



*Australian Government*

*Environment and Energy Portfolio*

*Great Barrier Reef Marine Park Authority*

## **COST RECOVERY IMPLEMENTATION STATEMENT**

### **COST RECOVERY FOR MANAGING THE PERMISSION SYSTEM UNDER THE *GREAT BARRIER REEF MARINE PARK ACT 1975***

**2017-2018**

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## GLOSSARY

The following list is a summary of commonly used words and acronyms within this document.

Words and Acronyms	Definition
<b>Applicant</b>	A person, as defined by common law, who has made a valid application to undertake an activity in the Marine Park
<b>The Cost Recovery Guidelines</b>	The 2014 Australian Government document outlining the principles and criteria for cost recovery activities
<b>CRIS</b>	Cost Recovery Implementation Statement
<b>GBRMPA</b>	Great Barrier Reef Marine Park Authority
<b>Marine Park Act</b>	<i>Great Barrier Reef Marine Park Act 1975 (Cth)</i>
<b>Permission system</b>	Legislation, policies, guidelines procedures and systems related to how the agency manages permissions and accreditations that are regulated under the Act, the Regulations and/or the Zoning Plan; and activities outlined in Part 5 of the Zoning Plan.
<b>Permit</b>	A written document issued by the agency which specifies permitted activities and the conditions of the permission(s). A single permit may contain multiple permissions (that is, written permission for several different activities)
<b>Regulations</b>	Great Barrier Reef Marine Park Regulations 1983
<b>Zoning Plan</b>	Great Barrier Reef Marine Park Zoning Plan 2003.

## 1 INTRODUCTION

The *Great Barrier Reef Marine Park Act 1975* (Cth) (Marine Park Act) is the Australian Government's central piece of environmental legislation for the long-term protection and conservation of the environment, biodiversity and heritage values of the Great Barrier Reef Region. The Great Barrier Reef Marine Park Authority (GBRMPA) is responsible for administering the regulatory functions of the Marine Park Act.

In order to achieve the objects of the Marine Park Act, the Act provides for, *inter alia*, the development and implementation of zoning plans and plans of management. The Act also provides for regulating, including by a system of permissions, use of the Marine Park in ways consistent with ecosystem-based management and the principles of ecologically sustainable use.

Section 7 of the Marine Park Act sets out the functions of the Great Barrier Reef Marine Park Authority board. These include, but are not limited to ... (iii) managing the Marine Park including the consideration of applications for permissions under the *Great Barrier Reef Marine Park Zoning Plan 2003* (Zoning Plan).

The Zoning Plan establishes what activities within the Marine Park require permission from the Authority. This is achieved through the assessment of mandatory and discretionary considerations as outlined in the *Great Barrier Reef Marine Park Regulations 1983* for each application. Further detail is available at: [www.gbrmpa.gov.au/zoning-permits-and-plans/permits](http://www.gbrmpa.gov.au/zoning-permits-and-plans/permits).

### 1.1 Joint permissions

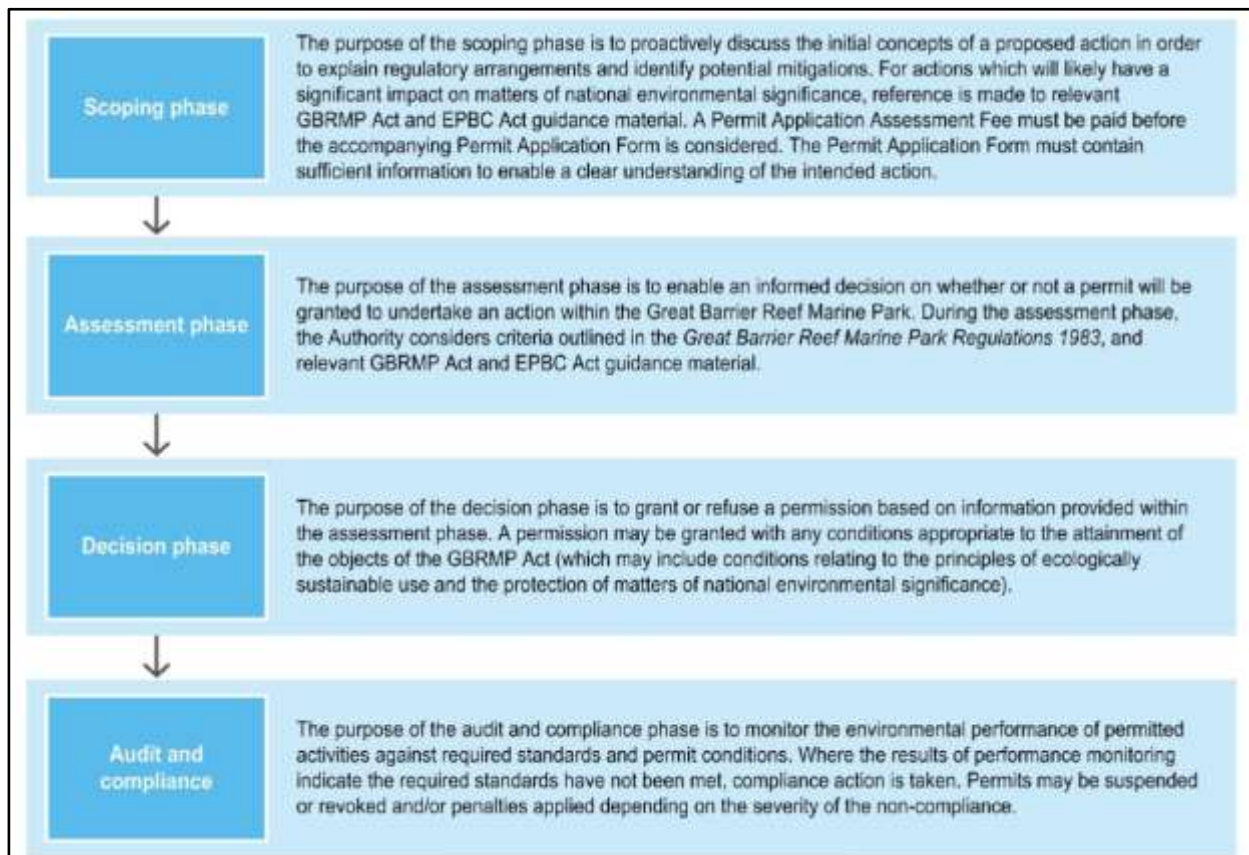
The Great Barrier Reef World Heritage Area is managed jointly by the Australian and Queensland governments under an Inter-Governmental Agreement and complementary legislation. The Inter-Governmental Agreement commits to maintaining complementarity and improving the efficiency and effectiveness of the permission system. Zoning is complementary across the Commonwealth Marine Park and State Marine Park, with similar zones, zone objectives and rules about use and entry. Some activities require permission for both Marine Parks. Because of this, a joint permission system has been in place for several decades to streamline the process for applicants and to ensure a complementary approach between State and Commonwealth Marine Parks. In most cases, the joint permission system includes processes that meet both State and Commonwealth requirements, such as:

