

Cost Recovery Fishery-specific Forums 2014

- Snobs Creek 22 July - Aquaculture
- Queenscliff 25 – Eels, Mixed Fisheries
- Queenscliff 30 July – EZ Rock Lobster, Aquaculture
- Warrnambool 31 July – Mixed Fisheries, WZ Abalone/WZ Rock Lobster
- Traralgon 6 August – Bays and Inlets
- Lakes Entrance 7 August – Bait/Mixed Fisheries, EZ Abalone
- Queenscliff 15 September – CZ Abalone

Overview

In July, August and September, staff from Fisheries Victoria, and the Executive Director of Seafood Industry Victoria (SIV), travelled to 6 sites over 7 days, and met with 87 fishers and their representatives from 22 licence classes during the fishery-specific cost recovery forums. The discussions mainly focussed on services being provided under the new prospective fisheries cost recovery system. In particular, industry was seeking to clarify services for which there was cost recovery, and possible opportunities to reduce costs. The Department of Environment and Primary Industries (FV) explained potential areas for gaining efficiency and cost savings, including where savings could be achieved through a cooperative approach between industry and government. During the forums FV agreed to undertake a number of actions, and to present the issues identified at the forums to the Fisheries Cost Recovery Standing Committee (FCRSC) at its next meeting. The key issues and actions are listed below, and a summary of issues raised by each forum follows.

Key Issues

No	ISSUE	RESPONSE
1	Need for better estimates of recreational take to provide for more accurate estimation of recoverable costs from the commercial sector	FV is seeking to identify funds to undertake a state-wide survey of recreational fishing take. However, it should be recognised that a conservative approach has been taken in determining the proportion of commercial take used in the calculation of recoverable costs for each of the commercial fisheries.
2	Concern about control of recreational take of rock lobster and abalone.	FV advised that abalone vehicle limits had been imposed in the west. Acknowledge that the black market is a major risk to fish stocks. This IUU activity is a focus for FV compliance.
3	Concern that pollutants going into Gippsland Lakes are impacting on bait stock levels.	FV to review bait Catch and Effort (C&E) data in Gippsland Lakes to assess when stock level trends reflect a perceived decline from habitat degradation.
Completed actions		
1	Need to review definition of compliance inspections with respect to the activities included	This issue was considered by FCRSC in August 2014. The inclusion of pre and post inspection activities was determined as being included in the inspection definition after being referred to the Minister in October 2014.
2	Compliance is charged equally for those that comply and those that do not	FCRSC considered creating incentives for good compliance at FCRSC#37. It was agreed that a multi-tier levy system would not be efficient for providing a reduction in costs. Other mechanisms to support good compliance are possible. The use of 13FISH was encouraged.

3	Concern about the timing (season, time of day and meeting duration) of future fisheries-specific forums (need to maximise fisher attendance at forums)	FCRSC agreed that cost recovery would be addressed at existing industry meetings as far as possible in 2015. SIV and FV will coordinate industry discussions to review the cost recovery service schedules in 2015.
4	Accessibility of electronic reporting system for aquaculture production data	FV has confirmed that the system is working. If licence holders have a concern, they should contact the Paula Baker directly on (03) 5258 0243
5	Need a refund given the significant over-charging of rock lobster fishers on 1 April 2014, given that levy values have now been adjusted down.	FV has looked at this matter and discussed with FCRSC. The revised estimates for rock lobster licences will be offset through the renewal process for 2015/16 licences.
6	The revised costs need to be applied to licences.	FV has calculated revised levies for 2015-16 for each fishery following revision of services and associated costs. The resulting amendments will take effect from 1 April 2015.
7	Protocols for on-water boarding of vessels by Fisheries Officers.	FV has provided industry with a protocol for on-water boarding of vessels for inspections and other purposes for comment. Further discussion to confirm the approach will take place in 2015.
8	Concern about cost of C&E data processing.	FV reviewed Catch & Effort costs in October 2014. Revised costings were agreed at FCRSC#36 and the new levy costs will be reflected in 2015/16 licence renewals.
9	Consideration of alternative service providers to SARDI for Rock Lobster research. Need better value for money spent and recovered.	FCRSC has considered contestability for cost recoverable services at meetings #35 and #37. Rock lobster and abalone research services have been identified as key candidates. Further discussion will occur through 2015.
10	Travel and post travel times for abalone inspections.	This issue was considered by FCRSC in August 2014. The inclusion of pre and post inspection activities was determined as being included in the inspection definition after being referred to the Minister in October 2014.
11	Non-staff costs for licence administration.	The non-staff costs for licence administration in aquaculture licence classes cover the cost of producing and posting the licence in hard copy. This amounts to \$1.66 per licence.
12	Length of time it takes for hard copy of licence to get to holder – appears excessive.	FV has reviewed the timeliness for receipt of hardcopy licences by fishers. The printing and postage of licences in hardcopy only requires 1-2 working days once payment and correct licensee details are received.
13	We always return our production returns so why do we pay for those who don't?	FCRSC considered creating incentives for good compliance at FCRSC#37. It was agreed that a multi-tier levy system would not be efficient for providing a reduction in costs. Other mechanisms to support good compliance are possible. The use of 13FISH was encouraged.
14	Paying for Catch and Effort services where a licence is not active.	FCRSC considered non-active licences at meetings #36 and #37. It was agreed that services where inactivity may result in a difference to costs, this was already accounted for. Where no difference in costs resulted, FCRSC agreed that non-active licences should continue to pay a levy for that service as inactivity was a voluntary decision.
15	The distribution of “research” costs across	FV has provided FCRSC with a breakdown of costs per zone

