	Ocean		210	\$68,414
	Port Phillip Bay (Mussel Bait)		1	\$398
	Purse Seine	Ocean	1	\$396
		Port Phillip Bay	1	\$367
	Rock Lobster	Western Zone	71	\$515,089
		Eastern Zone	45	\$73,896
	Scallop (Ocean)		91	\$13,227
	Snowy River (Bait)		2	\$727
	Sydenham Inlet (Bait)		2	\$737
	Trawl (Inshore)		60	\$21,276
	Westernport/Port Phillip Bay		42	\$98,253
Wrasse (Ocean)		24	\$8,450	
<b>Fish Receivers' Licence</b>	Abalone	11	\$3,639	
	Scallop	0	\$0	
<b>Aquaculture Licence</b>	Crown Land	Abalone	8	\$1,784
		Bivalve	12	\$6,736
		Eels	11	\$6,230
		Offshore	10	\$7,493
		Other	2	\$130
	On-shore Abalone		7	\$1,263
	Private Land	Eels	1	\$65
		Indoor Intensive	6	\$391
		Marine	2	\$261
		Ornamentals	10	\$3,847
		Other	2	\$742
		Salmonids	21	\$3,868
		Tourism	6	\$391
		Warm Water Finfish	21	\$2,894
		Yabbies	16	\$1,764
	Multiwaters		0	\$0

† Revenue collected under the FS levy components.

### 3. THE PROBLEM BEING ADDRESSED

As previously stated, this Regulatory Impact Statement assesses options to make amendments to the current Regulations to the set of levies for commercial fisheries that relate to the costs of fisheries services provided by DEPI. There will be no change to the fees or royalty arrangements at this time; i.e. total levies and royalty paid for each of the three abalone zones is capped at 7.2 per cent of GVP.

The problem being addressed by the proposed amendments is the realignment of the current commercial fisheries levies to recover an appropriate amount of the actual costs of providing fisheries services in commercial fisheries, adjust the amounts collected by Victoria on behalf of the fishing industry for FRDC to ensure the collection of FRDC levies is consistent with the intended application of the levy, and to remove cross-subsidisation between groups.

There is no intention to change the total level of funds collected under the Grants Levy that is provided to Seafood Industry Victoria (SIV) although the Department is considering future amendments to maintain the total amount raised at its current level per fishery (in real terms) by adjusting the levy to account for changes in the number of licences.

#### 3.1. Cost recovery principles

Cost recovery is a means of charging for the provision of government goods or services (including regulation) to the non-government sector. It is the recuperation of the costs of government-provided or funded products, services or activities that, at least in part, provide private benefits to individuals, entities or groups, or reflect the costs imposed by their actions.

The Victorian Government's *Cost Recovery Guidelines* set out principles underpinning cost recovery arrangements (see Appendix 1). The Guidelines establish a whole-of-government framework thereby ensuring that cost-recovery arrangements in Victoria are transparent, efficient, effective and consistent with legislative requirements and government policy.

These Guidelines are based on the principle that properly designed cost-recovery arrangements can deliver both equity and efficiency benefits to the community. The government's policy is that, in the absence of other policy objectives, fees and levies should be set to fully recover an agency's costs of undertaking the task.

In terms of efficiency, full cost recovery ensures that the appropriate price signals are sent about the value of all the resources being used in the provision of government goods, services and/or regulatory activity.

In terms of equity, full cost recovery ensures those that benefit from a service, or create the need for a service, pay the associated cost of undertaking the service.

Cross-subsidies occur when one group of users pay for more than the costs of the services (or products) they receive, and the 'surplus' is used to offset the cost of services provided to other users. Under the *Cost Recovery Guidelines*, cross-subsidisation should be avoided when structuring charges, unless there is an explicit decision of the Government to cross subsidise—for example, in order to pursue equity or social policy objectives.

From an economic efficiency point of view, cross-subsidies are undesirable because those paying the subsidy will under-consume resources, and those receiving the subsidy will be encouraged to consume more resources than would be the case if the relevant product/activity were to be appropriately priced. Conversely, those who receive a subsidy may be encouraged to use too much of the product/activity. There may also be 'flow-on' effects where the cross-subsidised activities are inputs to other processes.

Poorly designed cost recovery levies can create the possibility of cross-subsidies between parties. This possibility arises because a levy applies to all members of a levyable group equally. If, within that group, some members require a lesser degree of regulatory supervision than others, then they can end up subsidising those members that require more intensive regulation.

### 3.2. Cost recovery of fisheries services

Fisheries management is primarily a regulatory role carried out by government due to the “common good” nature of the fisheries resource. Fisheries services include fisheries policy, planning, scientific assessment and modelling, operational fisheries management, compliance including surveillance, intelligence, inspections and education, licensing and cost recovery administration.

DEPI provides a number of fisheries products and services. Some of these are solely in the public interest and warrant full public funding. In other cases, it is appropriate for government to provide a product or service that also benefits individuals or groups. If such projects are undertaken, the beneficiaries should, as a principle, fund the services to the extent of their benefit.

DEPI is committed to managing the allocation of public natural resources as a key role of its charter. One of the principal drivers for efficient resource allocation is that all costs attributable to resource access and use be met by the enterprise or sector that is utilising the resource for private benefit (note cost recovery is not applied directly to the recreational sector).

The initial impetus for cost recovery in Victoria’s fisheries was a review of the Fisheries Act as required under the Council of Australian Governments (COAG) Competition Principles Agreement. The Victorian Government agreed to move towards full cost recovery in 2001.

Cost recovery was again extensively analysed in the Inquiry into Fisheries Management by the Parliamentary Committee of Environment and Natural Resources (2002)<sup>3</sup>. The Inquiry recommended that fisheries management costs be recovered from the various sectors that gain direct benefit from such management. Further, a review by the Department of Primary Industries in 2003 found that the cost of fisheries services should be borne by those who directly benefit from them or who drive the need for a provision of services.<sup>4</sup>

Cost recovery commenced in 2004. Full cost recovery of costs attributable to commercial fisheries was expected to be largely “achieved” by 2006. However, this “achievement” is now seen as being based on incomplete capture of regulatory activities and costs, and on volatility in activities levels that acted to create a gap between actual costs and amounts recovered through levies.

An ongoing task of fisheries management is to regularly review management arrangements and the legislative framework. This must be done while seeking an appropriate balance across all sectors with an interest in the resource, catering for the needs of the resource, and allowing for long-term sustainable use by future generations. The community also needs assurance that fisheries regulations are efficient in achieving management goals in a way that imposes the least cost (on the community as a whole).

In conjunction with the FCRSC, DEPI has recently undertaken a comprehensive review of the cost recovery framework, including the cost and level of fisheries services and the current levies. Taking into account an independent review of the cost recovery approach by the Department’s Economics and Social Research Branch<sup>5</sup>, a number of problems with the current levies set in the Regulations have been identified. Problems identified include:

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<sup>3</sup> Parliamentary Committee of Environment and Natural Resources, *Inquiry into Fisheries Management: Report 2, 2002*.

<sup>4</sup> Department of Primary Industries, *Review of Fisheries Levy Administration* (September 2003), p. 16.

<sup>5</sup> Economic and Social Research Branch (2012) *Commercial Wild Catch Fisheries and Aquaculture Cost Recovery Review*, Department of Primary Industries.

- while the revenue collected from levies on commercial fishers is likely to always be less than the total costs, the amount currently collected falls significantly short of an appropriate recoverable amount
- the existing system is complex and applied inconsistently across fisheries, is expensive to run, recovers costs on a retrospective basis (which dilutes the positive incentives available from cost recovery) and lacks transparency, with limited opportunity for sector input
- volatility in levies paid by industry from year-to-year (if the annual cost of services is recovered) makes it difficult for operators to plan their businesses
- the descriptions of activities in the current activity costing system are a poor match for current activities
- cost allocation and recovery principles underpinning the current system under-recover and are poorly aligned with government's *Cost Recovery Guidelines*.

The problems overlap. When the current Regulations were put in place (commencing 1 February 2008), the data supporting the setting of levies was for a single year (2006-07). Data for a single year often includes 'one-off' activities for some licence classes that are not ongoing. As such, the government has amended the levies a number of times since 2008 to reduce the levies for licence classes where there has been a reduction in management activities based on DEPI's Fisheries Activity Costing System (FACS) data.

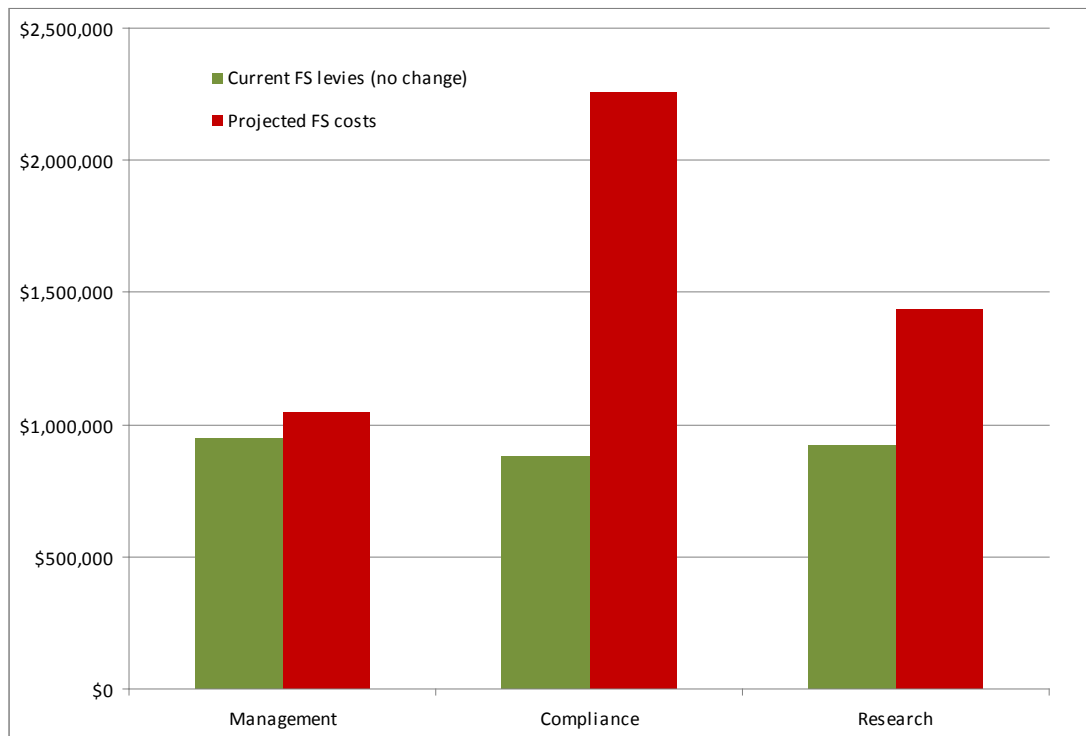
On the other hand, where the level of activities have increased since 2006-07 (when the cost data was collected), in general levies have not been increased for individual fisheries to reflect the higher level of services being provided. This is due to a lack of assurance in the quality of the cost data collected in subsequent years. DEPI has identified that poor systems for recording actual costs against each licence class has accounted for a substantial gap between actual costs and amounts recovered through levies.

The actual costs of providing FS services are currently higher than the 2006-07 amount indexed for inflation. This is due to a combination of 2006-07 being unrepresentative of the level of services provided, due to the data systems not fully capturing activities attributable to individual licence classes, and that the existing principles do not recover all attributable costs.

As a first step to address some of these problems and to ease the adjustment burden of an inevitable increase in levies, the Victorian Government increased the FS levy components in 2013 by 30 per cent yielding a net \$220,000 above that which would have been otherwise collected. Nevertheless, there is still a substantial cost recovery gap.

DEPI has forecast the level and actual costs of the provisions of fisheries services over the next four years. These costs have been allocated between licence classes, reflecting the level of services provided to each class. From these forecasts, the proportion of costs that relate to commercial fisheries has been determined. This involved examining in detail the scope for efficiencies in service delivery in the short-term and specifying performance milestones to provide incentives for further efficiencies and consideration of alternative service delivery (where appropriate) in the longer term. As a result, it is estimated that the current FS levy amounts would result in under-recovery of around \$2.0 million in 2013-14 (with the shortfall increasing in dollar terms in future years). The following chart (Figure 3) shows where the levy components do not match the expected costs.

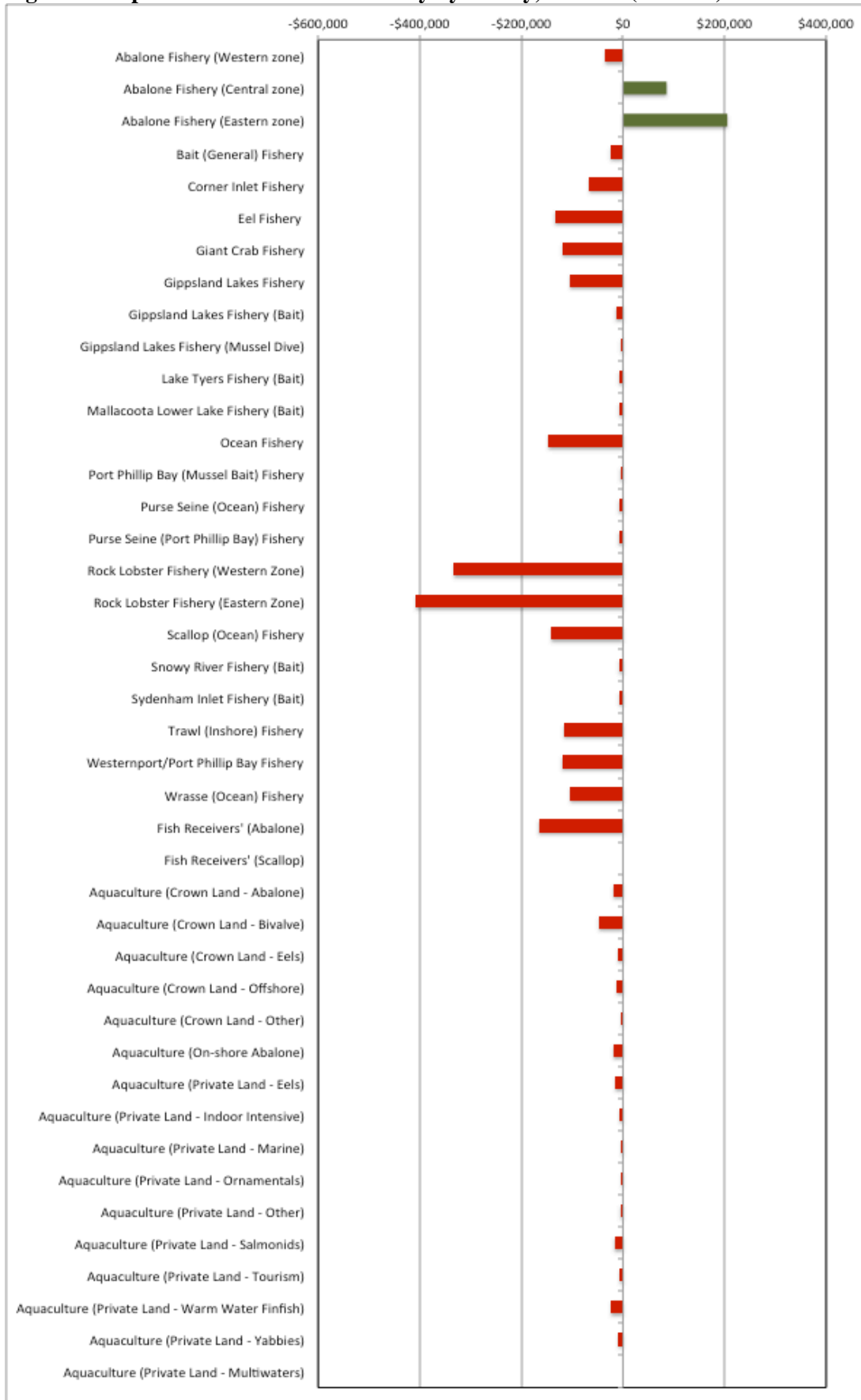
**Figure 3: Forecast levy revenue and costs by FS component<sup>6</sup> (2013-14 financial year)**



The result of basing levies on single year data, poor quality data, and the asymmetrical approach to levy adjustment since 2008, means that the shortfall is not evenly distributed across Fisheries Services (Figure 3) or fisheries (Figure 4). Figure 4 shows the extent to which the FS levies collected from each fishery is less than or more than the actual FS costs attributable to that class.