- A single application meets the requirements of both Commonwealth and Queensland legislation.
- Where required, a single public comment period meets the requirements of both Acts.
- A single assessment report is prepared with contributions from both managing agencies.
- A separate decision is made on each application by the Queensland Parks and Wildlife Services (QPWS) delegate and the GBRMPA delegate.

GBRMPA usually administers and manages the assessment process, including preparation of an assessment report. For certain types of applications that have been pre-agreed, GBRMPA refers the application to QPWS for consideration of State matters. Internal procedures established between GBRMPA and QPWS determine to what extent QPWS is involved in the assessment process. More information about the joint permissions process can be found on GBRMPA's [website](#).

## 1.2 Purpose of this cost recovery implementation statement (CRIS)

The purpose of this CRIS is to describe the cost recovery mechanisms associated with GBRMPA's implementation of the permission system. This includes the scoping phase, assessment phase, decision phase and the audit and compliance phase (Figure 1).



**Figure 1. The four key steps in the permission system.**

Cost recovery more equitably shares the costs of protecting the Marine Park environment between the community and those who derive a private benefit from the ability to apply for permission to undertake an action otherwise prohibited by the Marine Park Act. Cost recovery, by providing a source of funding related to the amount of assessment activity undertaken by GBRMPA, improves the agency's ability to respond to changes in demand for its services.

GBRMPA recovers a partial amount of the total costs of assessing permit applications. Permit application assessment fees were introduced in 1990 for tourist access to the Reef and for major projects. The permit fees were substantially revised in July 2002 in line with cost recovery principles but prior to the adoption of the Australian Government Cost Recovery Guidelines (2014)<sup>1</sup> and the Australian Government Charging Framework<sup>2</sup> (Charging Framework).

When the fees were introduced in 1990, they were designed to cover the full average cost of assessing an application for a commercial permit. Government considered it to be in the public interest not to charge for the assessment of applications for education activities or research permits. The extent to which each permit type is cost recovered depended on the nature of the regulated activity, and the potential impact charges may have on policy objectives, compliance and industry.

<sup>1</sup> Australian Government Cost Recovery Guidelines - <http://www.finance.gov.au/resource-management/charging-framework/charging-for-regulatory-activities/>

<sup>2</sup> Australian Government Charging Framework - <http://www.finance.gov.au/resource-management/charging-framework/>

Permit assessment activities under the Marine Park Act are suitable for cost recovery, consistent with the Cost Recovery Guidelines, because they meet the following criteria:

- the activities involve the assessment and decisions on applications to undertake activities;
- the activities deliver a clear benefit for a particular beneficiary;
- charging for these activities is consistent with policy goals under the Marine Park Act; and
- it is efficient to implement cost recovery arrangements on a ‘fee for service’ basis, as the GBRMPA can determine costs of its services, attribute these costs to particular applicants and recover them at the statutory decision points.