	fisheries (45:45:10 for WZ:EZ:GC) has resulted in research costs increasing in EZ and decreasing in the WZ.	under the current contract arrangements with SARDI. The costs will be further unpacked prior to the contract expiration and revision of the harvest strategy.
16	How many inspections do you do in a day? Industry raised issue of spreading disease between enterprises if multiple inspections occurred.	Usually only one. Multiple inspections may result in savings from conducting single inspections. FV has included steps to address cross contamination into the inspection protocol for Aquaculture.
Continuing actions		
1	Process for publishing fisheries-specific forums documents	Documents to be discussed with FCRSC and then forwarded to attendees at forums and published on the FV website.
2	Need for good communication between FV and fishers	Continue with regional fishery-specific forums and lodge additional material on the web site.
3	Industry is seeking assurances about the cost effectiveness of services for which they pay cost recovery levies ie. that services are being provided in a cost-effective manner	FV is continuing discussion with FCRSC, and industry at a fishery-specific level, in order to improve the cost-effectiveness of cost-recovered services. FV asks industry to consider alternative less costly means of delivering the required outcomes from the services provided eg. use of vessel monitoring systems (VMS) and other IT applications (eg. Smartphones) where appropriate.
4	Fisheries research costs are too high and the level of management costs are also a concern.	Fisheries Victoria (FV) will review management and research costs for Corner Inlet following discussion with industry in 2015.
5	Concern about the provision of abalone research. Lack of accountability for time spent.	FV to review abalone research services and potential for tendering in the context of development of harvest strategies. FCRSC has identified abalone research as a priority candidate for contracting of services through a third party.
6	Services provided by aquaculture managers in relation to cost recovery.	FV to review and enhance where necessary descriptions in aquaculture service schedules. The revised descriptions will be in place for 2015-16 and form part of a larger review of aquaculture.
7	A large number of aquaculture classes (often with only a few operators in each). Often need to pay for more than one licence because of different classes.	FV is considering combining some or all aquaculture licence classes to reduce complexity and cost. The review will take place to inform the 2016/17 licensing year.
8	Why are Wrasse licences not transferrable?	FV need to manage the risk of sudden influx of operators on the resource. FV have agreed with SIV to discuss the management of the Wrasse fishery, including options for transferability.
9	Definition of small operator (less than 500kg pa) does not equate to the aquaculture sector; suggestion that weight applying to a small operator be examined for each fishery.	The matter of a 'small operator' definition was considered by FCRSC and it was determined that current settings are satisfactory. An aquaculture review taking place in 2015 will look at this matter within the aquaculture sector.
10	Contestability of service provision	FCRSC has considered contestability for cost recoverable services at meetings #35 and #37. Rock lobster and abalone research services have been identified as key candidates. Further discussion will occur through 2015.

11	At what stage does industry get to input into upcoming biomass survey (scallops)?	FV discussed research in the Bass Strait scallop fishery with industry representatives and entitlement holders at a meeting in September 2014. It has been agreed that abundance will be collected through a different means in future. Further discussion will take place in 2015.
12	Concern that some fisheries pay FRDC on an unfair basis and %GVP is applied on whole of licence class basis.	FV has investigated the Fisheries Research and Development (FRDC) framework and payment in other states. Consideration of calculating FRDC on an individual basis is under review.
No further updates planned		
1	Industry suggested that delayed provision of some information led to industry focussing on wider management issues.	FV acknowledge the delayed provision of revised inspection estimates.
2	Equity of scaling costs between and within fisheries on the basis of production or value of fish caught	Cost recovery relates to the expense of the provision of services, it does not directly relate to the volume or value of fish taken. Where there are fixed costs associated with the whole fishery (eg. for most Fisheries Management Services), it is appropriate to share costs evenly between licence/quota holders within a fishery. Where the cost relates to the size of the operator, it is more equitable to recover costs in relation to scale (otherwise there is a level of cross-subsidisation between fisheries or operators within fisheries). However, it problematic, complex and expensive to take cost recovery down to the individual operator level (rather than the fishery level) – a degree of averaging between operators within fisheries has been accepted in the current approach to cost recovery.
3	Concern about major loss of seagrass in Corner Inlet, and impact on fish stocks. Fertiliser leaching from dairy farms around the inlet considered the major cause.	FV acknowledged that this is a difficult problem. Fisheries officers and managers advocate for fisheries in land-use forums, CMAs and planning processes wherever possible. FV will also investigate means to address this issue with DELWP.
4	Incorrect estimations of effort and costs by FV a major concern to industry, reducing confidence in FV and the new cost recovery system.	FV acknowledges that the first run of calculations was, in retrospect, not done well enough. FV will consider how adjustments to future levies will be made. Important that industry asks hard questions if the cost recovery system is to improve and for the associated processes to lead to improvement in efficiency and reductions in costs to stakeholders.