<sup>6</sup> An amount of about \$497,000 is collected jointly for compliance and research from rock lobster and giant crab fisheries. This amount has been divided in Figure 3 based on the proportion of costs for each category. The research component of FS costs also includes costs related to catch and effort data recording, which will become part of a separate levy component (Administration) under the proposed amendments.

**Figure 4: Gap between FS cost and FS levy by fishery, 2013-14 (forecast)**



### 3.3. Other problems to be addressed by the amendments

#### FRDC levy

Victoria collects levies on behalf of the fishing industry for FRDC equal to 0.25 per cent of the GVP of each fishery. The FRDC levy is included in the current Regulations. For 2013-14, it is estimated that if the current regulations were continued the FRDC would raise around \$165,000. This is only 0.22 per cent of GVP, which is less than the amount Victoria is required to collect and pass on to the FRDC.

Further, as the levy amounts have not changed in some time, for many fisheries the levy amounts have not reflected changes in GVP. As a result, some fisheries currently pay a levy of less than 0.1 per cent, while others pay a levy that is a larger proportion of GVP than 0.25 per cent. In response, the proposed amendments to the Regulations seek to realign the FRDC levy amount to better match the levy with its intended application.

Overall, this change will increase revenue collected under the FRDC component by around \$20,000, or around \$24 per licensee on average, however, the impact on individual fisheries may be more pronounced, and may be positive or negative. The impacts on individual fisheries of this change are shown in Table 8, however as the change is necessary to meet Victoria's undertakings to the Commonwealth no other options have been considered. The new FRDC levies payable will not be considered as part of a phased transition to higher levy amounts or be included in any concessions.

The Department is considering future amendments to express the FRDC levy as a formula in the Regulations rather than fixed fee unit amounts to account for actual variations in GVP and avoid the need to amend the Regulations annually.

**Table 8: Proposed changes to FRDC levies per licence and quota unit**

Class of licence		Current	Proposed	Percentage change
		2012-13	2013-14	
Fishery	Western Zone - licence	\$0.00	\$0.00	-
	quota unit (blacklip)	\$51.40	\$39.80	-23%
	quota unit (greenlip)		\$39.80	-23%
	Central Zone - licence	\$0.00	\$0.00	-
	quota unit (blacklip)	\$51.40	\$39.80	-23%
	quota unit (greenlip)		\$39.80	-23%
	Eastern Zone - licence	\$0.00	\$0.00	-
	quota unit	\$51.40	\$39.80	-23%
	Bait (General)	\$12.50	\$9.00	-28%
	Corner Inlet	\$299.50	\$364.70	22%
	Eel Fishery	\$99.00	\$92.40	-7%
	Giant Crab	licence	\$46.40	\$42.40
	quota unit	\$0.00	\$1.30	-
Gippsland Lakes	Fishery	\$261.90	\$367.20	40%
	Bait	\$12.50	\$24.40	95%

		<i>Current</i>	<i>Proposed</i>		
Class of licence		2012-13	2013-14	Percentage change	
	Mussel Dive	\$12.50	\$1.30	-90%	
	Lake Tyers (Bait)	\$12.50	\$0.00	-100%	
	Mallacoota Lower Lake Fishery (Bait)	\$12.50	\$0.00	-100%	
	Ocean	\$17.50	\$3.90	-78%	
	Port Phillip Bay (Mussel Bait)	\$12.50	\$0.00	-100%	
Purse Seine	Ocean	\$17.50	\$3,618.30	20576%	
	Port Phillip Bay	\$0.00	\$445.50	-	
Rock Lobster	Western Zone - licence	\$423.50	\$315.90	-25%	
	quota unit	\$0.00	\$2.60	-	
	pot	\$0.00	\$0.00	-	
	Eastern Zone - licence	\$104.00	\$119.40	15%	
	quota unit	\$0.00	\$2.60	-	
	Scallop (Ocean)	\$18.80	\$0.00	-100%	
	Snowy River (Bait)	\$12.50	\$1.30	-90%	
	Sydenham Inlet (Bait)	\$12.50	\$14.10	13%	
	Trawl (Inshore)	\$27.60	\$41.10	49%	
	Westernport/Port Phillip Bay	\$177.90	\$240.10	35%	
	Wrasse (Ocean)	\$17.50	\$37.20	113%	
<b>Fish Receivers' Licence</b>	Abalone	\$0.00	\$0.00	-	
	Scallop	\$0.00	\$0.00	-	
<b>Aquaculture Licence</b>	Crown Land	Abalone	\$179.20	\$0.00	-100%
		Bivalve	\$179.20	\$396.80	121%
		Eels	\$179.20	\$5.10	-97%
		Offshore	\$179.20	\$0.00	-100%
		Other	\$179.20	\$34.70	-81%
	On-shore Abalone	\$179.20	\$3,911.10	2083%	
	Private Land	Eels	\$179.20	\$1,028.50	474%
		Indoor Intensive	\$179.20	\$12.80	-93%
		Marine	\$179.20	\$0.00	-100%
		Ornamentals	\$179.20	\$304.30	70%
		Other	\$179.20	\$0.00	-100%
		Salmonids	\$179.20	\$598.30	234%
		Tourism	\$179.20	\$0.00	-100%
	Warm Water Finfish	\$179.20	\$291.50	63%	



Class of licence	Current	Proposed	Percentage change
	2012-13	2013-14	
Yabbies	\$179.20	\$6.40	-96%
Multiwaters	\$179.20	\$0.00	-100%

### *Other minor technical amendments*

As noted above, the proposed amendments will rename the current “Fisheries Management Services” (FMS) to become “Fisheries Services” (FS). This is to better reflect the nature of the services, for which management of fisheries has always been only one component.

To improve transparency, the current levy components (Management, Compliance and Research) will be replaced by Management, Compliance, Research and Administration. The new Administration component will now separately reflect licensing and catch and effort administration, which was previously embedded within the Management and Research components as well as cost recovery administration.

Additionally, DEPI proposes amendments to provide greater transparency in relation to the collection of Grants Levies relative to the classes of individual abalone quota units (see Schedule 5 of the proposed Regulations). Monies collected under the Grants Levies in Schedules 2 and 3 of the draft amending Regulations and under the proposed Grants Levy 1 in Schedule 5 have historically been granted to the body representative of the commercial fishing industry state-wide. The component of funds proposed to be collected under Grants Levy 2 of Schedule 5, has historically been provided to the respective zonal abalone fishery bodies that are representative of the holders of the class of individual quota units under which the levy is collected.

Levies for abalone quota units have also been separated between blacklip and greenlip abalone in each of the Central and Western Zones (greenlip abalone are not present in the Eastern Zone). Blacklip and greenlip abalone are different species and require different service provision. Therefore, to more accurately reflect true costs, and remove cross-subsidisation, they will be treated separately in the Regulations.

There will also be a change to the way levies are applied to entitlements (licences, individual quota units and pot entitlements) in the Rock Lobster and Giant Crab fisheries. Currently, levies are applied to the access licence, the quota units for each licence, and (for Western Zone) the number of pots for each licence. With the previous approach to levy changes, the bulk of the levies apply to the quota units and (in the Western Zone) the pots. Based on advice from the FCRSC, the proposed amendments will realign the application of levies so that the majority (around 70 per cent) of the FS levies apply on a per licence basis, with the remainder applying per quota unit listed on the licence. None of the levy amounts will be based on pot entitlements.

The amendments will also provide the power for the Minister to reduce or waive the payment of FS levies in particular circumstances where there is a significant reduction in the level of service provided, for example due to a diversion of fishery resources to participate in an emergency response (e.g. bushfires); this is not designed as a general industry assistance measure<sup>7</sup> (see proposed Regulation 23B). The amendments also provide the power for the Minister to refund Grants Levies, if required, where grants levies have not been used for their designated purposes (see proposed Regulation 23C).

<sup>7</sup> Note: Generally these exemptions will relate to significant reductions in the provision of services. Environmental variation, as distinct from a natural disaster emergency, is a business risk that needs to be adequately planned for by the business operator. Assistance for natural disasters occurs on a case-by-case basis.

DEPI is considering future amendments to maintain, at the current level in real terms, the total amount raised under the Grants Levy and, subsequently, provided to SIV. This could be achieved by adjusting the levy to account for changes in the number of licences issued from year-to-year.

These proposed changes to Grants Levies will not have any impact on the levies paid at this time and have not been considered further in this RIS.

## 4. OBJECTIVES

### 4.1. Legislative and policy framework

The objectives of the Fisheries Act include, among others:

- to provide for the management, development and use of Victoria’s fisheries, aquaculture industries and associated aquatic biological resources in an efficient, effective and ecological sustainable manner
- to promote sustainable commercial fishing and viable aquaculture industries and quality recreational fishing opportunities for the benefit of present and future generations
- to promote the commercial fishing industry and to facilitate the rationalisation and restructuring of the industry.

To further these objectives, DEPI provides a range of fisheries services. Of these services, management, compliance, research and administration activities have been subject to cost recovery through fees, royalties and levies, which are prescribed via regulations.

The objectives of the current Regulations are to prescribe the fees, royalties and levies payable in respect of commercial fishery licences (including wild-catch, fish receivers and aquaculture), individual quota units, recreational fishery licences, permits and boat registrations under the Fisheries Act and other provisions relating to those fees, royalties and levies.

A sound and robust framework for cost recovery is consistent with operational efficiency (management inputs and service outputs) and the maximisation of wealth (both economic and environmental) for current and future generations. The proposed amendments are therefore considered within the government’s *Cost Recovery Guidelines*.

**The objective of the proposed amendments to these Regulations is to ensure that levies on commercial fisheries licences, including wild-catch, fish receivers and aquaculture, and individual quota units are consistent with the government’s Cost Recovery Guidelines; that is, to efficiently, equitably and effectively recover costs from beneficiaries of the provision of Fisheries Services.**

### 4.2. Authorising power

The proposed amendments will be made under section 151A and 153 of the Fisheries Act.

## 5. DETERMINING THE EFFICIENT COST BASE

Before identifying and assessing options of levy structure and amounts, the overall cost base attributable to commercial fisheries needs to be determined. Further, this cost base must be shown to be efficient.

### 5.1. What types of costs should be subject to cost recovery?

DEPI has considered each of its fisheries activities and separated these into:

- those activities that provide a direct benefit to commercial fishers, or which arise directly as a result of the activities of commercial fishers
- those activities that are for services that benefit other groups or the community generally, including activities that should not be subject to cost recovery for public policy reasons.

The results are set out in Table 9 on the next page. A description of each activity is set out in Appendix 2. The activities in the left hand column relate to activities that are directly attributable to commercial fisheries; therefore only these activities are included in the costs to be recovered from levies on commercial fisheries. This is consistent with the *Cost Recovery Guidelines*.

### 5.2. Measuring costs of services

As the fisheries services are a core part of the services delivered by the Fisheries Victoria division within DEPI, it is intended that costs included in the cost base for the fisheries activities include direct, indirect and capital costs. Direct costs include labour (including on-costs but not Directors salaries which have been deemed non-cost recoverable) and materials used to produce the service. Indirect costs include corporate services costs (overheads) such as financial services, human resources, and records management. Capital items have been included where feasibly measured and attributed (including vehicles and some accommodation charges), however many capital items have not been included in the cost base due to difficulty in identifying attributable capital costs. DEPI intends to review this when the Regulations sunset in 2018.

The costs have been estimated by determining the proportion of staff time spent on each activity, for each licence class. Average staff salary on-costs and operating costs have been estimated directly. The actual cost of consumables for each activity has also been estimated.

Further, as actual levels of services can fluctuate significantly year to year, DEPI has sought to smooth anticipated staff costs across activities over the next four years to produce a more stable estimate of costs. All cost and revenue estimates assume no change in licence numbers.

The costs included in the cost base are only recurrent funding of Fisheries Victoria. Other sources of funding are either specific government initiatives (e.g. Marine Parks Initiative), are funds sourced from the recreational fishing sector (e.g. Recreational Fishing Licence Trust Funds), or are provided from external sources. Activities that are subject to fee-for-service arrangements have also been excluded.

In some instances the activity identified in the left hand (shaded) column of Table 9 provides benefit to other parties as well. Therefore, DEPI has reduced these costs where relevant by estimating the proportion of the activities that relate to commercial fisheries on the basis of the relative proportion of catch from the fishery between the commercial and recreational sectors. This is different for each licence class and has been developed in consultation with the FCRSC.

**Table 9: Classification of FS activities**

	Cost recoverable services attributable to commercial fisheries	Services not cost recoverable due to wider benefit to non-commercial and community or public policy reasons
<b>Research</b>	Data collection for stock assessment	Environmental Research
	Research on environmental impacts of commercial fishing	Ministerial support
<b>Compliance</b>	Inspections of licensed commercial fisheries	Inspections of unlicensed commercial activities
	Surveillance of licensed commercial fisheries	Inspections of licensed recreational activities
	Intelligence related to licensed commercial fisheries	Surveillance of unlicensed commercial activities
	Investigation and/or major case management related to commercial fisheries	Surveillance of licensed recreational activities
	Education provided to commercial operators	Intelligence related to unlicensed commercial activities
		Intelligence related to licensed recreational activities
		Investigation and/or major case management related to unlicensed commercial activities
		Investigation and/or major case management related to licensed recreational activities
		Prosecutions
		Education provided to recreational operators
	Community engagement	
	Ministerial Support	
<b>Management services</b>	Setting quota and harvest limits	Legislative services
	Operational management of marine fisheries	Ministerial support
	Operational management of freshwater fisheries	
	Operational management of aquaculture	
	Fishery Management Plans	
	Translocation Evaluation Panel (TEP) <sup>8</sup>	
<b>Licence administration</b>	Catch and Effort	Recreational Licence administration
	Quota catch recording services	
	IT support systems for licensing and quota management	
<b>Cost recovery administration</b>	Cost recovery administration (including FCRSC costs)	Cost recovery policy
		Cost recovery regulation amendment
		Cost recovery IT
<b>Fisheries policy</b>		Ministerial support
		Strategy and Policy

<sup>8</sup> Note: While commercial aspects of TEP activities are deemed a recoverable activity, they are not recovered at this time and as such have not been included in the cost base. These arrangements are subject to review.

The shaded column reflects the activities for which costs will be included in the cost base for the proposed new levies unless otherwise indicated. A description of each of these services is included at Appendix 2.

As a result of these considerations, the total amount that is potentially recoverable from commercial fisheries through FS levies is around \$4.7 million in 2013-14. Table 10 shows this by FS category.

**Table 10: FS costs directly attributable to commercial fisheries**

Fisheries Services	Annual cost (2013 dollars)
<b>Research</b>	\$1,446,734
<b>Compliance (education &amp; enforcement)</b>	\$2,257,048
<b>Management</b>	\$546,332
<b>Administration (Licence administration and cost recovery administration)</b>	\$500,920
<b>Total</b>	<b>\$4,751,034</b>

Appendix 3 shows these costs for each fishery.

### 5.3. Demonstrating efficiency

Given the nature of the activities described above, it is difficult to objectively demonstrate that these costs are efficient and reflect the minimum cost necessary to provide the services to the required level. There is limited ability to benchmark costs against other jurisdictions as:

- The costs of activities in other jurisdictions are generally not transparent in terms of matching costs to individual activities. Where cost information is available it is not clear how these would be attributable to the commercial fisheries sectors.
- The level of activities required to be undertaken must be tailored to the particular locations, and therefore Victoria's geography, fisheries distributions, seasonal differences, and policies on the level of sustainable fishing all contribute to a level of regulatory services that are unique to Victoria.