This CRIS provides information on how GBRMPA currently implements cost recovery for permissions-related activities under the Marine Park Act. Fees are established in the Regulations (Part 7) as partial cost recovery. The fees were set to reflect the amount of time spent administering and/or assessing the request for permission, and therefore vary according to the complexity of the request. It also contains financial forecasts for 2016-17 and three forward years. GBRMPA will maintain the CRIS until the activity or cost recovery for the activity has been discontinued.

As the fee structure currently pre-dates the Australian Government Cost Recovery Guidelines and the Australian Government Charging Framework, a detailed review of the fee structure is proposed as part of the implementation of the permissions enhancement project. Consultation will be an important element of this review.

### **1.3 Description of the activity to be cost recovered**

This CRIS relates to assessments of applications for permission to conduct a variety of activities within the Marine Park and to administrative actions when Permittees request changes to existing permits.

The main purpose of GBRMPA undertaking environmental assessment activities is to provide for the protection and conservation of the environment, biodiversity and heritage values of the Great Barrier Reef Marine Park. The types of permission identified in the Zoning Plan are listed in Table 1. Not all permission types are charged a fee for the assessment.

Anyone applying for permission (or other permission related administrative processes listed in the Regulations) will be charged a fee unless:

- a. The application is for the traditional use of marine resources.
- b. The application is for taking animals or plants that pose a threat to human life or safety, to marine or island ecosystems, or to the use and amenity of an area of the Marine Park.
- c. The purpose of the activity is not ‘of a commercial nature.’
- d. GBRMPA decides that the assessment is minimal.

GBRMPA considers whether the purpose of the activity is ‘of a commercial nature,’ not whether the applicant is ‘of a commercial nature.’

In determining if an activity is ‘of a commercial nature,’ GBRMPA considers if the activity constitutes, or has sufficient connection with, the provision of goods or services for reward (either monetary or non-monetary). This includes activities that are carried out with a view to profit or an intention to make a profit, but may also cover goods or services for non-monetary reward such as free publicity or free trips on a boat.

Applicants subject to cost recovery include private entities, individuals, and government agencies. It is possible for non-profit community groups, government agencies, research agencies and educational institutions to conduct an activity with a purpose that is of a commercial nature. The specific activity needs to be evaluated as to its primary purpose in order to determine whether it is of a commercial nature.

**Table 1. Permission types.**

Permission type
Carrying out works - beach protection works
Carrying out works - dredging
Carrying out works - dumping of spoil
Carrying out works - harbour works
Carrying out works - reclamation
Collecting
Conducting a tourist program
Conducting a vessel or aircraft charter operation
Conducting an aquaculture operation
Conducting an educational program, other than a limited educational program
Fishing involving - taking in a harvest fishery other than an accredited harvest fishery
Fishing involving – conduct of a developmental fishery program
Navigating a managed vessel or aircraft
Operating a facility - building, assembling, fixing in position, maintaining or demolishing the facility
Operating a facility - constructing or operating mooring facilities for vessels or aircraft – 4 or more moorings.
Operating a facility - constructing or operating mooring facilities for vessels or aircraft – one to 3 moorings
Operating a facility - operating a landing area or facility for aircraft
Operating a facility - discharging waste from the facility
Operating a fishing industry service vessel
Operating a vessel or aircraft in 1 vicinity for more than 14 consecutive days
Operating a vessel or aircraft in 1 vicinity for more than 30 days in any period of 60 days
Program to take animals or plants that pose a threat to - human life or safety
Program to take animals or plants that pose a threat to - marine ecosystems of the Marine Park
Program to take animals or plants that pose a threat to - the use or amenity of a part of the zone or an adjacent area
Research, other than limited impact research (extractive) or limited impact research (non-extractive)
Traditional use of marine resources
Any other purpose that is consistent with the objective for the zone

#### 1.4 Basis of charging – fee or levy

The Cost Recovery Guidelines outline two types of cost recovery charges:

- fees that charge individuals or firms directly for the cost of the service; or
- levies on a group of individuals or firms (legally a form of taxation). A taxation act is required to collect levies<sup>3</sup>.

The Cost Recovery Guidelines stipulate that, where appropriate, charges should be based on fees. GBRMPA determined that a fee for service is an appropriate cost recovery charge for permission system activities under the Marine Park Act; therefore this CRIS describes one type of fee as prescribed in Regulations.

#### 1.5 Inter/intra governmental charging

Cost recovery arrangements outlined in this CRIS generally apply equally to government agencies and the private sector. Where government agencies are applicants, they derive the same benefits from services provided under the Marine Park Act as private sector individuals and organisations. Therefore it is appropriate to charge applicant government agencies in the same manner as the private sector.

<sup>3</sup> The Australian Government Cost Recovery Guidelines, <http://www.finance.gov.au/resource-management/charging-framework/charging-for-regulatory-activities/>

## 1.6 Policy and statutory authority to cost recover

### 1.6.1 Government policy approval to cost recover

The Australian Government announced in the 2016-17 Budget the continued cost recovery for permissions system activities under the Marine Park Act.

