

GVP WORKING GROUP

MEETING 4. COMMUNIQUE

21 NOVEMBER 2024

1 SPRING STREET (WITH ONLINE OPTION)

Outcomes of Meeting Four

- The Working Group held its fourth meeting on 21 November 2024. The meeting covered:
 - Further modelling of different species pricing scenarios for a proposed GVP model and the distribution of impacts that result
 - Different forms for recovery revenue on natural resources
 - An introduction to guiding principles to balance efficiency and equity under a proposed GVP approach.
- Further modelling options and their impacts were presented to the Working Group including the adjustment of the price base and examples of fishery specific impacts.
- The Working Group was shown impacts of introducing measures such as caps to a model, the variation that may occur across years, and complexity of some licence classes when variables like multiple species are taken into account.
- The Working Group discussed the need to balance simplicity with accuracy, equity and accountability in the formation of a GVP model.
- The Working Group discussed the need for reliable, relevant and verifiable price data and the challenges in sourcing it.
- The Working Group was presented with a confidential modelling tool that could be used to explore different scenarios under a GVP approach. The tool will be further developed and circulated to the Working Group members to allow them to explore the effects of different input values on a GVP model.
- The Working Group was presented with an overview of different forms of revenue recovery applied on natural resources, including some of the different features and commonalities between them.
- The forms of revenue recovery discussed were resource rent, royalty, cost recovery and access levies.
- The Working Group noted that a GVP approach was a mechanism rather than an end point and could apply to several forms of recovery. The Working Group requested examples of a GVP model for recovery in Victoria and to hear from stakeholders in other states where a GVP model is used to calculate levies in fisheries.
- The Working Group considered some of the fundamental elements required for all revenue recovery approaches such as certainty, minimising risk, efficiency and fairness. It was noted that a key feature of a model would be the need to collect revenue required for effective fisheries management in a way that is fair for stakeholders.
- The Working Group discussed the importance of guiding principles in developing the critical elements of any proposed reform.
- At the next meeting, the Working Group will further consider guiding principles presented by that might underpin a GVP based approach.
- The next meeting is scheduled for 13 December 2024.