South Australia is the only Australian state that has implemented a comprehensive cost recovery framework for commercial fisheries services, and reports on the costs of services as a proportion of GVP. For 2010-11, South Australia's regulatory costs amounted to 6.6 per cent of that state's fisheries GVP (see Appendix 4). In contrast, the amendments to the levies proposed in this RIS are based on a total cost of services that is around 6.4 per cent of GVP. This suggests Victoria's proposed levies are not unreasonably high, especially given that South Australian fisheries tend to be larger and of higher value than those in Victoria suggesting South Australia should be able to achieve more efficient fisheries services than in Victoria.

It is important however to note that costs as a percentage of GVP has limitations and other factors may also affect consideration of efficiency.

Given this benchmarking is somewhat limited, the efficiency of activities and costs has also been considered with reference to the following:

- The staff time and other costs of each activity per fishery, as set out in Appendix 3 of this RIS. This transparency, and the process of review in the two transition years, will allow stakeholders to examine the resources required to deliver the services and provide incentives for efficiencies in service delivery over time. It also provides a basis for future consideration of alternative service delivery where appropriate. Stakeholders are able to provide feedback to DEPI on the resources used in undertaking each activity, as well as whether the activity itself is a necessary activity or can be delivered in an improved or more efficient manner. The Department intends to expand consultation arrangements in the future to better engage with entitlement holders on the nature and extent of services delivered at a fishery specific level.

- Despite the total number of licences being relatively stable in recent years, the total level of staff involved in fisheries services has fallen, as shown in Table 11. This has been due to informal and formal reviews, as well as efforts to reduce costs across government, resulting in some efficiency improvements.

**Table 11: Fisheries services by total FV staff numbers (FTE)**

BRANCH	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Executive</b>	4	6	7.8	4.8	4
<b>Compliance</b>	100.9	101.9	192.8	94.9	85.5
<b>Fisheries Management</b>	28.2	31.1	28	32.2	24.4
<b>Policy and Licensing</b>	16.6	19.4	20.4	23.8	21.8
<b>Research</b>	60.9	57.7	47.3	33.5	20.3
<b>TOTAL</b>	<b>210.6</b>	<b>216.2</b>	<b>206.3</b>	<b>189.2</b>	<b>156.1</b>

*Notes: Table includes fixed term and ongoing staff but does not include casual, agency staff, committee members or contingent workers. Figures relate to all FV activities (i.e. includes activities outside commercial fisheries). Does not include vacancies. 2012-13 figures are as at 28 February 2013.*

- The Victorian Auditor-General recently tabled an audit report *Effectiveness of Compliance Activities: Departments of Primary Industries and Sustainability and Environment* (October 2012) which assessed the effectiveness of the Departments provision of compliance services. The audit found that within DPI, Fisheries Victoria has a robust and transparent process for identifying its high compliance risks, has effective oversight across all of its regulatory activities, has suitable and appropriate staff and staff functions, and has improved its performance measurement framework to better reflect its effectiveness. The audit found Fisheries Victoria has an effective, evidence-based approach to planning and targeting its educational and compliance activities.
- The FCRSC meets at least four times annually to review fisheries service delivery (management, compliance, research and administration services provided by DEPI) and the associated impacts on industry sectors of annual levies. The FCRSC has been consulted on the development of the prospective cost recovery regime underpinning the proposed levies, this included the committee reviewing the activities DEPI provides to each fishery and the tasks needed to be performed to meet the statutory functions. In recognition that there is no perfect benchmark for cost efficiency, the FCRSC will regularly review performance against agreed performance milestones.
- Over time, the levies will rise in line with the annual fee unit amount set under the *Monetary Units Act*. Each year this is set by the Treasurer following wide consultation with a view to providing appropriate incentives to improve efficiency through signalling the real cost of services.

## 6. IDENTIFYING OPTIONS

### 6.1. The 'base case'

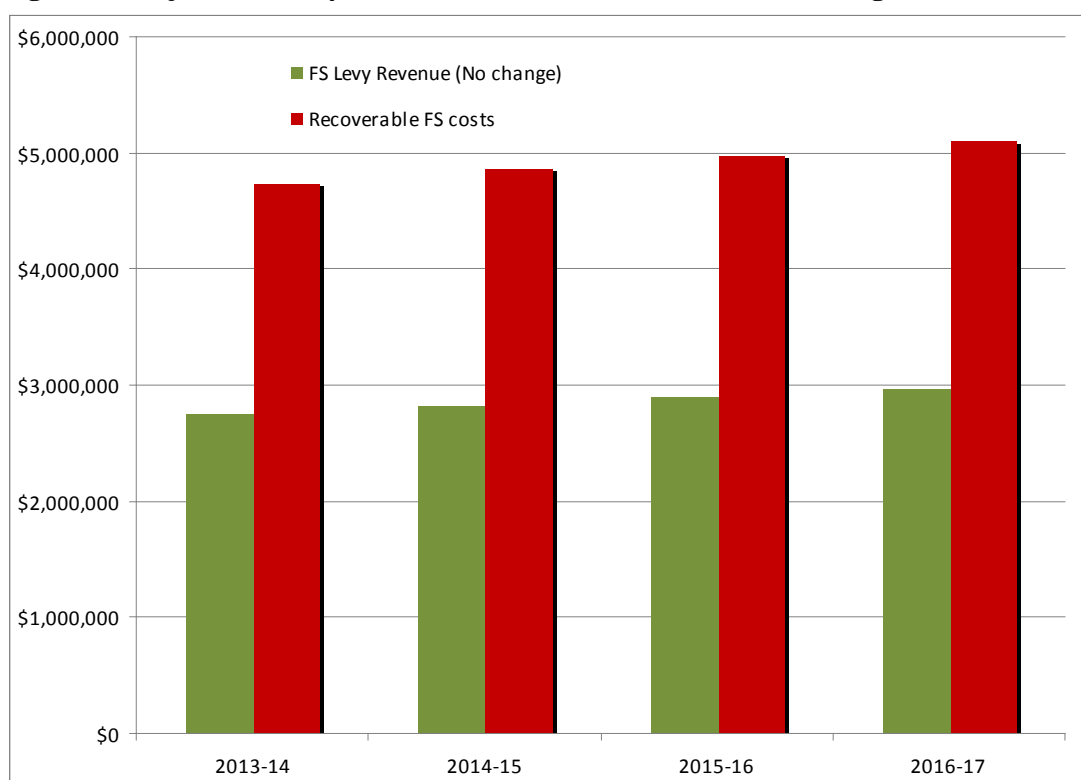
The base case represents the state of the world if no changes are made to the current Regulations, and no other actions are taken (see Figure 5). It is against this base case that options for change are assessed.

The current Regulations prescribe levies for all licence classes. These Regulations continue to apply until 30 January 2018. As the relevant fishing seasons commence 1 April each year (or 1 July for some licence classes), not changing the current levies would mean the current rates would be payable for the next five years.

Under the Regulations, levies are expressed in fee units. The dollar value of a fee unit is determined by the Treasurer each year in accordance with the *Monetary Units Act*. Assuming that licence numbers and quota units of individual licence classes does not change each year, the overall levy revenue would increase from its current level each year by the amount of the increase in the fee unit value. This is generally around 2.5 per cent per annum.<sup>9</sup>

The method for establishing recoverable FS costs has taken a forward-looking approach that seeks to smooth activities over the next four years with an annual increase in line with inflation. While FS costs may in fact vary from year to year, for the purposes of setting new levies, a steady increase of 2.5 per cent has been applied to the next five years.

**Figure 5: Projected FS levy revenue and costs - base case (i.e. no change)<sup>10</sup>**



<sup>9</sup> Note that the projections in this RIS have assumed a rate of increase in fee units of 2.5 per cent per year as a simplifying assumption only. The actual increase is determined by the Treasurer each year and may differ from this rate.

<sup>10</sup> The graph refers to financial years not licensing years, i.e. revenue and levies in the 2013-14 financial year relate to the 2014-15 licensing year.



Figure 5 shows that revenue from FS levies, totalling around \$11.5 million over four years, will continue to fall significantly below the actual recoverable FS costs to DEPI. The size of the shortfall is around \$2.0 million in 2013-14, and a total of \$8.2 million for the next four years.

## 6.2. Approaches in other jurisdictions

Cost recovery of fisheries services has been established across Australia and in other countries (see Table 12).

**Table 12: Cost recovery in other jurisdictions**

Jurisdiction	Approach
<b>New Zealand</b>	Cost recovery was introduced into New Zealand commercial fisheries in 1994 (prior to that a resource rental had been charged). There is no cost recovery regime for the recreation or indigenous fisheries or costs that are of a 'Crown' nature.
<b>Commonwealth</b>	Cost recovery in Australian Government-managed fisheries commenced in 1985 as part of a government-wide policy to introduce user charges. In 1992 the Australian Fisheries Management Authority (AFMA) was established to manage Australia Government fisheries. AFMA is subject to the Commonwealth's Cost Recovery Guidelines (July 2005).
<b>South Australia</b>	Full cost recovery commenced in South Australia's commercial fisheries in 1995-96.

While most Australian States and the Northern Territory recover some costs of managing fisheries, there is a range of different approaches to industry charging, with South Australia being the only other state with full cost recovery.

Western Australia recently replaced its cost recovery model with an 'access fee' or royalty of 5.75 per cent of the gross value of production; Tasmania and the Northern Territory do not have formal cost recovery systems. Queensland has a fee structure based on the 'value of the access right' and a fee for services.

Currently, there is no comprehensive cost recovery policy in NSW driven, in the most part, by a lack of profitability and ability (of commercial fishers) to pay. NSW currently has a 'management charge' on a fishery-by-fishery basis together with a small 'community contribution' in share management fisheries. NSW legislation envisages that management charges should be payable in proportion to the shares held in share managed fisheries, although until industry adjustment occurs, applying this at an individual share level would be inequitable. The history of determining the most appropriate basis for management charges in NSW dates back to the IPART report in 1998, which used the Productivity Commission principles, in part, to determine charges for the share managed fisheries. This was followed by a number of departmental and independent reviews setting out a basis for possible cost recovery. However, despite these developments, there remains no formal cost recovery policy across fisheries. There has been a major review of NSW fisheries management including their approach to cost recovery, which recommended a move to full cost recovery. The report was released in May 2012. The government has since released its response to the recommendations including the intention to change the structure of management charges from July 2013 and develop a formal cost recovery policy as a priority for the new Ministerial Fisheries Advisory Council.

## 6.3. Identification of options for change

Options within this RIS are necessarily limited to alternative levy amounts, as the Act requires levies to be prescribed, and levies are the only mechanism available to recover FS costs from commercial fisheries.

As stated in the *Victorian Guide to Regulation*, general government policy is to implement full cost recovery unless there are clear policy objectives justifying a different approach. The approach taken in this RIS is to categorise DEPI costs into two groups:

- those costs related to activities that provide a direct benefit to commercial fishers or for which are undertaken only because the commercial fisheries licences have been granted
- those costs that are for services that benefit other groups (such as recreational fishers) or the community more generally, including services not recoverable due to public policy reasons.

Costs of services that are directly linked to the benefit of commercial fishers are fully recoverable through levies<sup>11</sup>. They do not include the costs of services that benefit other groups or for public policy reasons are not included in recoverable costs. This is the basis for determining the cost base in Section 4.2 above, and are consistent with the *Cost Recovery Guidelines*.

Under a full cost recovery approach, the total amount of this cost base is to be recovered through levies. However, there may be unintended consequences of a full cost recovery approach. If levies are too high, there may be a reduced take-up of licences in particular fisheries, resulting in less than the economically optimal harvesting of fish, i.e. under-harvesting of available fish stocks with impacts on fish harvesting operations and other businesses dependant on fishing.

In the extreme case, there may be no licences issued in a given fishery category, which results in no levy revenue, but may still require DEPI to undertake some level of activities—for example, stopping illegal fishing for the benefit of future commercial use. Based on a strict application of full cost recovery, there are a number of fishery classes where the recoverable FS costs, when added to the other levies that the government collects on behalf of others, i.e. FRDC, make up a large proportion of the value of the catch, or even exceed it. This may lead to a failure of use of such licences (resulting in failure to actually collect the intended levies) and may warrant an approach that is less than full cost recovery to address economic impacts and provide industry time to adjust. However, it is noted that in some licence classes where there is a large amount of latent fishing effort, the impact of full cost recovery may assist in reducing latent effort.

Under full cost recovery there may also be a risk of regulatory evasion if levies are perceived as being too high. In practical terms, there is the risk that increasing levies will lead to fishing without the required authorisation. DEPI considers this risk to be relatively low; there is already a low level of unlicensed fishing. However, it would remain a risk that would likely increase with a significant increase in levy amounts.

Industry members of the FCRSC have expressed major concerns about the proposed increases in levies for full cost recovery and the impact on the economic viability across Victorian commercial fisheries.

The options considered in this RIS are therefore:

1. **full cost recovery**, with FS levies matching the total recoverable FS costs incurred by DEPI, matched on a per fishery basis
2. **partial cost recovery**, with specific reductions in some activity items as well as some particular fisheries.

The base case includes only those costs identified as part of the cost base in section 4.2 as being cost recoverable services attributable to commercial fisheries. Services that are shared across commercial and recreational groups have been apportioned (apportionments for each fishery are shown in Appendix 3). Services that are not recoverable for public policy reasons have also been excluded.

Under the second option, the following reductions have been included to best address undesired consequences:

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<sup>11</sup> As discussed in the previous chapter, these costs are further separated between commercial and non-commercial sectors, such that the levies on commercial fishers will only recover the costs of providing regulatory services that directly benefit commercial fishers.

- nil cost recovery for the surveillance aspects (covert or overt observation of activities on land or at sea by officers or through technology to gather information) of commercial compliance for all fisheries except wild-catch abalone<sup>12</sup>
- nil cost recovery for intelligence (collection, collation, analysis and dissemination of information for strategic and tactical compliance purposes) and investigation (registered investigations and operations, including apprehension & arrest, related to licensed or authorised commercial operators and the preparation of associated documents up to prosecution stage) aspects of commercial compliance for all fisheries except wild-catch abalone<sup>13</sup>
- reduced cost recovery for all Catch & Effort recording administration
- nil cost recovery for the preparation of fishery management plans (all work associated with the preparation and operation of the plans)
- reduced attribution of costs to particular commercial finfish fisheries
- a ‘small operator’ concession provided by capping FS levies for some fisheries at \$500 per licence.

The concessions were formulated with a particular focus on mitigating the cost impact on small fisheries in the transition to a prospective cost recovery system. These particular concessions have been discussed in detail with the FCRSC and represent an agreed suite of changes that would best target reductions consistently across all fisheries and/or to address viability issues in smaller businesses (which would otherwise face levies as a higher proportion of total business costs).

Any proposed concessional reduction in the level of cost recovery for services will have no impact on the level of services provided; reflecting that the concessions apply a reduced level of cost recovery, not a reduced level of service delivery. The current level of service provision is required to meet the government’s statutory responsibilities in relation to fisheries management.

It is proposed the concessions will apply for the remaining period of the current Regulations (i.e. up to 1 February 2018), at which point the Regulations will be reviewed. Within this time frame there is likely scope for further reduction in the cost of services under a prospective system through technology advances and other improved efficiencies in service delivery. There is also prospect for external provision of services for some types of services. The concessions therefore reflect a recognition that increases in levies provide mitigation of adverse consequences while reform of the cost recovery framework continues through ongoing examination of the efficiency of services.

The value of these ‘concessions’ is around \$965,000 per annum (in 2013-14 dollars, excluding flow on impacts on abalone royalties), with individual elements shown in Table 13.

**Table 13: Value of proposed concessions from full cost recovery**

Concession	Value (full year value in 2013-14 dollars)
<b>Nil cost recovery for surveillance of commercial compliance (except abalone)</b>	\$374,716
<b>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</b>	\$294,624
<b>Reduced cost recovery for Catch and Effort recording administration</b>	\$114,531
<b>Nil cost recovery for preparation of fishery management plans</b>	\$65,478
<b>Reduced attribution of costs to finfish fisheries</b>	\$83,450
<b>Small operator concession</b>	\$32,631

<sup>12</sup> As requested by the wild-catch abalone members and advisers of the Fisheries Cost Recovery Standing Committee.