### 1.6.2 Statutory authority to impose cost recovery charges

The GBRMP Regulations in relation to fees and charges related to the permission system have been in effect since the 1990s with a comprehensive update in 2002. The Regulations include:

- the requirement for full payment of relevant fees as part of statutory processes or incremental payment when part of public environment report or environmental impact statement processes;
- the amount of fee owing depending on the type of activities conducted under an application for a permission;
- a formula for calculating indexation;
- requirements as to the timing of fee payments; and
- provision for exemptions, waivers and refunds.

A copy of the current Marine Park Act and Regulations can be found on the Federal Register of Legislation website (see [www.legislation.gov.au](http://www.legislation.gov.au)).

## 2 COST RECOVERY MODEL FOR PERMISSION SYSTEM

There are two categories of set fees associated with the permission system:

- Permit application assessment fees; and
- Permit administration fees.

### 2.1 Permit application assessment fees

A permit application assessment fee is collected to cover the cost of processing some applications for Marine Parks permits by GBRMPA. The fee is charged prior to assessing the application. There are two types of permit application assessment fees:

- **Initial fees** apply if applying for a new operation or significantly changing an existing one; and
- **Continuation fees** apply to operators who already hold a permit, but who wish to continue operations beyond the permit expiry date. Continuation fees will only apply if permit applications are lodged before the existing permit expires, subject to Regulation 88H(2).

The existing permit application assessment fee structure is outlined in Table 2.

**Table 2. Permit application assessment fees (applies for calendar year 2017 only)**

Proposed activity	Initial fee	Continuation fee
Activity that requires use of an aircraft or vessel having a maximum passenger capacity of:		
a) less than 25 passengers	\$740	\$740
b) 25 to 50 passengers	\$1,050	\$850
c) 51 to 100 passengers	\$1,930	\$1,180
d) 101 to 150 passengers	\$3,220	\$1,710
e) more than 150 passengers	\$5,380	\$2,150
Activity that requires the use of a facility or structure in the Marine Park	\$2,360	\$2,360
Activity that requires a public notice (as it may restrict reasonable use by the public)	\$8,610	\$3,220
Activity that requires a public environment report to be prepared	\$43,110	\$43,110
Continuation of an activity that required a public environment report, where another report is not required	-	\$5,380
Activity that requires an environmental impact statement to be prepared	\$116,440	\$116,440
Continuation of an activity that required an environmental impact statement, where another statement is not required	-	\$5,380
Any other activity (including moorings)	\$740	\$740



## 2.2 Permit administration fees

If permission is granted, it is monitored for the period of approval. During this post approval phase, various activities can take place at the request of the permit holder, including requests for variations to conditions or transfers of permissions to new permission holders. The current fees for administrative actions are outlined in Table 3.

**Table 3. Permit administrative fees for other applications and requests (applies for calendar year 2017 only)**

Proposed action	Amount
Transfer of a permit	\$610
Variation of a permit condition	\$420
Change to a Vessel Notification Approval (VNA)	\$57
Replacement of a VIN*, BIN* or AIN* or the documents evidencing an identification number	\$57
Re-issue of a permit	\$57
Request to GBRMPA for information about any of the following:	-
(a) the conditions to which the permission is subject	\$57
(b) whether the permission is in force	\$57
(c) the activities for which the permission has been granted	\$57
Request to vary an application if, as a result of the variation:	-
(a) GBRMPA must notify or re-notify	\$57
(b) an assessment, or an additional assessment, must be made	\$57
Request for a summary of documents, being a list of any or all of the following:	-
(a) each permission granted to the person making the request	\$57
(b) each application made by the person	\$57
Lodgement fee for permit allocation (special permits)	\$346
AIM Plaque	\$18.70
BIN Plaque	\$11.00
VIN Plaque	\$18.70

\*VIN, BIN, AIN (vessel identification number, bareboat identification number, aircraft identification number)

There is no fee for minor changes to an existing permit.

## 2.3 General information about permission system fees

### 2.3.1 *Determining what fee will be charged*

The fee charged is based on the type of operation being applied for and will vary depending on its size and potential for environmental impacts. Generally, the bigger the operation, the more likely there will be impacts on the Marine Park, therefore the cost of the assessment will be greater (refer Table 2 above). Table 4 below outlines broadly how the fees apply to the various permission types.

**Table 4. Guide to fees for different permission types.**

**NOTE:** Fees only apply for commercial activities.

Permission type	Permit fee category (Table 128 of the Regulations)
Carrying out works - beach protection works	Other activity
Carrying out works - dredging	Activity that requires the use of a facility or structure in the Marine Park
Carrying out works - dumping of spoil	Other activity
Carrying out works - harbour works	Other activity
Carrying out works - reclamation	Activity that requires the use of a facility or structure in the Marine Park
Collecting	Other activity

