**Fisheries Cost Recovery Standing Committee**

Meeting #49 – DRAFT Minutes

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| Meeting details: | Date: Friday 12th October 2018From: 10:00am to 12.00pm**Location: Room 15.8, Level 15, 1 Spring St, Melbourne** |

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| Members attending:Apologies: Executive Support: Advisors/ Observers:  | Chair (to be elected)Pauline Nolle (Industry)Geoff Ellis (Industry)Johnathon Davey (SIV)Ed Meggitt (resigned)Belinda Wilson (Industry)Narelle Hardiman (DEDJTR)Sonia Talman (VFA)Megan Njoroge Ph 8392 6850Dallas D’Silva (VFA)Philippa O’Sullivan (VFA) | Ttttttttt |  |  |

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|  |  | STANDING ITEMS | TIME | WHO | ACTION |
| 1 | ▲ | Welcome & introductions | 10:00am | FCRSC |  |
| 2 | ▲ | Election of Chair | 10.05am | FCRSC | Decision |
| 3 | ▲ | Apologies and guests  | 10:10am | Chair |  |
| 4 | ▲ | Acceptance of agenda | 10:15am | Chair | Decision |
|  |  | ITEMS FOR DISCUSSION/NOTING | Indicative |  |  |
| 5 | ◼◼◼ ▲ | 1. Offsets, waivers and costing base for 2019-20
2. Update on service schedules
3. Cost recovery audit
4. Review of fisheries cost recovery
 | 10.20am | FCRSC | Discussion |
| 6 | ▲ | Confirmation of FCRSC #49  | 11:50pm | Chair | Decision |
| 7 | ▲ | Wrap Up & Close | 11:55pm | Chair |  |

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⚫ Paper provided ◼ Paper to be tabled at Meeting ▲Verbal Report

FISHERIES COST RECOVERY STANDING COMMITTEE

Draft Minutes

Meeting #49 – 12th October 2018

**1) Welcome and introductions**

The Secretariat welcomed members to the meeting.

**2) Election of Chair**

The members present elected Johnathon Davey as chair for the meeting

**3) Apologies and Guests:**

Belinda Wilson, Sonia Talman and Narelle Hardiman were apologies to the meeting.

Philippa Sullivan acted as proxy for Dr Talman as a VFA representative to enable the meeting to reach a quorum.

FCRSC noted that Ed Meggitt has tended his resignation from the committee as of 11 October 2018.

**4) Acceptance of Agenda**

**BACKGROUND:** The Secretariat asked for any additions to the agenda.

**OUTCOME**:

1. A future meeting where the committee could discuss cost recovery with representatives from another state would be valuable.

2. FCRSC would like to see Minutes and correspondence from meeting #48.

3. FCRSC agreed not to circulate the register of interests for this meeting due to printing issues.

4. Industry raised the matter of cost recovery for input into seismic testing projects as a continuing issue, noting that the size of some proposed projects will be significantly larger than previously dealt with.

5. FCRSC noted that observance of meeting dates was critical to the very important role it performs.

**ACTIONS:**

1. The Secretariat to circulate correspondence and FCRSC#48 Minutes with the Minutes from FCRSC#49.

2. SIV to forward information to the VFA on workshops being run by DIIS.

3.The Secretariat to investigate the option of teleconference with interstate government representatives on cost recovery at a future meeting.

**5) Items for discussion/noting**

**5(a) Offsets, waivers and costing base for 2019-20**

**BACKGROUND:**

The 2019-20 levies will be amended in Regulation ahead of the licensing year. As in previous years, the levies will be reviewed for several factors including licence numbers, services to be delivered and not delivered, and revised base FTE costs. The levies are also adjusted for waivers in 2019-20 and offsets from 2017-18. A summary of changes was provided to FCRSC with proposed adjustments. The committee was also asked to identify any further changes that were not included in the summary.

**OUTCOME:**

1. FCRSC noted that SIV would be seeking to discuss service schedules with VFA staff in the following week to discern any changes to services.

2. Industry raised the recognition of community good in Sea Urchin harvesting and the difference in approach between states.

**ACTIONS:**

1. The VFA to provide a discussion paper on the Sea Urchin licence class in Victoria and other states and considering the price for sale and common benefits of commercial harvesting, including the benefits removal of Urchins provides other fisheries. The Sec will include the issue in the letter to the Minister.

2. The Sec to provide a summary of FTE base costs over the previous five years.

3. The VFA to provide an estimated range for tenders for the abalone and rock lobster research services in 2019-20 based on past costs and to allow an appropriate, prospective ‘maximum levy’ to be set with confidence.

4. SIV to identify workplan activities and anticipated costs for VFA research staff as an agenda item at the upcoming RLRAG meeting.

5. The Sec to email the 2017-18 final report to committee members.

**5(b) Update on service schedules**

**BACKGROUND:**

A selection of 2018-19 service schedules were provided at the meeting following a review of the schedules between SIV and VFA. Items identified for amendment or clarification were then relayed to FCRSC.

**OUTCOMES:**

1. FCRSC noted the draft schedules for 2018-19 and that work on completing the schedules as ‘final’ was underway.

2. FCRSC noted that a generic research service of reporting on catch and effort was proposed for all fisheries (except those with existing stock assessment arrangements).

3. The relevant industry representatives were asked to review the Abalone and Rock Lobster schedules and report back with any further comments on delivery of services to date and proposed services for 2019-20.