<sup>13</sup> As requested by the wild-catch abalone members and advisers of the Fisheries Cost Recovery Standing Committee.

The nil cost recovery for surveillance, intelligence and investigation aspects of commercial compliance was proposed as these were areas of particularly high costs where a waiver could materially mitigate the cost impact on the entitlement holders in small fisheries. While of particular significance to entitlement holders in smaller fisheries, this concession would apply consistently across all fisheries (i.e. no cross-subsidisation) and would lead to an overall reduction of recovered costs for all entitlement holders.

The reduced attribution of costs to finfish fisheries reflects current uncertainty in estimates of the respective proportion of take by commercial and recreational sectors. As a result, the cost share was reduced to 50 per cent for all commercial finfish fisheries.

The nil cost recovery for the preparation of fishery management plans was proposed as commercial entitlement holders provide significant input into the development and review of Management Plans. Therefore, DEPI considers that to apply nil cost recovery for fishery management planning generally, would recognise this level of industry input. The costs of implementing the plans however would continue to be cost recovered.

The proposed concession to reduce the level of cost recovery for catch and effort administration is made on the basis that this function provides the key data set used to make judgements about sustainability on behalf of the community (including recreational fishers).

The wild-catch abalone sector members and advisers of the FCRSC requested that the reductions to amounts recovered for intelligence, investigation and surveillance aspects of commercial compliance would not apply to the abalone fisheries. (It is noted that there would be no real reduction in charges in any case as under current arrangements abalone royalties would increase to offset any reduction in levies.)

#### **6.4. Options not considered feasible or practical**

There are a number of theoretical alternatives that would affect not only the level of levies, but also the structure of levies. DEPI has considered a number of alternatives and found them unsuitable as per Table 14.

It is also noted that the proposed amendments apply for a four year period (until the current Regulations sunset on 1 February 2018). The preferred approach has therefore been to largely retain the current structure of levies while making changes to improve transparency such as the separation of cost recovery and licensing administration levies from management levies. It is important to note that the proposed changes to levies are part of a broader reform to cost recovery for the sector, and as such new regulations from 2018 may provide opportunity to further review the structure of levies in light of the observed implementation of these changes.

**Table 14: Alternative levy options identified but not assessed**

Alternative levy structure	Analysis
<b>Grouping different fisheries together in a smaller number of categories</b>	Grouping could be based on the amount of regulatory effort and risk  Could lead to cross-subsidisation  Inadequate transparency to encourage detailed examination of services at a fishery level to improve efficiency in service provision.
<b>Volume based, i.e. on catch</b>	Does not directly relate levies to the nature and extent, and therefore costs, of services provided at a fishery level.  Inadequate transparency to encourage detailed examination of services at a fishery level to improve efficiency in service provision.
<b>Flat fee across all licence holders</b>	Does not directly relate levies to the nature and extent, and therefore costs, of services provided at a fishery level.  Would lead to cross-subsidisation  Inadequate transparency to encourage detailed examination of services at a fishery level to improve efficiency in service provision.

## 7. ASSESSMENT OF OPTIONS

The identified options—full cost recovery and partial cost recovery—are assessed against the base case of no change to the current levy amounts expressed in the Regulations. As the options involve different levy amounts, a multi-criteria analysis (MCA) has been used to compare the impacts of the options.

A MCA approach involves identifying suitable criteria, weighting these criteria in accordance with the objectives outlined in this RIS, and then scoring each option according to those criteria. An option with a positive score is considered an improvement on the base case, and the highest score is the overall preferred option.

The criteria used to assess the options are set out in Table 15, together with a description of how they will be assessed. These are standard criteria and weightings to be used when considering the *Cost Recovery Guidelines*.

**Table 15: MCA criteria and weightings**

Criterion	Description	Weighting
<b>Equity</b>	The extent that levies reflect an ability of each fishery to pay the levy. This criterion reflects only vertical equity (those with greater means contributing proportionately more than those with lesser means) rather than horizontal equity (treating people in similar situations in similar ways) which is effectively captured in the efficiency criterion.	1/3
<b>Efficiency</b>	The extent that the levies recover the attributable cost of the services provided to licensees and quota owners	1/3
<b>Effectiveness</b>	Any impacts on other policy outcomes including evasion, economic impacts	1/3

Options are scored for each criterion on a scale of -100 to +100, with 0 being by definition the base case (the current levy amounts). The score for each criterion is multiplied by its weighting, i.e. 0.33, then added to the other criteria to get a total score.

### 7.1. Option 1 – full cost recovery

Under full cost recovery, FS levy amounts would be set to fully recover all recoverable FS costs. That is, FS levies would be set to generate \$4.7 million in 2013-14. This would be an increase of \$2.0 million from continuing the current levy amounts (ignoring any offsetting impacts on abalone royalties), or an average increase of over 76 per cent.

However, it is unlikely that the full amount of additional revenue would be realised given:

- a number of smaller fisheries may go out of business and therefore not renew licences due to the higher levies. DEPI has identified seven smaller fisheries where this may occur. This would reduce FS levy revenue in the order of \$50,000. While there would also be a reduction in some FS costs if there were no licences in particular fisheries, some costs would remain.
- In other fisheries, there is likely to be some reduction in the number of licences as a result of higher levies. This reduces the levy revenue available, without materially reducing DEPI's costs. There is also likely to be increased costs for DEPI if the higher levies result in increased illegal fishing. Overall, a gap between revenue and costs of up to \$200,000 could be expected from these responses.
- As a result of reduced licence numbers, available fisheries may not be exploited to their full sustainable level than under the base case. While it is difficult to estimate the lost economic value of this, a broad estimate in the order of \$1 million is feasible. Such an outcome is at odds with the government's policy of realising economic opportunities from sustainable fisheries. This lost economic activity may also have employment consequences.

- The increased FS levy for Abalone (Western Zone), of around \$30,000 per year, does not actually result in additional revenue as the increase is offset against the amount of royalty that is payable.

Based on these factors, the full cost recovery option has been scored against the criteria as shown in Table 16.

**Table 16: MCA scores for Option 1**

Criterion	Score	Reason
<b>Equity</b>	-50	This option represents increased FS levies for all fisheries except Eastern and Central Zone Abalone Fisheries. For many, the increases would be significant, amounting to a larger percentage of their GVP, or exceeding it in some cases when combined with other levies, resulting in fishing no longer being commercially feasible and some fisheries, particularly smaller fisheries, losing the opportunity to access the resource.  Compared to the base case, this option would exacerbate the burden of the levies falling disproportionately on fisheries with less ability to pay, leading to a worse vertical equity outcome.
<b>Efficiency</b>	+90	This option goes a large way to matching levies to the actual costs incurred and addressing significant cross-subsidisation in the base case. However full cost recovery may result in some revenue leakage, and additional costs due to higher risks of illegal fishing. There could also be negative impacts on overall economic efficiency as the fisheries stocks may not be used optimally.
<b>Effectiveness</b>	-40	The large increases may result in a higher risk of illegal activity, as well as lost economic opportunity and employment.

This gives an overall weighted score (each criterion being 33.3 per cent) of **zero**—the improvement in recovery of FS costs is offset by undesired consequences associated with the high level of levies, mainly due to the impact on small fisheries, higher evasion, and lower economic use of fisheries.

## 7.2. Option 2 – partial cost recovery

Under the partial cost recovery option, FS levies would be set to raise \$3.8 million in 2013-14 (if implemented immediately), an increase of around \$1 million compared to the base case (note this figure relates only to FS levies and not the impact of the abalone royalty). While not at full cost recovery, this still represents recovery of 80 per cent of all attributable FS costs. Further, the specific reductions in levies included in this option have been carefully developed with the FCRSC to address particular concerns about the impacts on individual fisheries; therefore DEPI expects that with these levies, there should be minimal reduction in the number of fisheries licences taken up, and no material increase in illegal fishing risks.

Based on these factors, the partial cost recovery option has been scored against the criteria as shown in Table 17.



**Table 17: MCA scores for Option 2**

Criterion	Score	Reason
<b>Equity</b>	-20	This option represents increased FS levies for all fisheries except Eastern and Central Abalone. As the increases are smaller—and in particular the smaller increases are particularly targeted to the smaller fisheries—this option leads to a better vertical equity outcome than Option 1, and is therefore scored more favourably. However, as levies still increase overall, affecting ability to pay, there is still a negative score.
<b>Efficiency</b>	+80	This option goes a significant way to matching levies to the actual costs incurred particularly reflecting current levels of under-recovery. This option also significantly addresses cross-subsidisation in the base case. There is not anticipated to be any significant revenue leakage under this option. This option represents recovery of 80 per cent of actual costs, so is scored as +80.
<b>Effectiveness</b>	-10	This option is more measured than Option 1, and as such is likely to have a much smaller impact on the level of illegal fishing or use of the fisheries resources.

This gives an overall weighted score of **+16.67**—the improvement in recovery of FS costs are slightly offset by the levies representing a higher percentage of GVP for some fisheries.



## 8. PREFERRED OPTION

The above analysis found that the **preferred option is partial cost recovery**. FS levies would be set to match estimated FS costs for 2013-14, except for the following reductions in the amounts to be recovered:

- nil cost recovery for the surveillance aspect of commercial compliance for all fisheries except wild-catch abalone<sup>14</sup>
- nil cost recovery for intelligence and investigation aspects of commercial compliance for all fisheries except wild-catch abalone<sup>15</sup>
- reduced cost recovery for Catch & Effort administration
- nil cost recovery for the preparation of fishery management plans
- reduced attribution of costs to particular commercial finish fisheries
- a 'small operator' concession provided by capping FS levies for small fisheries at \$500 per licence.<sup>16</sup>

Any proposed concessional reduction in the level of cost recovery for services has no impact on the level of services provided; this reflects that the concessions apply a reduced level of cost recovery, not a reduced level of service delivery, because the current level of service provision is required to meet the government's statutory responsibilities in relation to fisheries management.

The preference of this option over the base case and the alternative option of full cost recovery is relatively clear:

- it addresses the current substantial levels of under-recovery and cross-subsidisation
- better matches levies to the costs incurred
- encourages more efficient resource use and service delivery through improved price signals, and transparency in the nature and extent of services to be provided on a fishery basis
- provides options to assist industry adjustment and mitigate undesired consequences.

The groups affected by the proposed amendments are the commercial fishing sector (including wild catch, fish receivers and aquaculture sectors). The impact is in general an increase in levies to be paid. For each of the Abalone Fishery zones, while there would be changes in the amount of FS levies per licence and per quota unit, within each zone there would be no change to the total amount recovered beyond the base case due to the capping effect of the current abalone royalty arrangements. Without the abalone royalty arrangements, levies paid by the Central and Eastern Abalone Fishery Zones would have reduced.

As noted above, the preferred option, if implemented in full immediately, would increase FS levy revenue by about \$1 million in the 2013-14 financial year (note this figure relates only to FS levies

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<sup>14</sup> As requested by the wild-catch abalone members and advisers of the Fisheries Cost Recovery Standing Committee.

<sup>15</sup> As requested by the wild-catch abalone members and advisers of the Fisheries Cost Recovery Standing Committee.

<sup>16</sup> Note that the proposed cap will be expressed in fee units, and will be subject to annual increases in line with the fee unit value determined each year by the Treasurer.

and not the impact of the abalone royalty). The specific levies for each fishery are set out in Table 18. As shown in the table, most licence classes will face a significant increase in the levy, in percentage terms.

In dollar amounts, the size of FS levy increases range from about \$60 per licence to over \$6,000. While this is in general a small percentage of GVP, DEPI has recognised that it may be a large step-change in the context of planning for costs, especially where some fisheries may also face additional costs due to the realignment of the FRDC levy amounts (in some cases there may be large increases in percentage terms from very low bases while others will have a large decrease in percentage terms).

DEPI also desires to more closely oversee the transition to higher cost recovery, including monitoring impacts on smaller fisheries, illegal activity, and importantly to allow tracking against performance measures and milestones to verify the services provided. This also provides for improved transparency about the nature and extent of services delivered per fishery, providing incentives for further efficiencies in service delivery and consideration of alternative service delivery (where appropriate).

Therefore, the proposed amendments seek to move towards the preferred levy amounts over a three-year period. This will be achieved by phasing-in increases in any individual FS levy component in each fishery by 30 per cent in year 1, 60 per cent in year 2, and the full increase in year 3. This phasing will allow DEPI to observe how the incremental increases are working during two initial transition years, after which the FCRSC can consider whether further adjustment are necessary. Therefore, the full levies outlined in Table 18 will be fully implemented in 2015-16 financial year (i.e. the 2016-17 licensing year) and will apply to the remaining period of the current Regulations, i.e. 1 February 2018, at which time the Regulations will sunset. Levies will be reviewed again at that time.

Table 18 sets out:

- FS levies in dollar terms for future years, and therefore include indexation of levy amounts each year as well as the increase in the proportion of costs recovered through levies. The proposed amendments to the Regulations will include levies expressed in fee units, therefore the actual levy amount in each year will depend on the value of a fee unit determined each year by the Treasurer. For the purpose of this analysis, it is assumed that the fee unit value will increase by 2.5 per cent per year.
- Levy changes to wild catch abalone, giant crab and rock lobster also include changes to how levies are divided between the licence and quota units listed on the licence. Weighting of Giant Crab and Rock Lobster levies is equivalent to 70 per cent from licences:30 per cent from quota units listed on the licence. No levies are to be charged on pot entitlements listed on Rock Lobster licences. Therefore, all components should be considered when determining the overall change.
- Levy changes to wild catch abalone will also have consequential impacts on the amount of royalties paid by these fisheries, however there is no net change in the total amount of revenue that otherwise would be collected from these fisheries (because of the current abalone royalty arrangements).

**Table 18: FS Levies per entitlement class under a proposed partial cost recovery approach<sup>17</sup>**

Class of licence		Current	Proposed			Percentage change over 3 years
		2012-13	2013-14	2014-15	2015-16	
Abalone	Western Zone - licence	\$3,111.20	\$400.60	\$410.60	\$420.90	-86%
	quota unit (blacklip)	\$895.90	\$879.60	\$1,031.80	\$1,228.90	37%
	quota unit (greenlip)		\$717.80	\$772.60	\$836.40	-7%
	Central Zone - licence	\$3,111.20	\$179.80	\$184.30	\$188.90	-94%
	quota unit (blacklip)	\$809.40	\$712.60	\$791.00	\$894.40	11%
	quota unit (greenlip)		\$490.50	\$563.30	\$661.00	-18%
	Eastern Zone - licence	\$3,111.20	\$172.10	\$176.40	\$180.80	-94%
	quota unit	\$1,479.80	\$1,016.90	\$1,125.30	\$1,268.10	-14%
	Bait (General)	\$337.00	\$412.10	\$512.00	\$524.80	55%
Corner Inlet	\$2,276.60	\$1,620.40	\$2,003.10	\$2,521.80	11%	
Eel Fishery	\$583.90	\$1,206.90	\$1,876.80	\$2,795.10	379%	
Giant Crab	licence	\$308.20	\$1,135.00	\$2,008.40	\$3,216.00	943%
	quota unit	\$32.60	\$37.30	\$50.00	\$66.10	103%
Gippsland Lakes	Fishery	\$2,274.20	\$4,309.10	\$6,502.90	\$9,517.20	318%
	Bait	\$471.10	\$499.50	\$512.00	\$524.80	11%
	Mussel Dive	\$365.80	\$499.50	\$512.00	\$524.80	43%
Lake Tyers (Bait)	\$308.20	\$499.50	\$512.00	\$524.80	70%	
Mallacoota Lower Lake Fishery (Bait)	\$393.40	\$499.50	\$512.00	\$524.80	33%	
Ocean	\$325.70	\$208.00	\$389.60	\$642.10	97%	
Port Phillip Bay (Mussel Bait)	\$398.40	\$499.50	\$512.00	\$524.80	32%	
Purse Seine	Ocean	\$395.90	\$1,371.30	\$2,422.90	\$3,874.30	879%
	Port Phillip Bay	\$367.10	\$1,791.10	\$3,295.50	\$5,373.10	1364%
Rock Lobster	Western Zone - licence	\$1,248.00	\$2,746.50	\$5,082.80	\$8,307.20	566%
	quota unit	\$76.40	\$61.70	\$65.80	\$68.80	-10%
	pot	\$28.80	\$0.00	\$0.00	\$0.00	-100%
	Eastern Zone - licence	\$695.40	\$2,113.50	\$3,619.30	\$5,695.50	719%
	quota unit	\$42.60	\$61.60	\$81.60	\$110.60	160%

<sup>17</sup> Years in the table refer to the financial year, not the associated licensing period. For example levies collected in the 2013-14 financial year relate to the 2014-15 licensing period.