Permission type	Permit fee category (Table 128 of the Regulations)
Conducting a tourist program	Activity that requires use of an aircraft or vessel having a maximum passenger capacity of:
	(a) fewer than 25 passengers
	(b) 25 to 50 passengers
	(c) 51 to 100 passengers
	(d) 101 to 150 passengers
	(e) more than 150 passengers
OR	
Other activity - If the applicant does not need permission for their own aircraft or vessel – for example, leading snorkel tours off someone else’s boat which already has its own permit	
Conducting a vessel or aircraft charter operation	Activity that requires use of an aircraft or vessel having a maximum passenger capacity of:
	(a) fewer than 25 passengers
	(b) 25 to 50 passengers
	(c) 51 to 100 passengers
	(d) 101 to 150 passengers
(e) more than 150 passengers	
Conducting an aquaculture operation	Activity that requires the use of a facility or structure in the Marine Park
Conducting an educational program, other than a limited educational program	Other activity
Fishing involving - taking in a harvest fishery other than an accredited harvest fishery	Other activity
Fishing involving – conduct of a developmental fishery program	Other activity
Navigating a managed vessel or aircraft	Activity that requires use of an aircraft or vessel having a maximum passenger capacity of:
	(a) fewer than 25 passengers
	(b) 25 to 50 passengers
	(c) 51 to 100 passengers
	(d) 101 to 150 passengers
(e) more than 150 passengers	
Operating a facility - building, assembling, fixing in position, maintaining or demolishing the facility	Activity that requires the use of a facility or structure in the Marine Park
Operating a facility - constructing or operating mooring facilities for vessels or aircraft – 4 or more moorings.	Activity that requires the use of a facility or structure in the Marine Park
Operating a facility - constructing or operating mooring facilities for vessels or aircraft – one to 3 moorings	Other activity
Operating a facility - operating a landing area or facility for aircraft	Activity that requires the use of a facility or structure in the Marine Park

Permission type	Permit fee category (Table 128 of the Regulations)	
Operating a facility - discharging waste from the facility	Activity that requires the use of a facility or structure in the Marine Park	
Operating a fishing industry service vessel	Other activity	
Operating a vessel or aircraft in 1 vicinity for more than 14 consecutive days	Activity that requires use of an aircraft or vessel having a maximum passenger capacity of:	
	(a) fewer than 25 passengers	
	(b) 25 to 50 passengers	
	(c) 51 to 100 passengers	
	(d) 101 to 150 passengers	
Operating a vessel or aircraft in 1 vicinity for more than 30 days in any period of 60 days	Activity that requires use of an aircraft or vessel having a maximum passenger capacity of:	
	(a) fewer than 25 passengers	
	(b) 25 to 50 passengers	
	(c) 51 to 100 passengers	
	(d) 101 to 150 passengers	
Operating a vessel or aircraft in 1 vicinity for more than 30 days in any period of 60 days	(e) more than 150 passengers	
	Activity that requires use of an aircraft or vessel having a maximum passenger capacity of:	
	(a) fewer than 25 passengers	
	(b) 25 to 50 passengers	
	(c) 51 to 100 passengers	
Operating a vessel or aircraft in 1 vicinity for more than 30 days in any period of 60 days	(d) 101 to 150 passengers	
	(e) more than 150 passengers	
	Program to take animals or plants that pose a threat to - human life or safety	No fee applies
	Program to take animals or plants that pose a threat to - marine ecosystems of the Marine Park	No fee applies
	Program to take animals or plants that pose a threat to - the use or amenity of a part of the zone or an adjacent area	No fee applies
Research, other than limited impact research (extractive) or limited impact research (non-extractive)	Other activity	
Traditional use of marine resources	No fee applies	
Any other purpose that is consistent with the objective for the zone	Depends on nature of the activity - select the fee category that most closely matches the activity (for example, vessel or facility)	

If a proposed activity is only operating vessels or aircraft and the applicant has not applied to operate a structure or facility in the Marine Park, the fee will be based on the maximum passenger capacity of all vessels or aircraft covered by the application.

The permit application assessment fee can only be decided once a final application is submitted.

The 'continuation of permission' fee referred to in Table 2 only applies to genuine continuation applications, that is an application:

- a. to conduct the same activity as is currently permitted; and
- b. using the same type of vessel/aircraft/equipment as currently permitted; and
- c. in the same location as is currently permitted; and
- d. accepted by GBRMPA as a valid application before the current permit expires.

Where the activity or location changes significantly, the 'initial permission' fee will apply.

In all cases, only a single fee is charged for each process. Where multiple permissions or activities are being applied for, the higher or highest single fee applies.

- a. Where permission is being sought for multiple vessels which are capable of operating independently, the fee is calculated based on the sum total passenger capacity of all vessels.
- b. Where there is a primary vessel and ancillary vessels (such as tenders) associated with it, the fee is calculated based on the passenger capacity of the primary vessel.

Multiple fees may apply if several different processes are triggered.

### 2.3.2 When do the fees have to be paid?

The permit application assessment fee payment can be supplied with the application and GBRMPA will confirm whether the payment amount is correct.

Alternatively, an invoice for the fee can be sent, allowing 21 days from the date of that notice to pay the fee. If the assessment fee isn't paid within 21 days, the application will lapse and there is no provision for an extension of time (Regulation 132). No decision will be made on a permit application until the assessment fee has been paid.

If the application lapses and the current permit expires, the applicant will have to pay the higher assessment fee charged for obtaining a new permit when re-applying and all activities conducted under the expired permission will have to cease until the new application is assessed and a decision made.