4. FCRSC agreed that dates provided in the KPIs for services. They value being as a target rather than a point for non-delivery.

**ACTIONS:**

1. The Sec to clarify stakeholders as commercial licence holders in the text under Management Services.

2. The Sec to clarify the delivery of reference points in the Gippsland lakes schedule for 2017-18.

3. The Sec to email the 2018-19 service schedules and 2017-18 final report to FCRSC members.

4. The Sec to ensure the fee schedule on the bottom of each schedule is in the correct order to correlate with the remainder of the Schedule.

**5(c) Cost Recovery Audit**

**BACKGROUND:**

The VFA Board’s Audit and Risk Committee have committed to undertaking 4 audits per year. The first of these relates to the cost recovery system and commenced in September 2018. This specific audit is looking at the interaction between the cost recovery system, on-ground delivery, budget and financial reporting systems, and the distribution of funding from consolidated revenue. The report from the audit is due in October.

**OUTCOMES:**

1. The Cost Recovery REVIEW should include the matter of cost recovery for seismic applications due to the time and effort required to address requests.

2. The audit will compare fisheries cost recovery with that in other agencies and advise on future practice.

3. The audit will consider what has been working successfully along with proposing solutions to concerns. Industry noted that they considered efficiency gains in cost recovery will continue despite diminishing returns.

4. FCRSC noted that stakeholder input would be valuable in future audits.

**ACTIONS:**

1. The VFA to provide FCRSC with the final audit report ahead of FCRSC #50.

**5(d) Review of Fisheries Cost Recovery**

**BACKGROUND:**

At FCRSC #48, members discussed the pending review of cost recovery and recommended that a tender for services be developed to focus on the economics and available models of cost recovery for Victorian commercial fisheries. A tender was prepared but there was a delay in the process. A revised tender and timing was provided to FCRSC at the meeting.

**OUTCOMES:**

1. FCRSC noted the tender would look at a variety of recovery models rather than the current system.

2. FCRSC noted that the model applied in Western Australia uses a dual-approach model. Cost recovery covers essential regulatory services, but further recovery occurs on a fishery by fishery basis to cover additional services as agreed between industry and government.

3. FCRSC noted it was important that the review consider services that were delivered but not recovered. This would support the VFA claiming greater funds from consolidated revenue in future.

4. FCRSC noted that the VFA was likely to use the review to consider alternative models and focus less on changes to the prospective system. Industry noted that the ‘prospective’ nature of the current system was problematic.

5. FCRSC noted the tender document would include ‘’That the Abalone Royalty is to be abandoned and include this is as a given in the review’.

**ACTIONS:**

1. The Sec to proceed with approval of the revised tender for release in November.

**6) Next meeting**

**OUTCOMES:**

1. FCRSC agreed that the next would be as scheduled on 5 December 2018 from 9am-1pm.

2. The meeting closed at 11.50am.

**ACTION ITEMS FROM FCRSC #49**

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| **ITEM** | **ACTION** | **RESPONSIBILITY** | **DUE DATE** |
| Acceptance of Agenda |
| **49-4** | 1. The Secretariat to circulate correspondence and FCRSC#48 Minutes with the Minutes from FCRSC#49.2. SIVMs Nolle to forward information to the VFA on workshops being run by DIIS. 3.The Secretariat to investigate the option of teleconference with interstate government representatives on cost recovery at a future meeting | SecretariatSIVSecretariat | DoneDoneFCRSC #50 |
| Offsets, waivers and costing base for 2019-20 |
| **49.5(a)** | 1. The VFA to provide a discussion paper on the Sea Urchin licence class in Victoria and other states and considering the price for sale and common benefits of commercial harvesting, including the benefits removal of Urchins provides other fisheries. The Sec will include the issue in the letter to the Minister.2. The Sec to provide a summary of FTE base costs over the previous five years.3. The VFA to provide an estimated range for tenders for the abalone and rock lobster research services in 2019-20 based on past costs and to allow an appropriate, prospective ‘maximum levy’ to be set with confidence. 4. SIV to identify workplan activities and anticipated costs for VFA research staff as an agenda item at the upcoming RLRAG meeting.5. The Sec to email the 2017-18 final report to committee members. | VFASecretariatVFASIVSecretariat | FCRSC #50 |
| Update on service schedules |
| **49.5(b)** | 1. The Sec to clarify stakeholders as commercial licence holders in the text under Management Services.2. The Sec to clarify the delivery of reference points in the Gippsland lakes schedule for 2017-18. 3. The Sec to email the 2018-19 service schedules and 2017-18 final report to FCRSC members.4. The Sec to ensure the fee schedule on the bottom of each schedule is in the correct order to correlate with the remainder of the Schedule. | SecretariatSecretariatSecretariatSecretariat | 15 Nov 2018 |
| Cost Recovery Audit |
| **49.5(c)** | 1. The VFA to provide FCRSC with the final audit report ahead of FCRSC #50.  | VFA | 21 Nov 2018 |
| Review of Fisheries Cost Recovery |
| **49.5(d)** | 1. The Sec to proceed with approval of the revised tender for release in November.  | Secretariat | 18 November 2018 |
| Next meeting |
| **49-6** | 1. FCRSC Meeting #50 will be held 5 Dec 2018 from 9am-1pm. | Secretariat | FCRSC #50 |