Class of licence		Current		Proposed		Percentage change over 3 years	
		2012-13	2013-14	2014-15	2015-16		
	Scallop (Ocean)	\$145.30	\$448.10	\$768.60	\$1,211.40	734%	
	Snowy River (Bait)	\$363.30	\$499.50	\$512.00	\$524.80	44%	
	Sydenham Inlet (Bait)	\$368.30	\$1,014.30	\$1,699.10	\$2,645.40	618%	
	Trawl (Inshore)	\$354.50	\$622.60	\$913.40	\$1,312.60	270%	
	Westernport/Port Phillip Bay	\$2,339.30	\$1,949.10	\$2,479.50	\$3,198.50	37%	
	Wrasse (Ocean)	\$352.10	\$1,362.20	\$2,432.20	\$3,906.70	1010%	
<b>Fish Receivers' Licence</b>	Abalone	\$330.80	\$2,205.90	\$4,523.40	\$7,727.10	2236%	
	Scallop <sup>18</sup>	\$682.90	\$2,424.00	\$2,484.60	\$2,546.70	273%	
<b>Aquaculture Licence</b>	Crown Land	Abalone	\$223.10	\$797.30	\$1,474.00	\$2,409.30	980%
		Bivalve	\$561.40	\$1,628.10	\$2,830.90	\$4,489.50	700%
		Eels	\$566.40	\$708.80	\$939.70	\$1,254.60	122%
		Offshore	\$749.40	\$1,012.50	\$1,374.40	\$1,823.10	143%
		Other	\$65.20	\$444.20	\$910.70	\$1,556.70	2288%
	On-shore Abalone	\$180.50	\$834.50	\$1,592.50	\$2,640.00	1363%	
	Private Land	Eels	\$65.20	\$303.00	\$621.20	\$1,063.00	1530%
		Indoor Intensive	\$65.20	\$315.80	\$646.20	\$1,104.80	1594%
		Marine	\$130.40	\$536.60	\$1,034.50	\$1,721.30	1220%
		Ornamentals	\$384.80	\$371.00	\$490.90	\$652.90	70%
		Other	\$370.90	\$1,025.80	\$1,791.20	\$2,845.00	667%
		Salmonids	\$184.30	\$367.20	\$630.40	\$994.20	439%
		Tourism	\$65.20	\$315.80	\$646.20	\$1,104.80	1594%
		Warm Water Finfish	\$137.90	\$410.80	\$771.20	\$1,266.70	819%
Yabbies	\$110.30	\$224.70	\$415.90	\$679.90	516%		
Multiwaters	\$65.20	\$1,092.00	\$1,119.30	\$1,147.30	1600%		

<sup>18</sup> There are currently no licences for these classes. DEPI has therefore estimated the incremental cost of a new licence should one be granted. This cost has been inserted into the draft regulations in case such a licence is issued.

## 9. IMPLEMENTATION, ENFORCEMENT, MONITORING AND EVALUATION

### 9.1. Implementation

The proposed new levies will be implemented through existing mechanisms for advising entitlement holders of the levies required to be paid, and collection of levies. There are no issues foreseen in the collection of levies that requires further consideration.

DEPI proposes a phased approach to implement increases in FS levies. This will allow DEPI to monitor the impact of the increases, identify any unintended consequences, and continue work to explore further efficiencies in service delivery in consultation with industry.

The FCRSC has noted that a move towards forward budgeting will allow an increase in transparency of costs, and the ability for industry to have greater input into the nature, design and extent of services to be provided by DEPI or alternative service providers, with a view to realising both improved efficiency and cost savings. The FRCSC will have a key role overseeing implementation of the forward budgeting approach and monitoring the impact of the proposed levy changes as they occur. DEPI will work with FCRSC and fishery-specific forums to identify further opportunities for reducing costs and improving efficiencies at a fishery level in the medium to longer term.

DEPI believes that providing concessions from full cost recovery, and allowing a three-year phasing in of levy increases (with the first two years being transition years), provides industry time to adjust to the higher levies. Over this period the implementation of efficiency measures may further reduce the levies.

Working with the FRCSC, DEPI will assess the outcomes of the new changes during two initial transition years, providing opportunity to identify any changes needed to service definitions or levies or more efficient delivery.

The proposed amendments apply only to 2018, at which point the current Regulations sunset. This will be a suitable point to further assess how the new cost recovery approach is working and identify further efficiency improvements.

The proposed amendments also include an ability to waive or reduce levies payable, where there is a significant reduction in the level of service provided, for example due to a diversion of fishery resources to participate in an emergency response (e.g. bushfires); this is not designed as a general industry assistance measure<sup>19</sup>. The amendments also include an ability for the Minister to refund grants levies, if required, where grants levies have not been used for their designated purposes.

A set of cost recovery principles has been agreed with the FCRSC. Cost recovery principle 5 sets out that “operation of the system should promote opportunities for efficiency improvements”. If an alternative service provider could deliver a particular service at less than the cost that DEPI could deliver that service, and it was deemed appropriate for that service to be potentially delivered externally, a process would be initiated to assess the provision of that service external to DEPI .

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<sup>19</sup> Note: Generally these exemptions will relate to significant reductions in the provision of services. Environmental variation, as distinct from a natural disaster emergency, is a business risk that needs to be adequately planned for by the business operator. Assistance for natural disasters occurs on a case-by-case basis.

Standards and specifications would be developed, and monitoring, where necessary and practical, could be designed to ensure integrity of provision. The costs of some of these processes (development of standards and specifications, monitoring, contract management) would themselves be recoverable. One of the terms of reference of the FCRSC is to advise on issues that may or will affect the amount of costs to be recovered from industry, including competitive tendering.

Representatives of a fishery may want additional services above the level specified and be prepared to fund those services. In those circumstances industry and DEPI will discuss the design and delivery of the new services and the costs involved. The proposal would be fully specified and costed in consultation with industry. Consideration will be given to whether the new services can be achieved by re-design or efficiency improvements in current services, or reprioritisation of existing services, or delivery of those services externally to DEPI, with suitable monitoring. If a new fishery emerges, industry and DEPI will discuss the design and delivery of services for the new fishery and the costs involved. In both cases, consideration could be given to seeking an additional appropriation for cost recovered services.

## **9.2. Enforcement**

Collection of levies and royalties is managed through annual invoicing of licence and quota holders. Commercial Fishery Licences expire on 31 March each year except for Rock Lobster and Giant Crab, which expire 30 June. Full payment of fees and levies is required prior to licences or quota being renewed. Operations by commercial fishers cannot continue after the expiry date of their licence if the licence has not been renewed. Similarly, abalone quota units cannot be fished until the payment is made. Part payments of fees, royalties or levies are not accepted.

Regulations 6(1), 8(1) and 15(1) of the current Fisheries Regulations 2008 require that a date be set by the Secretary by which the fees, royalties and levies for the renewal of licences are payable (currently 31 March and 30 June). Each year the Executive Director, Regulation and Compliance - Fisheries (under the powers of delegation) sets the date by which the fees, royalties and levies are required to be paid.

Under regulation 21(2)(a) of the Regulations, for all capped Access Licences (i.e. licence classes in which no new licences can be issued - specified in Schedule 5 of the Regulations), payment of renewal fees, royalties and levies can occur up to 2 months after the renewal date. If payment is not received within that time, the licence ceases to exist and cannot be renewed. Accordingly, the maximum number of licences that may be issued in the licence class is reduced by the number that are not renewed.

## **9.3. Monitoring and evaluation**

The current Regulations, following the proposed amendments, will sunset on 1 February 2018. At that time a further regulatory impact statement will be required to support any changes to levies after that date. The regulatory impact statement will have regard to the impact of the proposed amendments, and re-examine whether the levies continue to be consistent with the *Cost Recovery Guidelines*.

In the interim, DEPI will continue to monitor the collection of levies and match these against the costs of activities provided. There will be a system of quarterly reporting to the FCRSC against schedules specifying the fishery service and activity milestones. These will be made publicly available. This will include reporting on the overall compliance program (including information on number of

prosecutions, inspections etc). The FCRSC will continue its existing role of providing advice on the operation of the cost recovery regime and adjustments to improve effectiveness. There will also be planned consultation on a fishery or group of fisheries basis.

The phased approach to introducing the increases in the FS levies will enable DEPI to assess the impact of progressive increases and determine if there are any unintended consequences.

## 10.IMPACT ON COMPETITION

This section of the RIS discusses the impact of the proposed levy amendments on competition. A measure is likely to have an impact on competition if any of the questions in Table 19 can be answered in the affirmative:

**Table 19: Impact on competition test**

Test question	Assessment
Is the proposed measure likely to affect the market structure of the affected sector(s) – i.e. will it reduce the number of participants in the market, or increase the size of incumbent firms?	POSSIBLE
Will it be more difficult for new firms or individuals to enter the industry after the imposition of the proposed measure?	POSSIBLE
Will the costs/benefits associated with the proposed measure affect some firms or individuals substantially more than others (e.g. small firms, part-time participants in occupations etc)?	POSSIBLE
Will the proposed measure restrict the ability of businesses to choose the price, quality, range or location of their products?	NO
Will the proposed measure lead to higher ongoing costs for new entrants that existing firms do not have to meet?	NO
Is the ability or incentive to innovate or develop new products or services likely to be affected by the proposed measure?	NO

Licensing of any activity represents a barrier to entry and therefore an adverse impact on competition. However, licensing is generally justified on the basis of achieving benefits for the community. This RIS deals only with changes to levies, and therefore does not affect the existing licensing framework that is in place under the *Fisheries Act 1995*.

The proposed amendments increase the costs of carrying on a commercial fishery business, and therefore theoretically increase a barrier to entry in the market. However, these impacts are expected to be small generally<sup>20</sup>, but may be significant in some market segments. The proposed increases may also have a significant burden on smaller fisheries albeit a number of concessions are proposed, to partially mitigate this burden. DEPI has had specific regard to these impacts in structuring the levy increases, including by providing a cap on FS levies in smaller fisheries and other concession reductions, with the purpose of ensuring the increases are not overly burdensome.

Better aligning levies to recover a greater amount of the costs improves allocative efficiency of resources across the economy.

<sup>20</sup> The changes to the FS levies will increase the combined levy amounts from 3.6 per cent of GVP to 6.4 per cent.



## 11. CONSULTATION

DEPI has undertaken extensive consultation with the Fisheries Cost Recovery Standing Committee (FCRSC) in developing the proposed amendments. The FCRSC has been expanded to have 12 industry members and industry observers to ensure a broad cross-section of views from a variety of fisheries has been considered. With the FCRSC, DEPI has developed a prospective cost recovery system, including detailed consideration of the specification of FS services, costs efficiency, and concessions.

Particular matters that have been discussed through the FRCSC are:

- identification of the services to which cost recovery should apply—the FRCSC has reviewed the proposed services included in the cost base calculations in this RIS and the estimated proportions of those activities allocated to commercial fisheries.
- the level of services provided to each fishery and the unit cost of those services—the FRCSC has reviewed DEPI’s estimated costs allocated to each fishery by activity type. This has included information on staff resource levels and staff costs.
- the impact of levy increases on individual fisheries, particularly the impact on smaller fisheries. The FCRSC was involved in developing potential concessions that have been assessed in this RIS.
- transitional impacts—the FRCSC has considered the proposed phase-in of levy increases, and initial two transition years, to be appropriate.
- how the proposed amendments, which affect only levy amounts, fit into the broader reforms of the costs recovery framework that is being implemented.

The *Subordinate Legislation Act 1994* requires that the public be given at least 28 days to provide comments or submissions regarding the proposed amendments. Given the nature of the amendments involves changing levy amounts, as well as some other changes to levy structure, the consultation period for this RIS will be 60 days, with written comments required by no later than 5.00pm, 16 September 2013.

**[See APPENDICES 1-4](#)**

**[See Draft Regulations](#)**



# Regulatory Impact Statement

## Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013

July 2013

Department of  
Environment and  
Primary Industries



## **Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013**

### **Regulatory Impact Statement**

In accordance with the *Victorian Guide to Regulation*, the Victorian Government seeks to ensure that regulations and other legislative instruments are well targeted, effective and appropriate, and that they impose the lowest possible burden on Victorian businesses and the community.

The Regulatory Impact Statement (RIS) process involves an assessment of regulatory proposals and allows members of the community to comment on proposed legislative instruments before they are finalised. Such public input provides valuable information and perspectives, and improves the overall quality of the instrument-making process.

This RIS has been prepared to facilitate public consultation on the proposed Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013 made under the *Fisheries Act 1995*. A copy of the proposed amendments is attached to this RIS.

Submissions are now invited on the proposed amendments. All submissions received will be treated as public documents and published on the Department's website. The submitter's name will be included unless requested otherwise.

Written comments and submissions should be forwarded by no later than **5:00pm, 24 September 2013** to:

Fisheries Cost Recovery RIS  
Fisheries Victoria  
Department of Environment and Primary Industries  
1 Spring Street  
Melbourne Vic 3000

or email: [fisheries.ris2013@depi.vic.gov.au](mailto:fisheries.ris2013@depi.vic.gov.au).

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This document is also available on the internet at  
[www.depi.vic.gov.au/fisheries](http://www.depi.vic.gov.au/fisheries)

**Department of Environment and Primary Industries**

**Fisheries (Fees, Royalties and Levies) Further  
Amendment Regulations 2013**

**Regulatory Impact Statement**

This Regulatory Impact Statement has been prepared in accordance with the requirements of the *Subordinate Legislation Act 1994* and the *Victorian Guide to Regulation*

July 2013



Victorian  
Competition & Efficiency  
Commission

21 June 2013

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Dear Ms Higson

#### ADVICE ON THE ADEQUACY OF REGULATORY IMPACT STATEMENT

Thank you for seeking advice on the Regulatory Impact Statement (RIS) on the proposed Fisheries (Fees, Royalties and Levies) Further Amendment Regulations 2013.

The Victorian Competition and Efficiency Commission (VCEC) advises on the adequacy of RISs as required under section 10(3) of the *Subordinate Legislation Act 1994* (the Act). I advise the final version of the RIS received by the VCEC on 18 June 2013 meets the requirements of section 10 of the Act.

The VCEC's advice is based on the adequacy of the evidence presented in the RIS and is focused on the quality of the analysis rather than the merits of the proposal itself. **Therefore, the VCEC's advice the RIS is adequate does not represent an endorsement of the proposal.**

In the interests of transparency, it is government policy VCEC's advice be published with the RIS when it is released for consultation.

If you have any questions, please contact [RegulationReview@vcec.vic.gov.au](mailto:RegulationReview@vcec.vic.gov.au).

Yours sincerely

Andrew Walker

**Assistant Director**

**Victorian Competition and Efficiency Commission**



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## **GLOSSARY**

**The Act** – *Fisheries Act 1995*

**The current Regulations** – Fisheries (Fees, Royalties and Levies) Regulations 2008

**CPI** – Consumer Price Index

**COAG** – Council of Australian Governments

**DEPI** – Department of Environment and Primary Industries

**FACS** – Fisheries Activity Costing System

**FCRSC** – Fisheries Cost Recovery Standing Committee

**FMS** – Fisheries Management Services (note: these will be renamed Fisheries Services under the proposed amendments)

**FRDC** – Fisheries Research and Development Corporation

**FS** – Fisheries Services

**GVP** – Gross Value Product

**NCP** – National Competition Policy

**SIV** – Seafood Industry Victoria

**TAC** – total allowable catch

**Section 1. SUMMARY** see 

**Sections 2. – 11.** see 

**Draft Regulations** see 



## APPENDIX 1 – COST RECOVERY GUIDELINES

The *Cost Recovery Guidelines* set out ten steps to consider when setting charges such as levies. These are set out below, together with a summary of DEPI’s consideration of each step in accordance with the Guidelines.