For large operations requiring an Environmental Impact Statement or a Public Environment Report there is provision for payments to be made by instalments. The fee structure establishes an initial fee (which must be paid before an application is accepted) and further fee/s once the public comment document is released (for example a public environment report or an environmental impact statement). The fee is due within 21 days after the date that GBRMPA gives notice the fee is due.

Permit administrative fees can be paid at the time the request for administrative action is requested or the agency can provide an invoice to the applicant. Regulation 143(2) states that the application or request will lapse if the fee is not paid within 10 working days after the date of the notice.

### 2.3.3 Can a fee be waived?

A permit application assessment fee may be waived in exceptional circumstances where the decision maker is satisfied that the assessment time required is minimal (Regulation 130). It is highly unusual for a decision maker to waive a fee.

There is no ability for GBRMPA to waive a permit administrative fee.

### 2.3.4 Are fees refundable?

Refunds of fees are only allowed if an application for permission is withdrawn within 21 days of the notice being given to the applicant that a fee is payable (Regulation 131). This is the only case in which fees may be returned.

Permit application assessment fees are not refundable if the application is refused. The fees are to cover costs of assessing an application whether or not a permit is granted.

None of the permit administrative fees are refundable.

### 2.3.5 How often does a permit application assessment fee have to be paid?

Each time a relevant application is made, an assessment fee will be charged. Permits are issued for different periods depending on the activity; however, even if the operation does not change, an assessment fee is required at the time a continuation application is made.

### 2.3.6 Is there a fee to change the type of activity conducted?

Changing the type of activity may require a further assessment of the impacts of the new activity. An assessment must occur before any changes can commence. Significant changes which may require an initial assessment fee include:

- Increase in passenger capacity;
- Changes in type of activities; or
- Additions to permitted locations.

## 3 RISK ASSESSMENT

The most likely risks associated with the current permission system fees are:

- cost recovery fees creating a disincentive to seek permissions for activities in the Marine Park, necessitating an increase in compliance costs and undermining the cost recovery arrangements;
- inherent risks in implementing existing cost recovery arrangements;
- incorrectly invoicing fees, which could manifest in increased workload to refund amounts received or to invoice outstanding amounts;
- out-dated fee / charging regime.

GBRMPA is managing these risks by:

- continuing to identify unpermitted activities through the Joint Field Management Program and where possible having those offenders apply for permissions or, failing that, undertaking usual compliance options;
- providing guidance material and training to GBRMPA staff including maintaining up to date information on the GBRMPA's website; and
- providing tools and guidance material to agency staff and applicants on how the fees are charged;
- Undertaking a formal review of all fees as per the Charging Framework requirements (see section 7).

Impacts on the community are limited to businesses and individuals who undertake actions which require permission under the Marine Park Act. The amount of fees payable vary according to the type of permission applied for, generally based on complexity of the project. These charges will have a moderate impact on those people affected.

The next section provides detail on the stakeholder consultation that has been carried out in relation to this CRIS. The risk of stakeholders not understanding the process or having issues with implementation can be addressed by:

- ensuring that efficient business systems are in place to manage cost recovery;
- communicating with stakeholders about the policy;
- committing to review all permission related fees and charges, including the environmental management charge by 2020; and
- reporting on non-financial performance indicators to show GBRMPA's commitment to improving processes.

## 4 STAKEHOLDER ENGAGEMENT

GBRMPA has engaged with stakeholders on cost recovery arrangements at a number of points since fees began to be charged. Most recently GBRMPA sought comments on the existing (2016-2017) arrangements for permission system fees from 24 March through 24 April 2017. The following emails were sent by GBRMPA notifying potentially interested stakeholders of the opportunity to comment:

- All 12 Local Marine Advisory Committees
- Tourism Reef Advisory Committee members

- Indigenous Reef Advisory Committee members
- All current Permittees

Seven submissions were received. Issues raised in those submissions included:

- more equitable charging of other users of the Marine Park;
- research contributes to management and understanding of the Marine Park and should be exempt from fees
- ensuring clear communication about cost recovery measures;
- ensuring the full review proposed to commence in 2017-18 includes meeting with permittees to explain objectives and receive local feedback
- feelings that the tourism industry fund more than their fair share of costs associated with the reef.
- confusion that this cost recovery implementation statement was proposing new arrangements when it was setting out the existing arrangements;
- that fees should be benchmarked against other jurisdictions to ensure value for money.

