

Cost Recovery Implementation Committee (CRIC)

Governing authority: Minister for Primary Industries and Regional Development (Minister)

Agency: Department of Primary Industries and Regions (PIRSA)

Agency responsibility: Executive Director Fisheries and Aquaculture (PIRSA)

1. Background

The Department of Primary Industries and Regions (PIRSA) has operated under a Cost Recovery Policy for approximately 20 years, aimed at managing South Australia's aquatic resources sustainably, efficiently, and cost-effectively on behalf of the South Australian community. This policy mandates that costs incurred by the government for services directly resulting from commercial access to these resources, such as management, policy, enforcement, scientific monitoring, stock assessment, compliance, and licensing, are recovered from commercial licence holders through regulated fees.

Despite periodic independent reviews aimed at incremental improvements, challenges persist with the current cost recovery process. In response to these challenges and to fulfill the Government's Election Commitment, an Independent Cost Recovery Review was initiated. This review sought to evaluate the sustainability and appropriateness of the current seafood sector cost recovery model, comparing it against other models both within Australia and internationally to identify a fair and equitable approach for South Australia.

Building on the foundation laid by the Independent Cost Recovery Review Panel, and the principles outlined in Section 7 of the *Fisheries Management Act 2007* and Section 8 of the *Aquaculture Act 2001*, the Cost Recovery Implementation Committee (CRIC) is established to oversee the strategic implementation of the recommended cost recovery measures, ensuring they align with best practices and promote efficient and cost effective recovery of management costs.

2. Objectives

The CRIC is tasked with guiding the evolution and implementation of sustainable and equitable cost recovery mechanisms within South Australia's seafood sector. The Committee's work will be instrumental in aligning the state's policies with contemporary practices, ensuring the longevity and prosperity of the industry. The specific objectives include:

- **Strategic Review:** Synthesise the findings of the Independent Cost Recovery Review Panel to identify core areas for reform in the existing cost recovery model, ensuring these align with the overarching goals of sustainability, equity, and economic viability for the seafood industry.
- **Policy Alignment:** Develop a comprehensive policy framework that reflects best practices in cost recovery, incorporating innovative approaches and lessons learned from both domestic and international comparisons. This framework should prioritise the interests of the South Australian community and the sustainability of marine resources.
- **Stakeholder Engagement:** Facilitate an inclusive consultation process that actively involves key stakeholders, including commercial fishery license holders, industry associations, and relevant government agencies. The objective is to ensure that the developed cost recovery model is robust, widely supported, and considers the diverse needs within the seafood sector.
- **Implementation Strategy Development:** Outline a clear, actionable strategy for the adoption and implementation of the recommended cost recovery model. This strategy should include milestones, performance indicators, and a timeline, ensuring a smooth transition to the new framework.
- **Monitoring and Adaptation:** Establish a mechanism for ongoing monitoring of the implemented cost recovery model to assess its effectiveness and adaptability over time. This includes the development of criteria for periodic review and refinement to respond to industry changes, technological advancements, and economic shifts.
- **Transparency and Communication:** Maintain transparency in the Committee's workings, decisions, and progress. Communicate effectively with all stakeholders to build trust and ensure clear understanding of the cost recovery policies, their rationale, and their impact on the sector.

3. Scope and Process

The CRIC's operational framework and implementation process are designed to ensure a comprehensive and effective approach to evolving and implementing sustainable and equitable cost recovery mechanisms within South Australia's seafood sector. This includes:

- **Comprehensive Review and Policy Adaptation:** Analysing the Independent Cost Recovery Review Panel's recommendations to integrate these into South Australia's cost

recovery model. This will consider alternative models' applicability and fairness, focusing on the unique aspects of the local fisheries landscape.

- **Benchmarking and Comparative Analysis:** Evaluating the existing cost recovery framework against national and international standards, drawing insights from stakeholder consultations, and performing a comparative analysis of various models to identify best practices for South Australia.
- **Stakeholder Engagement and Recommendation Development:** Actively consulting with industry stakeholders in refining the cost recovery model and developing clear recommendations for policy adjustments. This includes engaging with commercial fishery license holders, industry associations, and government agencies to ensure a robust model.
- **Monitoring, Reporting, and Communication:** Establishing mechanisms for continuous monitoring and evaluation of the implemented cost recovery framework, including the development of key performance indicators and regular reporting to ensure adaptability and effectiveness over time. Clear documentation and transparent communication with stakeholders are essential components of this process.

4. Membership

The Committee's membership will consist of:

- An independent chair with experience in fisheries and aquaculture resource management.
- Three representatives from PIRSA.
- Three representatives from SISA (SISA representative, fisheries representative, aquaculture representative).
- Additional members may include subject matter experts or external consultants as required.

PIRSA will provide executive support, including secretarial services, travel and meeting arrangements.

PIRSA will support the Committee in overseeing the implementation of specific findings from the Independent Cost Recovery Review in a project management capacity. This entails developing and managing timelines, deliverables, and stakeholder consultations to ensure effective execution of recommended cost recovery measures.

5. Meeting procedures

- The Committee will meet on a monthly basis or as needed.
- The Committee will be chaired by an appointed independent chair.
- Procedures will be established in accordance with the *Fisheries Management Act 2007*, *Aquaculture Act 2001*, and the Minister's guidance.

6. Deliverables

The CRIC is tasked with the following key deliverables, aimed at ensuring the full implementation of the Independent Cost Recovery Review's actions:

- **Implementation Roadmap:** Develop a detailed roadmap for implementing the review's recommendations, including retaining and improving the current Cost Recovery Policy. This roadmap will also outline steps for working with the industry to revise guiding principles for increased assurance and transparency.
- **Policy Revision and Stakeholder Engagement Report:** A comprehensive report on engagements with SISA and other industry stakeholders regarding the adoption of a 5-yearly cost recovery cycle, and preferences for the style and content of the annual CRIS. This will include a plan for transitioning to an evidence-based fee-setting system, providing long-term business decision-making certainty for license holders.
- **Benchmarking and Policy Evaluation Framework:** Establishment of a 5-year benchmarking cycle for PIRSA compliance and SARDI science, aligning with other benchmarking practices, establishing a timetable and scope for regular benchmarking of PIRSA's compliance and research programs. This will include:
 - a) recommendations for policy enhancements to maintain the cost recovery system's responsiveness to industry dynamics; and
 - b) the evaluation of new technological opportunities for transactions, data gathering and reporting in compliance delivery for best practice.
- **Performance Measures and Report:** Delivery of a detailed analysis and proposal for more comprehensive outcome, output, and input performance measures.
- **Regular Updates and Communication Plan:** Periodic progress reports to the Minister and PIRSA, detailing the CRIC's activities, achievements, challenges, and stakeholder feedback. This plan will also include methods for communicating and informing the industry about the developments in cost recovery policies and benchmarking efforts.

To support these deliverables, individual working groups, such as for benchmarking, will be established, as required.

7. Guiding principles

- **Stakeholder Engagement:** Ensure active and meaningful participation of all relevant parties.
- **Transparency:** Maintain openness in decision-making processes and communication.
- **Accountability:** Establish clear lines of accountability for decisions and actions.
- **Evidence-Based Decision Making:** Use data and proven methodologies to guide recommendations.
- **Flexibility:** Remain adaptable to industry changes and evolving stakeholder needs.

8. Confidentiality

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- All written representations made by key stakeholders to the Committee will become public records.
- All documents and other materials, other than members' personal documents, used and produced by the Committee in the course of its activities remain the property of the Department.