Step	Issue to be considered	Comment
<b>APPROPRIATENESS OF COST RECOVERY</b>		
1	Is provision of the output or level of regulation appropriate?	The outputs are part of DEPI’s functions under the Fisheries Act as regulator and its other objectives.
2	What is the nature of the output or regulation?	The services provided by DEPI, which are determined to be recoverable through levies, relate to research, management, compliance, and administration of fisheries.
3	Who could be charged?	The Fisheries Act establishes the framework to charge levies on commercial fisheries. While the Act also allows levies to be charged on other parties (such as recreational users), the recoverable costs identified in the RIS relate only to commercial fisheries, and there would be unjustified cross-subsidisation if these costs were recovered from other parties.
4	Is charging feasible, practical and legal?	Collection of levies is authorised under the Fisheries Act. Existing mechanisms exist to collect the levies.
5	Is full cost recovery appropriate?	Yes, for those costs that relate to activities directly attributable to commercial fisheries. Costs of activities that are in the broader ‘public interest’, attributable to other groups (such as recreational licensees) or not recovered for public policy reasons have not been included in the cost base.
<b>COST STRUCTURES AND NATURE OF CHARGES</b>		
6	Which costs should be recovered?	The cost base includes costs of activities for which commercial fisheries directly benefit, or for which are a direct consequence of allowing the commercial fishery to operate
7	How should charges be structured?	Levies are required to be set for individual licence classes. Costs have been allocated across licence classes according to estimated amount of effort per class. Levies apply on a per licence basis, except where quota units allow levies to be applied per quota unit. Some changes to the current structure have been considered in the RIS. Some costs have been reduced or concessions granted where there would be undesired consequences from full cost recovery.
8	Are cost recovery charges based on efficient costs?	It is difficult to empirically demonstrate whether the costs are efficient. However, there are suitable mechanisms in place to allow transparency of the activities and for stakeholders to provide feedback on the level of resources used in each activity.
<b>IMPLEMENTATION FEATURES</b>		
9	What is the importance of consultation?	Consultation on levies is occurring via the FCRSC and the public consultation period as part of this RIS process. Consultation arrangements are proposed to be expanded to provide for fishery-specific consultation on the nature and extent of services under the broader cost recovery reforms.
10	How should cost recovery arrangements be monitored and reviewed?	The increases to the levies are being phased in over three years (with the first two years being trial years). DEPI will monitor the impact of the proposed amendments on the sector, including through use of the FCRSC and quarterly reporting on the delivery of cost recoverable services. The current Regulations sunset on 1 February 2018 and will require a further RIS at that time.

## APPENDIX 2 – FISHERIES ACTIVITIES

*NOTE: This table lists all fisheries activities undertaken by DEPI. Only a subset of these are directly attributable to commercial fisheries as discussed in the RIS.*

Activity	Description
<b>Research</b>	
Data collection for stock assessment	Species/fishery specific surveys/projects. Examples include trawl, dive surveys etc.
Research on environmental impacts of commercial fishing	Research on the effects of commercial fishing on the environment or non-target species (excludes work on habitat).
Environmental Research	Habitat research – unrelated to fish production.
Ministerial support	Requests for services from the Minister, Secretary, Deputy Secretary. All activities associated with directly supporting the above such as briefing requests, correspondence, speech notes and parliamentary briefing papers, etc.
<b>Compliance</b>	
Ministerial Support	Requests for services from the Minister, Secretary, Deputy Secretary. All activities associated with directly supporting the above such as briefing requests, correspondence, speech notes and parliamentary briefing papers, etc..
Inspections of licensed commercial fisheries	On-water, in transit and premise inspections.
Inspections of unlicensed commercial activities	On-water, in transit and premise inspections.
Inspections of licensed recreational activities	On-water, in transit and premise inspections.
Surveillance of licensed commercial fisheries	Covert or overt observation of activities on land or at sea by officers or through technology to gather information.
Surveillance of unlicensed commercial activities	Covert or overt observation of activities on land or at sea by officers or through technology to gather information.
Surveillance of licensed recreational activities	Covert or overt observation of activities on land or at sea by officers or through technology to gather information.
Intelligence related to licensed commercial fisheries	The collection, collation, analysis and dissemination of information for strategic and tactical compliance purposes. Includes 13FISH, obtaining information from other bodies and agencies, writing information reports.
Intelligence related to unlicensed commercial activities	The collection, collation, analysis and dissemination of information for strategic and tactical compliance purposes. Includes 13FISH, obtaining information from other bodies and agencies, writing information reports.
Intelligence related to licensed recreational activities	The collection, collation, analysis and dissemination of information for strategic and tactical compliance purposes. Includes 13FISH, obtaining information from other bodies and agencies, writing information reports.
Investigation and/or major case management related to commercial fisheries	Registered investigations and operations (including apprehension & arrest) related to authorised commercial operators. Preparation of documents up to prosecution stage.
Investigation and/or major case management related to unlicensed commercial	Registered investigations and operations (including apprehension & arrest) related to unlicensed commercial operators/persons. Preparation of

	activities	documents up to prosecution stage.	
	Investigation and/or major case management related to licensed recreational activities	Registered investigations and operations (including apprehension & arrest) related to authorised recreational operators. Preparation of documents up to prosecution stage.	
	Prosecutions	Activities undertaken by the Crown, including DEPI staff assisting and briefing legal counsel.	
	Education provided to commercial operators	Base education provided to commercial operators.	
	Education provided to recreational operators	Base education provided to licensed recreational operators.	
	Community engagement	Engage with Agency and community stakeholders to ensure Fisheries requirements are included in agency planning processes.	
<b>Management</b>	Ministerial support	Requests for services from the Minister, Secretary, Deputy Secretary. All activities associated with directly supporting the above such as briefing requests, correspondence, speech notes and parliamentary briefing papers, etc.	
	Setting quota and harvest limits	All work associated with quota setting in wild-catch abalone, rock lobster, giant crab and scallop fisheries including preparation of advice papers and briefs. Setting harvest limits in other wild-catch fisheries such as setting catch limits, management controls, Fisheries Notices and Orders, etc.	
	Operational management of marine fisheries	Preparation of briefs and advice papers regarding management of marine fisheries, for example, Best Practice management guidelines.	
	Operational management of freshwater fisheries	Preparation of briefs and advice papers regarding management of freshwater fisheries.	
	Operational management of aquaculture fisheries	Preparation of briefs and advice papers regarding management of aquaculture fisheries.	
	Legislative services	All work associated with development and implementation of Act amendments and regulation making including the cost of a RIS.	
	Fishery Management Plans	All works associated with the preparation of Fishery Management Plans.	
	Translocation Evaluation Panel (TEP)	Includes administration of TEP and drafting guidelines and protocols, organising and attending meetings. Processing of commercial applications, including for aquaculture and other commercial operators such as aquariums, etc. Processing of recreational related applications.	
	<b>Licence Administration</b>	Catch and Effort	Cost of running the C&E Unit.
		Quota catch recording services	Administration of fisheries quota accounting.
IT support systems for licensing and quota management		Development, maintenance and enhancements to IT support systems.	
Commercial licence & quota administration		Includes licence & permit applications, transfers (including quota transfers), renewals.	
Recreational licence administration		Recreational fishing licence data entry, renewal letters, etc.	
<b>Cost Recovery Administration</b>	Cost recovery policy	Development and implementation of cost recovery policy.	
	Cost recovery regulation amendment	Amending regulations for setting of fees, levies and royalties.	
	Cost recovery IT	Development, maintenance and enhancement of specialist IT systems required for cost recovery	

	Cost recovery administration	Cost recovery administration (including auditing the cost recovery system) and FCRSC costs.
<b>Fisheries Policy</b>	Ministerial support	Requests for services from the Minister, Secretary, Deputy Secretary. All activities associated with directly supporting the above such as briefing requests, correspondence, speech notes and parliamentary briefing papers, etc.
	Strategy and Policy	Development and implementation of policy; general primary legislation and regulations (including RIS costs).

## APPENDIX 3 – FISHERIES SERVICES COST BASE

The following Tables set out the estimated costs of fisheries services attributable to each of the 42 commercial fishery categories. They represent estimates of staff time allocated to each activity or task within the identified categories, plus apportionment of non-staff costs. The costs are expressed in 2013-14 dollars to enable conversion into corresponding fee units for the purposes of the amendments to the Regulations.

The costs are an estimate of average activity levels over the next four years within each fishery, with a view to ensuring levies are smoothed over this period. The exact dollar value will change with the fee unit set each year.

The amounts used in the staff costs for each FS levy category are taken from the table below. Staff costs are based on the average salary in each branch, across all staff levels (except Director salary costs which are deemed non-cost recoverable). For Compliance this includes Fishery Officers, Senior Fishery Officers and managers.

These costs reflect the average salaries of the people working in each activity, as well as on-costs and overheads.

Activity	Average staff costs incl. overheads
Research	\$160,983
Management services	\$141,305
Compliance *	\$170,729
Licence Administration	\$125,490

\* Staff costs in the Compliance category includes non-labour costs, being specific 'on-costs' of those positions including issue of staff-related equipment such as uniforms and other operating costs.

The amount included for Cost Recovery Administration for each fishery is based on an estimated total cost to DEPI of \$20,000, divided by the total number of licences across all categories. This gives a figure of \$23 per licence. The costs for Cost Recovery Administration only includes the costs of operating FCRSC (such as sitting fees and travel expenses of members), and do not include ancillary activities such as review of levy amounts and amending regulations.

The first table shows the costs for each activity aggregated across all fisheries. The following tables show costs for individual fisheries and show only the costs that have been apportioned to the commercial fisheries. Where there are also recreational fisheries in some categories (if any), the column labelled '%' indicates that proportion of total costs that has been attributed to commercial fisheries.

The tables show the full cost of fisheries services for each commercial fishery, and also indicate the value of the concessions that have been applied in the proposed partial cost recovery option in the RIS. The tables show the full cost, and full concessions, for a single year (2013-14 dollars) and do not show the phasing-in of levy increases over the first three years. Phasing in of levies is included in Table 1 in the Summary, and Table 18 in the body, of this RIS.

**ALL FISHERIES**

871 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	4.86	\$782,301	\$664,433	\$1,446,734	\$1,661
<b>Compliance</b>	Inspections	7.22	\$1,233,070	\$0	\$2,257,048	\$2,591
	Surveillance	3.29	\$560,914	\$0		
	Intelligence	1.09	\$185,631	\$0		
	Investigation and/or major case management	1.62	\$277,433	\$0		
<b>Management Services</b>	Setting quota and harvest limits	0.68	\$95,416	\$16,531	\$546,332	\$627
	Operational management of marine fisheries	1.52	\$215,101	\$51,052		
	Operational management of aquaculture fisheries	0.57	\$80,179	\$22,575		
	Fishery Management plans	0.39	\$55,540	\$9,938		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	3.61	\$307,196	\$20,036	\$480,920	\$552
	Quota catch recording services	1.19	\$149,208	\$4,480		
	IT support systems for licensing and quota management	0.00	\$0	\$0		
	Cost recovery administration	0.00	\$0	\$20,000		
<b>TOTAL COST OF FISHERIES SERVICES</b>					<b>\$4,751,034</b>	<b>\$5,454</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>				-\$374,716	-\$430
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>				-\$294,624	-\$338
	<i>Reduced cost recovery for Catch and Effort recording admin</i>				-\$114,531	-\$131
	<i>Nil cost recovery for preparation of fishery management plans</i>				-\$65,478	-\$75
	<i>Reduced attribution of costs to finfish fisheries</i>				-\$83,450	-\$96
	<i>Small operator concession</i>				-\$32,631	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>					<b>\$3,785,457</b>	<b>\$4,346</b>

Proportion of costs recovered under proposed partial cost recovery

80%

† Amount to be recovered will be phased in over three years

**Abalone Fishery (Eastern Zone)**

23 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.628	\$101,074	\$156,209	95%	\$257,282	\$11,186
<b>Compliance</b>	Inspections	0.371	\$63,289	\$0	100%	\$219,472	\$9,542
	Surveillance	0.545	\$93,047	\$0	100%		
	Intelligence	0.101	\$17,204	\$0	100%		
	Investigation and/or major case management	0.269	\$45,931	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.078	\$11,075	\$1,919	95%	\$44,994	\$1,956
	Operational management of marine fisheries	0.173	\$24,499	\$4,244	95%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.020	\$2,792	\$466	95%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.111	\$9,463	\$617	100%	\$42,888	\$1,865
	Quota catch recording services	0.256	\$32,126	\$682	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$528	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$565,164</b>	<b>\$24,572</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$3,528	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$3,258	-\$142
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$558,378</b>	<b>\$24,277</b>

Proportion of costs recovered under proposed partial cost recovery

99%

† Amount to be recovered will be phased in over three years

## Abalone Fishery (Western Zone)

14 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.595	\$95,755	\$98,173	90%	\$193,928	\$13,852
<b>Compliance</b>	Inspections	0.282	\$48,146	\$0	100%	\$83,725	\$5,980
	Surveillance	0.025	\$4,268	\$0	100%		
	Intelligence	0.055	\$9,401	\$0	100%		
	Investigation and/or major case management	0.128	\$21,910	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.074	\$10,492	\$1,818	90%	\$42,626	\$3,045
	Operational management of marine fisheries	0.164	\$23,209	\$4,020	90%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.019	\$2,645	\$441	90%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.068	\$5,760	\$376	100%	\$26,395	\$1,885
	Quota catch recording services	0.156	\$19,577	\$682	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$321	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$346,995</b>	<b>\$24,785</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$2,147	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$3,086	-\$220
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$341,762</b>	<b>\$24,412</b>

Proportion of costs recovered under proposed partial cost recovery

98%

† Amount to be recovered will be phased in over three years

## Abalone Fishery (Central Zone)

34 Licences



	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.595	\$95,755	\$136,778	90%	\$232,533	\$6,839
<b>Compliance</b>	Inspections	0.657	\$112,135	\$0	100%		
	Surveillance	0.521	\$88,882	\$0	100%		
	Intelligence	0.115	\$19,645	\$0	100%	\$275,010	\$8,089
	Investigation and/or major case management	0.318	\$54,348	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.074	\$10,492	\$1,818	90%	\$42,626	\$1,254
	Operational management of marine fisheries	0.164	\$23,209	\$4,020	90%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.019	\$2,645	\$441	90%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.164	\$13,988	\$912	100%	\$63,345	\$1,863
	Quota catch recording services	0.378	\$47,435	\$1,009	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$781			
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$614,295</b>	<b>\$18,068</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$5,215	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$3,086	-\$91
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$605,994</b>	<b>\$17,823</b>

Proportion of costs recovered under proposed partial cost recovery

99%

† Amount to be recovered will be phased in over three years

Bait (General)

18 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.008	\$1,207	\$0	100%	\$1,207	\$67
<b>Compliance</b>	Inspections	0.060	\$10,244	\$0	100%	\$17,585	\$977
	Surveillance	0.020	\$3,415	\$0	100%		
	Intelligence	0.020	\$3,415	\$0	100%		
	Investigation and/or major case management	0.003	\$512	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$4,003	\$222
	Operational management of marine fisheries	0.005	\$707	\$1,224	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.013	\$1,766	\$306	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.087	\$7,406	\$483	100%	\$7,889	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$413	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$31,097</b>	<b>\$1,728</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$3,415	-\$190
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$3,927	-\$218
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$2,761	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,072	-\$115
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-\$9,923	-\$551
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$9,000</b>	<b>\$500</b>