Some issues raised were beyond the scope of cost recovery measures for the permission system. This included comments about the following:

- that any fee increases will not result in improved performance by the agency;
- that higher levels of cost recovery will lead to an increase in the number of more complex environmental assessment processes by proponents rather than the process being based on risk;
- that the agency continues to look at opportunities to gain efficiencies in the permission system process;
- believing the existing fee structure for an application is fair but the decision time is too long in some cases;
- there is duplication of fees across governments for what is perceived to be similar activities and that there are already too many fees charged by government;
- that there should be charging for people to use and access the Great Barrier Reef Marine Park even if they do not need a permit (e.g. a levy on recreational watercraft registration; commercial and recreational fishing activities)
- there is a need to improve the environmental management charge arrangements
- that GBRMPA develop Service Level Agreements with proponents for major projects and that service levels are regularly reviewed
- that further guidance material is developed for each permission type and assessment level to explain how the assessment process

GBRMPA is maintaining a cost recovery mailbox ([cost.recovery@gbmpa.gov.au](mailto:cost.recovery@gbmpa.gov.au)) for ongoing feedback on the cost recovery arrangements. GBRMPA will continue to keep stakeholders informed about the development and implementation of cost recovery measures. Communication materials can be found on the GBRMPA website (see [www.gbrmpa.gov.au/Permits](http://www.gbrmpa.gov.au/Permits)) including factsheets and frequently asked questions.

## **5 FINANCIAL ESTIMATES**

### **5.1 Status of cost recovery**

GBRMPA permits are currently cost recovered on a partial basis. GBRMPA estimated in the 2016-2017 Portfolio Budget Statement that fees amounting to \$340,000 would be recovered in the current financial year and in the forward estimates.

## 5.2 Costs of the permission system

The costs to GBRMPA associated with the implementation of the permission system include the following: (due to the scale of the activity, expenses are provided in aggregate):

- **Employee costs and overheads:** Includes salaries and wages, superannuation, leave entitlements and allowances.
- **Travel:** Cost of staff travel where required for assessment purposes.
- **Gazettals – public notices:** Advertising and public notice costs, as required for selected permits.
- **Equipment:** Costs of obtaining necessary equipment for field and administrative works.
- **Consultants:** Costs of obtaining necessary technical advice and assessments from consultants.

The cost for implementation in the permission system generally relates to staff costs. Staff costs include the base salary, superannuation and other on-costs for staff, at a range of classifications, who are directly involved in the assessment process. The total cost also includes a component of corporate overheads (accommodation and property expenses, information technology costs and human resources support) that can be attributed to staff who are directly involved in the assessment process.

The costs outlined in Table 5 reflect the amounts associated with the Environmental Assessment and Protection section within GBRMPA. This section is the primary point for processing applications and post-permit decisions including compliance.

**Table 5: Actual budgeted expenses for 2016-2017**

Activity / Task	Total (\$)
<b>Employee costs &amp; overheads (n=24FTE)</b>	2,178,212
<b>Travel</b>	85,000
<b>Operations including gazettals/public notices, equipment, postage</b>	90,349
<b>Consultants</b>	90,000
<b>Total</b>	<b>2,443,561</b>

The costs outlined in Table 5 do not include capital investments to develop systems to manage and track permission system processes such as applications, referrals, information requests and compliance actions.

The costs also do not include the time of other GBRMPA staff to provide technical or expert advice in relation to tourism policy, species conservation and legal interpretation. Nor does it include staff costs from the Queensland Parks and Wildlife Service<sup>4</sup>.

### 5.2.1 *Changes in cost base*

During the 2016-17 financial year GBRMPA does not anticipate significant unplanned capital expenditure nor increases in salary or supplier costs. The review of permission system fees will revise the cost recovery fees in accordance with the Australian Government's Cost Recovery Guidelines and Charging Framework (see section 7).

## 5.3 Charge Structure

Fixed access charges for each category of relevant permissions are considered the most appropriate mechanism, given that the activities are similar and the beneficiaries are identifiable. Where required, a scale of fees is used to reflect the significance of an assessment or regulated activity.

<sup>4</sup> Most applications associated with the permission system are decided jointly with the Queensland Parks and Wildlife Service after GBRMPA staff have led the assessment process. These costs associated with implementing the joint permission system with the Queensland Parks and Wildlife Service occur through the Joint Field Management Program

Fees were originally based on the practicality and administrative cost required to assess a permit application. The most appropriate mechanism to determine administrative effort required to assess a permit was considered to be the potential impact on the Marine Park, as indicated by the size and passenger carrying capacity of a vessel (i.e. greater potential impact required closer assessment).

#### 5.4 Volume and/or demand assumptions – permission system

The regulatory process for the permission system under the Marine Park Act has been operating since the 1990s. The GBRMPA is currently undertaking a significant streamlining initiative that will improve transparency and consistency of decisions as well as reduce assessment timeframes. However, the complexity of activities being applied for has increased as has the need for more dedicated site planning to address congestion and other uses of the Marine Park.

To provide an estimate of the demand for the 2016-17 financial year, the GBRMPA assumed that the expected number of applications and administrative requests under the Marine Park Act would be broadly similar to the previous financial years (Table 6).

**Table 6. Permit applications for the past three financial years**

Item	2013–14	2014–15	2015–16
<b>Permit applications received per annum</b>	507	472	413
<b>Total permits issued per annum</b>	449	332	327
<b>Level one (low risk) permits issued (% of total)</b>	382 (91%)	308 (93%)	242 (77%)

Not all permit applications are concluded within one financial year; more complex applications can take several years to get to the point of making a decision on an assessment. The volume of activities in any year will include new applications and assessments continuing from previous years.

