



# Chair Report Cost Recovery Implementation Committee (CRIC)

2 December 2024

Dear Stakeholders,

On 7 November 2024, **the Cost Recovery Implementation Committee (CRIC)** held its third meeting to continue progressing key initiatives related to the review and reform of South Australia's cost recovery framework. This meeting addressed several critical topics, including updates on benchmarking consultants, PIRSA's digital initiatives, Total Allowable Commercial Catch (TACC) strategies, and preliminary plans for the 2025-26 cost recovery process.

## **Benchmarking Consultants**

SISA provided an update on potential consultants for the science and compliance benchmarking activities. While several consultants expressed interest, timeframes posed challenges, with estimates indicating delivery by mid-2025. The Committee agreed to proceed with a project lead model, supported by specialised consultants for aquaculture science and compliance, fisheries science, and fisheries compliance.

The proposed structure includes:

1. Project Lead
2. Consultant to benchmark Aquaculture Science and Compliance
3. Consultant to benchmark Fisheries Science
4. Consultant to benchmark Fisheries Compliance

## **PIRSA Digital Transformation**

PIRSA continues to advance digital initiatives, such as the Online Quota Transfer Platform (OQTP), eCDRs and eLogbooks, which have been fully funded by the Government without cost to industry. Despite the platform's availability, uptake remains limited, with some sectors preferring paper-based processes.

By 30 June 2025, PIRSA will have invested approximately \$1.6 million in digital projects over two years, fully funded by the Government. In future annual Cost Recovery Implementation Statements (CRIS), PIRSA will include reporting on these investments to enhance transparency.

Digitisation efforts are prioritised by high-volume and high-effort applications across fisheries and aquaculture, contingent on adoption rates and cost-benefit analysis.

PIRSA and Industry will continue to promote awareness and encourage the adoption of digital tools and emphasise the benefits of transitioning to digital platforms.

## **Total Allowable Commercial Catch (TACC) Strategies**

The Committee explored transitioning from annual to multi-year TACC cycles to increase operational stability. This shift would require confidence in scientific models, clear breakout rules for adjustments, and reconfiguration of operational requirements. Any such changes would need to align with timing of harvest strategy reviews.

The Committee acknowledged the potential benefits of focusing on catch value over volume, suggesting reduced TACCs could improve profitability. SISA will engage with stakeholders to explore these ideas further and align industry perspectives.

## **2025-26 Cost Recovery Process**

Given the expected time required to undertake the benchmarking activities, the Committee proposed rolling over the current cost recovery framework with indexation for 2025-26, including any planned changes that had previously been discussed with industry sectors. This transitional arrangement allows time for thorough benchmarking and alignment with evidence-based recommendations. Sectors where no fee subsidies exist and where GVP values are extreme will have the opportunity to seek program changes as an interim arrangement.

SISA will engage industry stakeholders to discuss the proposal.

## **Single Cost Recovery Implementation Statement (CRIS)**

PIRSA presented a draft 'Interim' single Cost Recovery Implementation Statement (CRIS) for the South Australian Seafood Sector (Fisheries and Aquaculture) to the CRIC for consideration.

The CRIS includes cost attributions, cost recovery principles, and the rationale for the interim cost recovery process. Three key improvements identified by the Committee:

1. Clearly articulating the statutory authority to charge and the principles of the *Fisheries Management Act 2007* and *Aquaculture Act 2001*.
2. Incorporating the Risk-Catch-Cost trade off principles.
3. Focusing on strategic outputs for performance measures, specifically relating to initiatives and projects.

A revised draft CRIS will be presented and discussed further at the next CRIC meeting, including how the key outcomes will inform annual reporting for all sectors.

## **Committee Next Steps**

The CRIC has agreed on several **key actions** to move forward as quickly as possible:

1. SISA to follow up with the possible consultants for the benchmarking and confirm time frames.
2. Neil MacDonald will present on behalf of the CRIC at the December EO meeting in Port Lincoln and discuss progress to date, including the benchmarking activities and the transitional proposal for the 2025-26 fees.
3. PIRSA to continue developing the interim CRIS.

## OFFICIAL

The third meeting of the Cost Recovery Implementation Committee was positive and progressive in agreeing on the path forward for the Benchmarking consultants. The Committee is committed to continuously maintain transparency and partnership with industry and focus on the principles underlying the cost recovery framework. I encourage industry to continue providing feedback to the Committee.

The next CRIC meeting will be scheduled for early 2025, and monthly meetings will continue.

For more information relating to the Independent Cost Recovery Review and the latest from the CRIC, including the Committee's terms of reference, please visit the [PIRSA Fisheries and Aquaculture independent cost recovery review webpage](#).

Sincerely,

Mr Brian Jeffriess

*CRIC Independent Chair*