

# PIRSA

## Fisheries and Aquaculture Cost Recovery Framework



**Government  
of South Australia**

Department of Primary  
Industries and Regions

# Fisheries and Aquaculture Cost Recovery Framework

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# Introduction

The Department of Primary Industries and Regions SA (PIRSA) is a key economic development agency in the Government of South Australia, with responsibility for the State's primary industries and regions. Included within the primary industries portfolio is the responsibility for managing South Australia's fisheries and aquaculture resources in accordance with the Fisheries Management Act 2007 and the Aquaculture Act 2001. Both Acts have been established to protect, manage and develop the aquatic resources of the State in a manner that is consistent with ecologically sustainable development. PIRSA is required to regulate commercial, recreational and Aboriginal Traditional fishing activities to ensure sustainability of fisheries and aquaculture resources and to maximise returns to the community of South Australia from their utilisation.

The South Australian Government introduced a Cost Recovery Policy, which PIRSA has been operating for approximately 20 years. The policy operates from the premise that South Australia's aquatic resources are owned by the community and the costs associated with any Government services that arise as a direct result of commercial access to the resources, should be recovered from the direct beneficiaries of those services. These services include, but are not limited to, fisheries management, policy, scientific monitoring and stock assessment, compliance and licensing.

In order to ensure that management of the State's public resources are managed in a sustainable, efficient and cost effective manner a review process was established under the cost recovery policy and is undertaken on a five year cycle to ensure best practice arrangements are maintained.

The Government made an election commitment to initiate an independent review of the cost recovery policy of Primary Industries and Regions South Australia (PIRSA) as applied to the fisheries and aquaculture sectors. An independent consultant was engaged to undertake the review and consulted with all fisheries and aquaculture sector representatives and representatives from PIRSA. The final report, with 11 recommendations, was provided to PIRSA in November 2018 and all recommendations were accepted by Government. The report observed that PIRSA's management of both the fisheries and aquaculture sectors has significantly improved since 2015 in terms of increasing transparency and accountability as well as taking significant strides to reduce administrative burden, through the use of longer term cost recovery agreements between PIRSA and individual industry sectors. Implementation of the 11 recommendations from the independent review will further enhance efficiency and transparency of PIRSA cost recovery approach to the Fisheries and Aquaculture sectors.

## Legislative Responsibilities

### Fisheries:

Primary Industries and Regions SA (PIRSA) is the South Australian Government department tasked with the administration of the Fisheries Management Act 2007 (the Act). Section 7(3) of the Act provides that the aquatic resources of the State are to be managed in an efficient and cost effective manner and targets set for the recovery of management costs. Section 127 of the Act provides the head of power to establish regulations that prescribes fees in relation to the lodgement, processing and administration of application transactions and authorities created under it.

All fees under the Act are set by Fees Notices published in the Gazette (2020 fees notice). Notices are varied as required to take into account any changes to fee amounts.

PIRSA Fisheries and Aquaculture manages the administrative and regulatory requirements of the Act through specialised programs. These programs are determined in consultation with industry associations and licence holders and aim to support the development of sustainably managed fisheries. PIRSA delivers cost recovered programs such as Directorate Services, Legal Services, Fisheries Compliance Operations, Licensing Services, Fisheries Policy and Management, Stock Assessment and Monitoring to commercial fisheries including the Abalone Fishery, the Blue Crab Fishery, the Charter Boat Fishery, the Marine Scalefish Fishery (including Vongole), the Miscellaneous Fishery (including Giant Crab), the Pipi Fishery and the Net sector in the Lakes and Coorong, Gulf St Vincent Prawn Fishery, Spencer Gulf and West Coast Prawn Fishery, the Southern Zone and Northern Zone Rock Lobster Fishery and the Sardine Fishery.

The programs, activities under the programs, and costs for PIRSA's provision of the programs, are outlined and explained for each individual industry in a Cost Recovery Implementation Statement (CRIS). PIRSA strives to provide program services to industry efficiently and effectively.

Fisheries Industry associations may request for PIRSA to consider additional financial arrangements to the programs for their fishery to support program enhancement, specific projects for management, research or compliance.

In recent years, PIRSA has also established formal co-management contracts with the commercial fishing associations, to enable these associations to be adequately resourced to participate in co-management activities with PIRSA and the industry to which they relate. These contracts are funded through annual licence fees and are provided directly to the industry associations under the co-management contracts.

## Aquaculture:

PIRSA administers the Aquaculture Act 2001 (the Act) on behalf of the Minister. All fees are either prescribed by Fees Notices published in the Gazette (2020 fees notice) or otherwise determined by the Minister. Only prescribed fees are incorporated into the Fees Notices.

PIRSA Fisheries and Aquaculture manages the administrative and regulatory requirements of the Act through specialised programs. These programs are determined in consultation with industry representatives and lease and licence holders and aim to support the development of sustainably managed aquatic resources for aquaculture.

Costs are recovered from the Abalone, Finfish, Land-Based, Intertidal Mollusc, Sub-tidal Mollusc, and Tuna aquaculture sectors for the delivery of the following programs:

Aquaculture Leasing and Licensing, Legislation, Aquaculture Systems, Other Related Activities, Aquatic Animal Health, Program Management and Administration, Compliance, Resource Planning, Environmental Monitoring and Management.

The programs, activities under the programs, and costs for PIRSA's provision of the programs, are outlined and explained for each individual industry in a Cost Recovery Implementation Statement (CRIS). PIRSA strives to provide program services to industry efficiently and effectively.