#### 5.5 Projected revenue and expenses

Projected revenue is not expected to vary significantly until the implementation of revised cost recovery measures after the review mentioned in Section 7.

#### 5.6 Financial performance

The financial performance of the permission system cost recovery during the past three financial years indicates that the cost recovery is providing between 12 and 18 per cent of the actual costs associated with the processing of permissions applications (Table 7). These figures are based on the GBRMPA's annual financial statements audited by the Australian National Audit Office.

**Table 7. Financial performance of permission system fees for the past three financial years**

	2013-14	2014-15	2015-16
<b>Actual revenue*</b>	341,000	350,000	272,000
<b>Actual expense</b>	1,912,000	1,981,000	2,247,000
<b>Balance +/-</b>	-1,571,000 (17.8%)	-1,631,000 (17.7%)	-1,975,000 (12.1%)

\*as reported in the agency's annual reports for each financial year

Over the forward estimates (Table 8), the agency has projected similar revenue from permission system fees as the past three financial years. During this time the agency intends to undertake a comprehensive review of the permission system fees (see Section 7).

**Table 8. Financial performance of permission system fees for the next three financial years**

	2016-17	2017-18	2018-19
<b>Estimated revenue*</b>	340,000	340,000	340,000
<b>Estimated expense</b>	2,443,561	2,383,561	2,383,561
<b>Balance +/-</b>	-2,103,561 (13.9%)	-2,043,561 (14.3%)	-2,043,561 (14.3%)

\*as reported in the agency's Portfolio Budget Statement for each financial year



## **6 NON- FINANCIAL PERFORMANCE**

### **6.1 Non-financial performance indicators**

Non-statutory service level standards for lower risk applications have been proposed as part of implementation of a revised Environmental Impact Management Policy. These standards will take effect from 1 September 2017.

The reporting process on these non-financial performance indicators will provide assurance to applicants that GBRMPA is providing an efficient and effective service.

#### ***6.1.1 Time taken to complete an assessment***

The GBRMPA will also identify any particular points in the process where delays are occurring, and work on strategies to address those delays, which will be included in regular revisions of the CRIS.

At the time of writing, a Service Charter is in development to establish other timeframes for the permission system, which in the future may be considered for inclusion in the Regulations. As part of implementation of new service level standards for decisions on lower risk applications, GBRMPA will monitor:

- the number of business days from receipt of a valid application to requesting further information; and
- the number of business days from receipt of the final information for the assessment and making a decision on the application.

These will be reported annually through GBRMPA's annual report.

### **6.2 Monitoring mechanisms**

In line with the Cost Recovery Guidelines, GBRMPA will engage in the ongoing monitoring of cost recovery revenue and expenses to ensure that it is not over or under recovering costs. GBRMPA will report relevant information in its Annual Report and Portfolio Budget Statement and through updates to this CRIS on a regular basis.

## **7 KEY FORWARD DATES AND EVENTS**

### **7.1 Annual update**

Key forward dates and events for cost recovery for environmental assessments under the Marine Park Act are:

- updating the financial performance for the 2016-17 financial year after the audited results are available; and
- updating this CRIS with the estimated revenue and fees for the 2017-18 financial year.

### **7.2 Future amendments to cost recovery arrangements**

In April 2015, the Australian Government agreed to implement a whole-of-government charging framework to apply across the general government sector. The Charging Framework provides that where an individual or organisation creates the demand for government activity, they should generally be charged for it, unless the Government has decided to fund the activity. The Charging Framework builds on the 2014 Cost Recovery Guidelines and encourages a common approach to planning, implementing and reviewing government charging.

This CRIS is a living document, and will be updated as needed. This version of the CRIS establishes a baseline for partial cost recovery arrangements by the GBRMPA in the 2016-17 financial year.

The Charging Framework applies to all new charging activities from 1 July 2015. For existing charging activities, such as outlined in this CRIS, GBRMPA can determine consistency with the Charging Framework at any time, but no later than their next scheduled charging review.

GBRMPA is committed to reviewing fees as significant improvements are made to the assessment process and online application system, to ensure the costs reflect the benefits of increased efficiency. GBRMPA will involve stakeholders in any significant review of cost recovery arrangements. GBRMPA will commence its charging review in the 2017-18 financial year with a view to changes commencing in the 2020-21 financial year following any necessary Regulation changes. Consultation on specific issues will be undertaken to ensure that the arrangements are well understood by proponents and take account of ongoing streamlining. Specific aspects proposed for consultation include:

- Cost recovery mechanisms for all applications for the Marine Park
- Updating the schedule of fees, from time to time, to reflect increases to the cost base, such as wage increases.

## 8 CRIS APPROVAL AND CHANGE REGISTER

Date of CRIS change	CRIS change	Approver	Basis for change
19/05/2017	Certification of the CRIS	Chairman, GBRMPA	Implementation of new cost recovery implementation statement template
25/5/2017	Approval of the CRIS	Minister for the Environment and Energy	Implementation of new cost recovery implementation statement template