Proportion of costs recovered under proposed partial cost recovery

29%

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.170	\$27,367	\$7,650	85%	\$35,017	\$1,945
<b>Compliance</b>	Inspections	0.090	\$15,400	\$0	100%	\$59,730	\$3,318
	Surveillance	0.090	\$15,383	\$0	100%		
	Intelligence	0.080	\$13,658	\$0	100%		
	Investigation and/or major case management	0.090	\$15,289	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	85%	\$4,580	\$254
	Operational management of marine fisheries	0.017	\$2,402	\$417	85%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.011	\$1,501	\$260	85%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.087	\$7,406	\$483	100%	\$7,889	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$413	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$107,629</b>	<b>\$5,979</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$15,383	-\$855
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$28,947	-\$1,608
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$2,761	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$1,761	-\$98
	<i>Reduced attribution of costs to finfish fisheries</i>					-\$15,579	-\$866
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$43,052</b>	<b>\$2,392</b>

Proportion of costs recovered under proposed partial cost recovery

40%

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.204	\$34,743	\$0	100%	\$127,296	\$7,072
	Surveillance	0.350	\$59,755	\$0	100%		
	Intelligence	0.097	\$16,518	\$0	100%		
	Investigation and/or major case management	0.095	\$16,279	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$10,931	\$607
	Operational management of marine fisheries	0.050	\$7,065	\$550	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.020	\$2,826	\$490	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.087	\$7,406	\$483	100%	\$7,889	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$413	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$146,529</b>	<b>\$8,140</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$59,755	-\$3,320
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$32,797	-\$1,822
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$2,761	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$3,316	-\$184
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$47,900</b>	<b>\$2,661</b>

Proportion of costs recovered under proposed partial cost recovery

33%

† Amount to be recovered will be phased in over three years

**Giant Crab (Western Zone)**

24 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.100	\$16,098	\$0	100%	\$16,098	\$671
<b>Compliance</b>	Inspections	0.366	\$62,487	\$0	100%	\$94,242	\$3,927
	Surveillance	0.126	\$21,512	\$0	100%		
	Intelligence	0.037	\$6,260	\$0	100%		
	Investigation and/or major case management	0.023	\$3,983	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.030	\$4,239	\$734	100%	\$13,678	\$570
	Operational management of marine fisheries	0.033	\$4,592	\$796	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.020	\$2,826	\$490	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.116	\$9,874	\$644	100%	\$19,149	\$798
	Quota catch recording services	0.066	\$8,282	\$349	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$551	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$143,718</b>	<b>\$5,988</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$21,512	-\$896
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$10,243	-\$427
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$3,681	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$3,316	-\$138
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$104,966</b>	<b>\$4,374</b>

Proportion of costs recovered under proposed partial cost recovery

73%

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.314	\$50,609	\$9,000	50%	\$59,609	\$5,961
<b>Compliance</b>	Inspections	0.110	\$18,780	\$0	100%	\$54,027	\$5,403
	Surveillance	0.170	\$29,024	\$0	100%		
	Intelligence	0.020	\$3,415	\$0	100%		
	Investigation and/or major case management	0.016	\$2,808	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	50%	\$10,154	\$1,015
	Operational management of marine fisheries	0.055	\$7,772	\$1,347	50%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.006	\$883	\$153	50%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.048	\$4,114	\$268	100%	\$4,383	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$230	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$128,403</b>	<b>\$12,840</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$29,024	-\$2,902
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$6,223	-\$622
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$1,534	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$1,036	-\$104
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$90,586</b>	<b>\$9,059</b>

Proportion of costs recovered under proposed partial cost recovery

71%

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.008	\$1,207	\$0	100%	\$1,207	\$134
<b>Compliance</b>	Inspections	0.030	\$5,122	\$0	100%	\$8,784	\$976
	Surveillance	0.010	\$1,707	\$0	100%		
	Intelligence	0.010	\$1,707	\$0	100%		
	Investigation and/or major case management	0.001	\$248	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$4,003	\$445
	Operational management of marine fisheries	0.005	\$707	\$1,224	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.013	\$1,766	\$306	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.043	\$3,703	\$242	100%	\$3,944	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$207	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$18,145</b>	<b>\$2,016</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$1,707	-\$190
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$1,955	-\$217
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$1,381	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,072	-\$230
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-\$6,530	-\$726
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$4,500</b>	<b>\$500</b>

Proportion of costs recovered under proposed partial cost recovery

25%

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.000	\$0	\$0	100%	\$0	\$0
	Surveillance	0.000	\$0	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.000	\$0	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$4,003	\$2,001
	Operational management of marine fisheries	0.005	\$707	\$1,224	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.013	\$1,766	\$306	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.010	\$823	\$54	100%	\$877	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$46	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$4,925</b>	<b>\$2,463</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$307	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,072	-\$1,036
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-\$1,546	-\$773
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$1,000</b>	<b>\$500</b>

Proportion of costs recovered under proposed partial cost recovery

20%

† Amount to be recovered will be phased in over three years

Lake Tyers (Bait)

2 Licences



	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.008	\$1,207	\$0	100%	\$1,207	\$604
<b>Compliance</b>	Inspections	0.008	\$1,280	\$0	100%	\$1,963	\$982
	Surveillance	0.003	\$427	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.002	\$256	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$4,003	\$2,001
	Operational management of marine fisheries	0.005	\$707	\$1,224	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.013	\$1,766	\$306	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.010	\$823	\$54	100%	\$877	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$46	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$8,096</b>	<b>\$4,048</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$427	-\$213
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$256	-\$128
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$307	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,072	-\$1,036
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-\$4,034	-\$2,017
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$1,000</b>	<b>\$500</b>

Proportion of costs recovered under proposed partial cost recovery

12%

† Amount to be recovered will be phased in over three years

## Mallacoota Lower Lake (Bait)

2 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.008	\$1,207	\$0	100%	\$1,207	\$604
<b>Compliance</b>	Inspections	0.008	\$1,280	\$0	100%	\$1,963	\$982
	Surveillance	0.003	\$427	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.002	\$256	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$4,003	\$2,001
	Operational management of marine fisheries	0.005	\$707	\$1,224	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.013	\$1,766	\$306	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.010	\$823	\$54	100%	\$877	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$46	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$8,096</b>	<b>\$4,048</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$427	-\$213
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$256	-\$128
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$307	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,072	-\$1,036
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-\$4,034	-\$2,017
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$1,000</b>	<b>\$500</b>

Proportion of costs recovered under proposed partial cost recovery

12%

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.005	\$845	\$0	70%	\$845	\$4
<b>Compliance</b>	Inspections	0.330	\$56,324	\$0	100%	\$112,792	\$537
	Surveillance	0.184	\$31,465	\$0	100%		
	Intelligence	0.080	\$13,658	\$0	100%		
	Investigation and/or major case management	0.066	\$11,345	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	70%	\$10,852	\$52
	Operational management of marine fisheries	0.035	\$4,946	\$4,456	70%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.009	\$1,236	\$214	70%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	1.014	\$86,399	\$5,635	100%	\$92,034	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$4,822	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$221,345</b>	<b>\$1,054</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$31,465	-\$150
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$25,003	-\$119
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$32,212	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$1,451	-\$7
	<i>Reduced attribution of costs to finfish fisheries</i>					-\$2,928	-\$14
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$128,286</b>	<b>\$611</b>

Proportion of costs recovered under proposed partial cost recovery

58%

† Amount to be recovered will be phased in over three years

## Port Phillip Bay (Mussel Bait)

1 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.008	\$1,207	\$0	100%	\$1,207	\$1,207
<b>Compliance</b>	Inspections	0.003	\$563	\$0	100%	\$966	\$966
	Surveillance	0.001	\$188	\$0	100%		
	Intelligence	0.001	\$188	\$0	100%		
	Investigation and/or major case management	0.000	\$27	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$3,024	\$3,024
	Operational management of marine fisheries	0.005	\$707	\$245	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.013	\$1,766	\$306	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.005	\$411	\$27	100%	\$438	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$23	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$5,659</b>	<b>\$5,659</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$188	-\$188
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$215	-\$215
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$153	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,072	-\$2,072
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-\$2,530	-\$2,530
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$500</b>	<b>\$500</b>

Proportion of costs recovered under proposed partial cost recovery

9%

† Amount to be recovered will be phased in over three years

## Purse Seine (Ocean)

1 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	70%	\$0	\$0
<b>Compliance</b>	Inspections	0.010	\$1,707	\$0	100%	\$3,662	\$3,662
	Surveillance	0.000	\$0	\$0	100%		
	Intelligence	0.010	\$1,707	\$0	100%		
	Investigation and/or major case management	0.001	\$248	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	70%	\$3,791	\$3,791
	Operational management of marine fisheries	0.011	\$1,484	\$857	70%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.009	\$1,236	\$214	70%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.005	\$411	\$27	100%	\$438	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$23	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$7,914</b>	<b>\$7,914</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$1,955	-\$1,955
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$153	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$1,451	-\$1,451
	<i>Reduced attribution of costs to finfish fisheries</i>					-\$669	-\$669
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$3,687</b>	<b>\$3,687</b>

Proportion of costs recovered under proposed partial cost recovery

47%

† Amount to be recovered will be phased in over three years

## Purse Seine (Port Phillip Bay)

1 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.004	\$612	\$0	100%	\$612	\$612
<b>Compliance</b>	Inspections	0.010	\$1,707	\$0	100%	\$2,808	\$2,808
	Surveillance	0.003	\$427	\$0	100%		
	Intelligence	0.003	\$427	\$0	100%		
	Investigation and/or major case management	0.001	\$248	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$4,559	\$4,559
	Operational management of marine fisheries	0.015	\$2,120	\$367	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.013	\$1,766	\$306	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.005	\$411	\$27	100%	\$438	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$23	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$8,440</b>	<b>\$8,440</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$427	-\$427
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$674	-\$674
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$153	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,072	-\$2,072
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$5,113</b>	<b>\$5,113</b>

Proportion of costs recovered under proposed partial cost recovery

61%

† Amount to be recovered will be phased in over three years

Rock Lobster (Western Zone)

71 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	1.311	\$211,049	\$163,975	95%	\$375,023	\$5,282
<b>Compliance</b>	Inspections	1.898	\$324,044	\$0	100%		
	Surveillance	0.193	\$32,951	\$0	100%		
	Intelligence	0.080	\$13,675	\$0	100%	\$372,946	\$5,253
	Investigation and/or major case management	0.013	\$2,276	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.131	\$18,458	\$3,198	95%	\$57,486	\$810
	Operational management of marine fisheries	0.197	\$27,855	\$4,825	95%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.019	\$2,685	\$466	95%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.343	\$29,211	\$1,905	100%	\$57,793	\$814
	Quota catch recording services	0.204	\$25,600	\$1,076	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$1,630	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$864,878</b>	<b>\$12,181</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$32,951	-\$464
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$15,951	-\$225
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$10,891	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$3,150	-\$44
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$801,935</b>	<b>\$11,295</b>

Proportion of costs recovered under proposed partial cost recovery

93%

† Amount to be recovered will be phased in over three years

Rock Lobster (Eastern Zone)

45 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.558	\$89,828	\$24,448	90%	\$114,276	\$2,539
<b>Compliance</b>	Inspections	0.891	\$152,051	\$0	100%	\$277,793	\$6,173
	Surveillance	0.404	\$68,940	\$0	100%		
	Intelligence	0.183	\$31,272	\$0	100%		
	Investigation and/or major case management	0.150	\$25,529	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.124	\$17,486	\$3,029	90%	\$54,460	\$1,210
	Operational management of marine fisheries	0.187	\$26,389	\$4,571	90%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.018	\$2,543	\$441	90%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.217	\$18,514	\$1,208	100%	\$36,591	\$813
	Quota catch recording services	0.129	\$16,188	\$681	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$1,033	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$484,154</b>	<b>\$10,759</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$68,940	-\$1,532
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$56,801	-\$1,262
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$6,903	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,984	-\$66
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$348,525</b>	<b>\$7,745</b>

Proportion of costs recovered under proposed partial cost recovery

72%

† Amount to be recovered will be phased in over three years



	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$48,200	100%	\$48,200	\$530
<b>Compliance</b>	Inspections	0.080	\$13,658	\$0	100%	\$48,052	\$528
	Surveillance	0.170	\$29,024	\$0	100%		
	Intelligence	0.020	\$3,415	\$0	100%		
	Investigation and/or major case management	0.011	\$1,955	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.060	\$8,478	\$1,469	100%	\$18,237	\$200
	Operational management of marine fisheries	0.030	\$4,239	\$734	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.020	\$2,826	\$490	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.440	\$37,440	\$2,442	100%	\$39,881	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$2,090	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$156,459</b>	<b>\$1,719</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$29,024	-\$319
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$5,369	-\$59
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$13,958	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$3,316	-\$36
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$104,791</b>	<b>\$1,152</b>

Proportion of costs recovered under proposed partial cost recovery

67%

† Amount to be recovered will be phased in over three years

**Snowy River (Bait)**

2 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.008	\$1,207	\$0	100%	\$1,207	\$604
<b>Compliance</b>	Inspections	0.008	\$1,280	\$0	100%	\$1,963	\$982
	Surveillance	0.003	\$427	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.002	\$256	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$4,003	\$2,001
	Operational management of marine fisheries	0.005	\$707	\$1,224	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.013	\$1,766	\$306	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.010	\$823	\$54	100%	\$877	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$46	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$8,096</b>	<b>\$4,048</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$427	-\$213
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$256	-\$128
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$307	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,072	-\$1,036
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-\$4,034	-\$2,017
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$1,000</b>	<b>\$500</b>

Proportion of costs recovered under proposed partial cost recovery

12%

† Amount to be recovered will be phased in over three years

Sydenham Inlet (Bait)

2 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.008	\$1,207	\$0	100%	\$1,207	\$604
<b>Compliance</b>	Inspections	0.008	\$1,280	\$0	100%	\$1,963	\$982
	Surveillance	0.003	\$427	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.002	\$256	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$4,003	\$2,001
	Operational management of marine fisheries	0.005	\$707	\$1,224	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.013	\$1,766	\$306	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.010	\$823	\$54	100%	\$877	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$46	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$8,096</b>	<b>\$4,048</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$427	-\$213
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$256	-\$128
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$307	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,072	-\$1,036
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$5,034</b>	<b>\$2,517</b>

Proportion of costs recovered under proposed partial cost recovery

62%

† Amount to be recovered will be phased in over three years

**Trawl (Inshore)**

60 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.064	\$10,303	\$8,000	80%	\$18,303	\$305
<b>Compliance</b>	Inspections	0.041	\$6,915	\$0	100%	\$30,048	\$501
	Surveillance	0.020	\$3,415	\$0	100%		
	Intelligence	0.028	\$4,789	\$0	100%		
	Investigation and/or major case management	0.087	\$14,930	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.104	\$14,696	\$2,546	80%	\$62,666	\$1,044
	Operational management of marine fisheries	0.264	\$37,304	\$6,462	80%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.010	\$1,413	\$245	80%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.290	\$24,685	\$1,610	100%	\$26,295	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$1,378	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$138,690</b>	<b>\$2,312</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$3,415	-\$57
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$19,719	-\$329
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$9,203	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$1,658	-\$28
	<i>Reduced attribution of costs to finfish fisheries</i>					-\$29,742	-\$496
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$74,954</b>	<b>\$1,249</b>

Proportion of costs recovered under proposed partial cost recovery

54%

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.456	\$73,408	\$12,000	80%	\$85,408	\$2,034
<b>Compliance</b>	Inspections	0.336	\$57,365	\$0	100%	\$108,669	\$2,587
	Surveillance	0.170	\$29,024	\$0	100%		
	Intelligence	0.038	\$6,496	\$0	100%		
	Investigation and/or major case management	0.092	\$15,784	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	80%	\$8,338	\$199
	Operational management of marine fisheries	0.040	\$5,652	\$1,028	80%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.010	\$1,413	\$245	80%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.203	\$17,280	\$1,127	100%	\$18,407	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$964	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$221,787</b>	<b>\$5,281</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$29,024	-\$691
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$22,280	-\$530
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$6,442	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$1,658	-\$39
	<i>Reduced attribution of costs to finfish fisheries</i>					-\$34,533	-\$822
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$127,849</b>	<b>\$3,044</b>