## Key Policy Frameworks

PIRSA's Cost Recovery Policy adopts principles outlined in the [Australian Government Department of Finance – Australia Government Cost Recovery Guidelines: Resource Management Guide No. 304](#)

(2005) and (July 2014 – Third Edition), and [Australian Productivity Commission – Cost Recovery by Government Agencies Inquiry Report](#) (2001).

A copy of PIRSA's Cost Recovery Policy is available at:

[https://pir.sa.gov.au/fishing/commercial\\_fishing/pirsa\\_services\\_to\\_fisheries\\_industry](https://pir.sa.gov.au/fishing/commercial_fishing/pirsa_services_to_fisheries_industry)

## Key Cost Recovery Deliverables

### Stakeholder Engagement:

PIRSA commences an annual cost recovery process to determine sector service requirements and costs for the upcoming financial year. This process follows Principle 7 of the PIRSA Cost Recovery Policy. An annual schedule of meetings for stakeholder engagement and support for the cost recovery process in relation to commercial fisheries and aquaculture sectors is outlined below:

Date	Activity	Parties
Sept/Oct	Review long-term objectives for fishery and aquaculture sector and update if necessary. Identify priority outcomes for upcoming financial year.	PIRSA and industry association
October	Develop policy, research and compliance work programs in readiness for discussions (fisheries managers with industry) in November.	PIRSA
November	Consult relevant industry associations in relation to proposed programs and reach agreement on these programs. Industry associations to consult with wider industry.	PIRSA and industry association
February	Formal meetings with industry associations to finalise work programs and summarise costs.*	PIRSA and industry association
March	Submit proposed licence fees to Minister. Prepare Cabinet Submission to amend regulations to prescribe licence fees for the next financial year.	PIRSA and government agencies
June	Invoices sent for annual lease and or licence fees.	PIRSA

\* Note for those fisheries or aquaculture sectors that have entered into a longer term agreement, the annual meeting cycle moves to a single meeting in February of each year. Either PIRSA or the industry representative are able to initiate additional meetings if programs or services require amendment.

### Cost Recovery Implementation Statement:

Following stakeholder engagement and consultation, PIRSA Fisheries and Aquaculture prepare and finalise the Cost Recovery Implementation Statements (CRIS) relevant and specific to each fisheries and aquaculture sector which outline programs and activities that will be delivered together with costs for PIRSA's provision of the programs. To increase accountability and transparency PIRSA has made these CRIS documents for each aquaculture and fisheries sector available on PIRSA's website.

### Cost Recovery Implementation Agreement:

PIRSA works towards having consistency in all fisheries and aquaculture cost recovery programs, and continues to work towards reducing administrative burden and red tape. PIRSA has worked with industry to implement longer-term cost recovery agreements for four year terms, rather than revisiting these arrangements ever year, which is considered in most cases to be inefficient and unnecessary. To

establish these four year agreements, PIRSA has worked with industry stakeholders to establish an agreed governance framework for these arrangements, reporting requirements and incentives for driving efficiency. The agreement document sets criteria for a review due to changes in circumstances. These agreements are known as the Cost Recovery Implement Agreement (CRIA) and are endorsed by industry representatives and PIRSA, only in those cases where a longer term four year agreement is established.

Following consultation between industry and PIRSA for programs and additional arrangements, licence fees for each sector are determined and recommended for regulation by Cabinet. Once Cabinet has approved the regulated fees and the fees are established in regulation, licence holders receive an invoice for the payment of their licence fee.

# Cost Recovery Framework - Diagram

The following diagram summarises PIRSA's Fisheries and Aquaculture's cost recovery framework giving consideration to applicable legislation, policy, stakeholder engagement, supporting processes, governance, annual reporting and review processes.

## LEGISLATION AND POLICY

### ***Aquaculture Act 2001 and Fisheries Management Act 2007***

South Australian legislation requires aquatic resources of the State be managed in an efficient and cost effective manner including the recovery of management costs.

### ***Australian Government Cost Recovery Guidelines (July 2014)***

### ***PIRSA Cost Recovery Policy***

The PIRSA Finance Committee reports to the PIRSA Executive and to PIRSA's Chief Executive on cost recovery priorities.

## COST RECOVERY PROCESS

### ***Stakeholder Engagement and Consultation***

Senior PIRSA staff consult with key representatives regularly.

### ***Fisheries and Aquaculture Management, Scientific Monitoring, Assessment and Compliance arrangements***

Fishery Managers consult with industry to ensure Management Plans and programs meet fishery requirements.

### ***Fisheries and Aquaculture Cost Models***

PIRSA updates the cost models annually and provides costs to industry as part of the annual consultation process.

### ***Cost Recovery Implementation Statements***

The Cost Recovery Implementation Statement is a summary of the services to be provided on annual basis for each fishery and aquaculture sector

### ***Cost Recovery Implementation Agreements***

The Cost Recovery Implementation Agreement is a document, between PIRSA Fisheries and Aquaculture and a key representative of a fishery and aquaculture sector, to ensure the longer term arrangements (ie four years) can be reviewed or amended at intervals agreed by both parties

### ***Annual Performance Report***

The annual Performance Report documents key deliverables and is provided to relevant industry groups and made available on the PIRSA website.

### ***Periodic Review***

PIRSA reviews its cost recovery policy, costing models and processes every five years as part of a commitment to continuous improvement and transparency.