Proportion of costs recovered under proposed partial cost recovery

58%

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.007	\$1,147	\$0	95%	\$1,147	\$48
<b>Compliance</b>	Inspections	0.413	\$70,460	\$0	100%	\$87,780	\$3,658
	Surveillance	0.060	\$10,244	\$0	100%		
	Intelligence	0.025	\$4,268	\$0	100%		
	Investigation and/or major case management	0.016	\$2,808	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	95%	\$12,227	\$509
	Operational management of marine fisheries	0.048	\$6,712	\$3,546	95%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.012	\$1,678	\$291	95%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.116	\$9,874	\$644	100%	\$10,518	\$438
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$551	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$112,224</b>	<b>\$4,676</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$10,244	-\$427
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$7,077	-\$295
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$3,681	-\$153
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$1,969	-\$82
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$89,253</b>	<b>\$3,719</b>

Proportion of costs recovered under proposed partial cost recovery

80%

† Amount to be recovered will be phased in over three years

## Fish Receivers' (Abalone)

11 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	0%	\$0	\$0
<b>Compliance</b>	Inspections	0.472	\$80,646	\$0	100%	\$168,571	\$15,325
	Surveillance	0.205	\$34,999	\$0	100%		
	Intelligence	0.085	\$14,512	\$0	100%		
	Investigation and/or major case management	0.225	\$38,414	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	0%	\$0	\$0
	Operational management of marine fisheries	0.000	\$0	\$0	0%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.000	\$0	\$0	0%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.000	\$0	\$0	100%	\$0	\$0
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$253	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$168,824</b>	<b>\$15,348</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$34,999	-\$3,182
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$52,926	-\$4,811
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					\$0	\$0
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$80,898</b>	<b>\$7,354</b>

Proportion of costs recovered under proposed partial cost recovery

48%

† Amount to be recovered will be phased in over three years

**Fish Receivers (Scallop)**

0 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	0%	\$0	\$0
<b>Compliance</b>	Inspections	0.000	\$0	\$0	100%	\$0	\$0
	Surveillance	0.000	\$0	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.000	\$0	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	0%	\$0	\$0
	Operational management of marine fisheries	0.000	\$0	\$0	0%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	0%		
	Fishery Management plans	0.000	\$0	\$0	0%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.000	\$0	\$0	100%	\$0	\$0
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$0	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$0</b>	<b>\$0</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					\$0	\$0
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$0</b>	<b>\$0</b>

**Proportion of costs recovered under proposed partial cost recovery**

**100%**

There are currently no licences for this class. DEPI has therefore estimated the incremental cost of a new licence should one be granted, which would be \$2,424 (\$0 Research, \$2,401 Compliance, \$0 Management, \$23 Licence and Cost Recovery Administration). See Table 1: Proposed changes in Fisheries Services (FS) levies per licence and quota unit. This cost has been inserted into the draft regulations in case such a licence is required.



**Aquaculture (Private Land - Eels)**

1 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.003	\$498	\$0	100%	\$703	\$703
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$435	\$435
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.001	\$165	\$270	100%		
	Fishery Management plans	0.000	\$0	\$0	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.001	\$69	\$4	100%	\$73	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$23	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$1,234</b>	<b>\$1,234</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$102
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$102
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$26	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$1,003</b>	<b>\$1,003</b>

**Proportion of costs recovered under proposed partial cost recovery**
**81%**

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.008	\$1,366	\$0	100%	\$1,571	\$785
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$1,770	\$885
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.011	\$1,590	\$180	100%		
	Fishery Management plans	0.000	\$0	\$0	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.002	\$137	\$9	100%	\$146	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$46	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$3,532</b>	<b>\$1,766</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$51
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$51
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$51	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$3,276</b>	<b>\$1,638</b>

Proportion of costs recovered under proposed partial cost recovery

93%

† Amount to be recovered will be phased in over three years

**Aquaculture (Private Land - Ornamentals)**

11 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.031	\$5,207	\$0	100%	\$5,412	\$492
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$768	\$70
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.002	\$318	\$450	100%		
	Fishery Management plans	0.000	\$0	\$0	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.009	\$754	\$49	100%	\$803	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$253	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$7,236</b>	<b>\$658</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$9
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$9
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$281	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$6,750</b>	<b>\$614</b>

**Proportion of costs recovered under proposed partial cost recovery**

**93%**

† Amount to be recovered will be phased in over three years

**Aquaculture (Private Land - Other)**

2 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.005	\$871	\$0	100%	\$1,076	\$538
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$4,403	\$2,202
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.029	\$4,133	\$270	100%		
	Fishery Management plans	0.000	\$0	\$0	0%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.002	\$137	\$9	100%	\$146	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$46	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$5,671</b>	<b>\$2,835</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$51
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$51
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$51	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$5,415</b>	<b>\$2,707</b>

**Proportion of costs recovered under proposed partial cost recovery**

**95%**

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.065	\$11,149	\$0	100%	\$11,353	\$541
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$7,259	\$346
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.045	\$6,359	\$900	100%		
	Fishery Management plans	0.000	\$0	\$0	0%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.017	\$1,440	\$94	100%	\$1,534	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$482	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$20,628</b>	<b>\$982</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$5
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$5
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$537	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$19,887</b>	<b>\$947</b>

Proportion of costs recovered under proposed partial cost recovery

96%

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.066	\$11,183	\$0	100%	\$11,388	\$518
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$13,167	\$599
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.090	\$12,717	\$450	100%		
	Fishery Management plans	0.000	\$0	\$0	0%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.018	\$1,509	\$98	100%	\$1,607	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$505	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$26,667</b>	<b>\$1,212</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$5
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$5
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$562	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$25,900</b>	<b>\$1,177</b>

Proportion of costs recovered under proposed partial cost recovery

97%

† Amount to be recovered will be phased in over three years

**Aquaculture (Private Land - Yabbies)**

16 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.050	\$8,536	\$0	100%	\$8,741	\$546
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$681	\$43
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.005	\$636	\$45	100%		
	Fishery Management plans	0.000	\$0	\$0	0%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.013	\$1,097	\$72	100%	\$1,169	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$367	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$10,958</b>	<b>\$685</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$6
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$6
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$409	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$10,344</b>	<b>\$647</b>

**Proportion of costs recovered under proposed partial cost recovery**

**94%**

† Amount to be recovered will be phased in over three years

**Aquaculture (Private Land - Yabbies Multiwaters)**

0 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.000	\$0	\$0	100%	\$0	\$0
	Surveillance	0.000	\$0	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.000	\$0	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$0	\$0
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.000	\$0	\$0	100%		
	Fishery Management plans	0.000	\$0	\$0	0%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.000	\$0	\$0	100%	\$0	\$0
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$0	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$0</b>	<b>\$0</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					\$0	\$0
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					\$0	\$0
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$0</b>	<b>\$0</b>

**Proportion of costs recovered under proposed partial cost recovery**
**100%**

There are currently no licences for this class. DEPI has therefore estimated the incremental cost of a new licence should one be granted, which would be \$1,047(\$0 Research, \$503 Compliance, \$474 Management, \$70 Licence and Cost Recovery Administration). See Table 1: Proposed changes in Fisheries Services (FS) levies per licence and quota unit. This cost has been inserted into the draft regulations in case such a licence is required.



**Aquaculture (Private Land - Indoor intensive)**

6 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.018	\$3,073	\$0	100%	\$3,278	\$546
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$2,813	\$469
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.018	\$2,543	\$270	100%		
	Fishery Management plans	0.000	\$0	\$0	0%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.005	\$411	\$27	100%	\$438	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$138	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$6,668</b>	<b>\$1,111</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$17
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$17
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$153	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$6,309</b>	<b>\$1,052</b>

**Proportion of costs recovered under proposed partial cost recovery**

**95%**

† Amount to be recovered will be phased in over three years

Aquaculture (Private Land - Tourism)

6 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.018	\$3,073	\$0	100%	\$3,278	\$546
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$2,813	\$469
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.018	\$2,543	\$270	100%		
	Fishery Management plans	0.000	\$0	\$0	0%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.005	\$411	\$27	100%	\$438	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$138	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$6,668</b>	<b>\$1,111</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$17
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$17
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$153	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					\$0	\$0
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$6,309</b>	<b>\$1,052</b>

Proportion of costs recovered under proposed partial cost recovery

95%

† Amount to be recovered will be phased in over three years

**Aquaculture (Crown Land - Bivalve Shellfish)**

12 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.120	\$20,487	\$0	100%	\$20,692	\$1,724
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$32,354	\$2,696
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.180	\$25,435	\$4,500	100%		
	Fishery Management plans	0.014	\$1,978	\$441	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.010	\$823	\$54	100%	\$877	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$276	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$54,199</b>	<b>\$4,517</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$9
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$9
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$307	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,419	-\$202
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$51,268</b>	<b>\$4,272</b>

**Proportion of costs recovered under proposed partial cost recovery**

**95%**

† Amount to be recovered will be phased in over three years

Aquaculture (Crown Land - Other)

2 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.008	\$1,280	\$0	100%	\$1,485	\$743
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$1,940	\$970
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.009	\$1,272	\$270	100%		
	Fishery Management plans	0.002	\$325	\$74	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.002	\$137	\$9	100%	\$146	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$46	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$3,618</b>	<b>\$1,809</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$51
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$51
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$51	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$399	-\$199
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$2,963</b>	<b>\$1,482</b>

Proportion of costs recovered under proposed partial cost recovery

82%

† Amount to be recovered will be phased in over three years

Aquaculture (Crown Land - Abalone)

8 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.037	\$6,317	\$0	100%	\$6,522	\$815
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$13,070	\$1,634
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.048	\$6,712	\$4,750	100%		
	Fishery Management plans	0.009	\$1,314	\$294	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.006	\$549	\$36	100%	\$584	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$184	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$20,360</b>	<b>\$2,545</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$13
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$13
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$205	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$1,608	-\$201
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$18,342</b>	<b>\$2,293</b>

Proportion of costs recovered under proposed partial cost recovery

90%

† Amount to be recovered will be phased in over three years

**Aquaculture (Crown Land - Eels)**

11 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.033	\$5,549	\$0	100%	\$5,754	\$523
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$9,022	\$820
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.045	\$6,359	\$450	100%		
	Fishery Management plans	0.013	\$1,809	\$404	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.009	\$754	\$49	100%	\$803	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$253	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$15,831</b>	<b>\$1,439</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$9
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$9
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$281	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,213	-\$201
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$13,132</b>	<b>\$1,194</b>

**Proportion of costs recovered under proposed partial cost recovery**

**83%**

† Amount to be recovered will be phased in over three years

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.047	\$7,939	\$0	100%	\$8,144	\$905
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$9,456	\$1,051
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.019	\$2,685	\$4,750	100%		
	Fishery Management plans	0.012	\$1,653	\$368	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.007	\$617	\$40	100%	\$657	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$207	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$18,464</b>	<b>\$2,052</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$11
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$11
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$230	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$2,021	-\$225
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$16,008</b>	<b>\$1,779</b>

Proportion of costs recovered under proposed partial cost recovery

87%

† Amount to be recovered will be phased in over three years

**Aquaculture (On-shore Abalone)**

7 Licences

	Cost recoverable services attributable to commercial fisheries	Labour (FTE)	Labour costs	Non-staff costs	%	Total Costs	Average cost per licence
<b>Research</b>	Data collection for stock assessment	0.000	\$0	\$0	100%	\$0	\$0
<b>Compliance</b>	Inspections	0.033	\$5,634	\$0	100%	\$5,839	\$834
	Surveillance	0.001	\$102	\$0	100%		
	Intelligence	0.000	\$0	\$0	100%		
	Investigation and/or major case management	0.001	\$102	\$0	100%		
<b>Management Services</b>	Setting quota and harvest limits	0.000	\$0	\$0	100%	\$13,132	\$1,876
	Operational management of marine fisheries	0.000	\$0	\$0	100%		
	Operational management of aquaculture fisheries	0.048	\$6,712	\$4,750	100%		
	Fishery Management plans	0.010	\$1,413	\$257	100%		
<b>Licence &amp; Cost Recovery Administration</b>	Catch and Effort	0.006	\$480	\$31	100%	\$511	\$73
	Quota catch recording services	0.000	\$0	\$0	100%		
	IT support systems for licensing and quota management	0.000	\$0	\$0	100%		
	Cost recovery administration	0.000	\$0	\$161	100%		
<b>TOTAL COST OF FISHERIES SERVICES</b>						<b>\$19,643</b>	<b>\$2,806</b>
<b>Reductions for partial cost recovery</b>	<i>Nil cost recovery for surveillance of commercial compliance (except abalone)</i>					-\$102	-\$15
	<i>Nil cost recovery of intelligence and investigations of commercial compliance (except abalone)</i>					-\$102	-\$15
	<i>Reduced cost recovery for Catch and Effort recording admin</i>					-\$179	-\$26
	<i>Nil cost recovery for preparation of fishery management plans</i>					-\$1,670	-\$239
	<i>Reduced attribution of costs to finfish fisheries</i>					\$0	\$0
	<i>Small operator concession</i>					-	-
<b>TOTAL TO BE RECOVERED THROUGH PROPOSED FISHERIES SERVICES LEVIES †</b>						<b>\$17,589</b>	<b>\$2,513</b>

**Proportion of costs recovered under proposed partial cost recovery**

**90%**

† Amount to be recovered will be phased in over three years



## APPENDIX 4 – BENCHMARKING OF COSTS

The following table shows fisheries management cost as a proportion of GVP for South Australia.

	Abalone Fishery	Blue Crab Fishery	Charter Boat Fishery	Gulf St Vincent Prawn Fishery	Lakes & Coorong Fishery	Marine Scalefish Fishery	Northern Zone Rock Lobster Fishery	Sardine Fishery	Spencer Gulf & West Coast Prawn Fishery	Southern Zone Rock Lobster Fishery	SA Average
<b>1997/98</b>	9.7%	14.1%		9.5%	3.6%	9.7%	4.4%		3.4%	5.1%	6.1%
<b>1998/99</b>	7.0%	13.3%		13.9%	2.9%	8.5%	3.1%		2.3%	4.5%	4.8%
<b>1999/00</b>	5.5%	13.0%		2.3%	3.7%	8.6%	2.5%		1.9%	3.9%	4.0%
<b>2000/01</b>	4.0%	7.3%		2.5%	3.2%	8.2%	2.7%	6.4%	1.4%	3.8%	3.5%
<b>2001/02</b>	4.9%	7.8%		2.9%	3.9%	8.7%	2.6%	5.0%	1.5%	3.4%	3.7%
<b>2002/03</b>	5.1%	6.0%		6.5%	4.1%	7.4%	4.3%	2.4%	2.5%	3.4%	4.0%
<b>2003/04</b>	6.6%	8.2%		8.1%	3.7%	7.9%	8.5%	4.2%	1.9%	5.1%	5.0%
<b>2004/05</b>	6.9%	7.1%		6.9%	4.4%	9.1%	9.2%	3.5%	2.4%	4.6%	5.1%
<b>2005/06</b>	6.9%	5.6%		9.4%	4.5%	11.4%	7.0%	6.3%	2.5%	3.8%	5.2%
<b>2006/07</b>	7.6%	5.3%	4.2%	7.9%	4.2%	10.6%	6.5%	4.3%	2.3%	3.8%	6.0%
<b>2007/08</b>	8.1%	4.2%	4.8%	10.3%	3.7%	10.0%	7.4%	4.2%	3.1%	3.5%	6.2%
<b>2008/09</b>	7.8%	4.4%	4.9%	9.3%	5.2%	9.0%	5.8%	4.9%	3.2%	3.0%	5.7%
<b>2009/10</b>	9.0%	6.4%	4.6%	13.2%	6.4%	8.4%	7.7%	2.8%	3.3%	3.7%	6.6%
<b>2010/11</b>	8.7%	5.7%	5.6%	16.7%	7.1%	8.9%	8.2%	5.1%	3.0%	4.0%	6.6%

Source: South Australian Government