



*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***

**2018-2019**

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## GLOSSARY

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

<b>Words and Acronyms</b>	<b>Definition</b>
Applicant	A person, as defined by common law, who has made a valid application to undertake an activity in the Marine Park
Authority	Great Barrier Reef Marine Park Authority
Cost Recovery Guidelines	The 2014 Australian Government document outlining the principles and criteria for cost recovery activities
Marine Park Act	<i>Great Barrier Reef Marine Park Act 1975 (Cth)</i>
Permission system	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.
Permit	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)
Regulations	Great Barrier Reef Marine Park Regulations 1983
Statement	Cost Recovery Implementation Statement
Zoning Plan	Great Barrier Reef Marine Park Zoning Plan 2003.

## 1 INTRODUCTION

The *Great Barrier Reef Marine Park Act 1975* (Cth) (the 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 (the Authority) 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).

### 1.1 Purpose of this cost recovery implementation statement (this Statement)

This Statement provides information on how the Authority implements partial cost recovery for the permission system. It also reports financial and non-financial performance information for the permissions system and contains financial forecasts for the 2018-2019 budget year and three forward years. The Authority will maintain this Statement until the activity or cost recovery for the activity has been discontinued.

### 1.2 Description of the activity to be cost recovered

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).

The main purpose of the Authority 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 and consistent with this main purposes, allow for ecologically sustainable use of the Region. The types of permission allowed for in the Marine Park are listed in the Zoning Plan.

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. The Authority decides that the assessment is minimal.

The Authority 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,' the Authority 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<sup>1</sup>. 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.

### 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 more than two 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 Authority delegate.
- A single permit is granted authorised by both agency's delegates.

The Authority usually administers and manages the assessment process, including preparation of an assessment report. For certain types of applications that have been pre-agreed, the Authority refers the application to QPWS for consideration of State matters. Internal procedures established between the Authority and QPWS determine to what extent QPWS is involved in the assessment process.

## **2 POLICY AND STATUTORY AUTHORITY TO COST RECOVER**

Permit application assessment fees were introduced in 1990 for tourist access to the Reef and for major projects. Fees are established in the Regulations (Part 7) as partial cost recovery. When the fees were introduced, 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 permission 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.

The permit fees were substantially revised in July 2002 in line with cost recovery principles. However this was prior to the adoption of the Australian Government Cost Recovery Guidelines<sup>2</sup> and the Australian Government Charging Framework<sup>3</sup> (Charging Framework).

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<sup>1</sup> Cost recovery arrangements outlined in this Statement 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>2</sup> Australian Government Cost Recovery Guidelines (2014) - <http://www.finance.gov.au/resource-management/charging-framework/charging-for-regulatory-activities/>

<sup>3</sup> Australian Government Charging Framework - <http://www.finance.gov.au/resource-management/charging-framework/>

## 2.1 Government policy approval to cost recover

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.

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

## 2.2 Statutory authority to impose cost recovery charges

The 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)).

## 3 COST RECOVERY MODEL

### 3.1 Outputs and business processes of the regulatory charging activity

#### 3.1.1 Outputs

The outputs from the regulatory charging activity include the assessment and decision of applications received by the Authority. Outputs also include the processing of administrative requests associated with post-decision activities (refer section 3.3 for a description of the regulatory charges).

#### 3.1.2 Business Processes

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).

**Fee payment:** The permit application assessment fee payment can be supplied with the application and the Authority 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. No decision will be made on a permit application until the assessment fee has been paid.

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). 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 more complex applications 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 the Authority gives notice the fee is due otherwise the application lapses.

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 134(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.

**Fee waiver:** 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 the Authority to waive a permit administrative fee.

**Refunds:** Refunds of fees are allowed only 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(2)). 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.

**Frequency of payments:** Each time a relevant application is made, an assessment fee will be charged. Permissions are granted 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.

**Activity change:** 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 (i) increase in passenger capacity; (ii) changes in type of activities; or (iii) additions to permitted locations.

## **3.2 Costs of the regulatory charging activity**

### **3.2.1.1 Cost drivers**

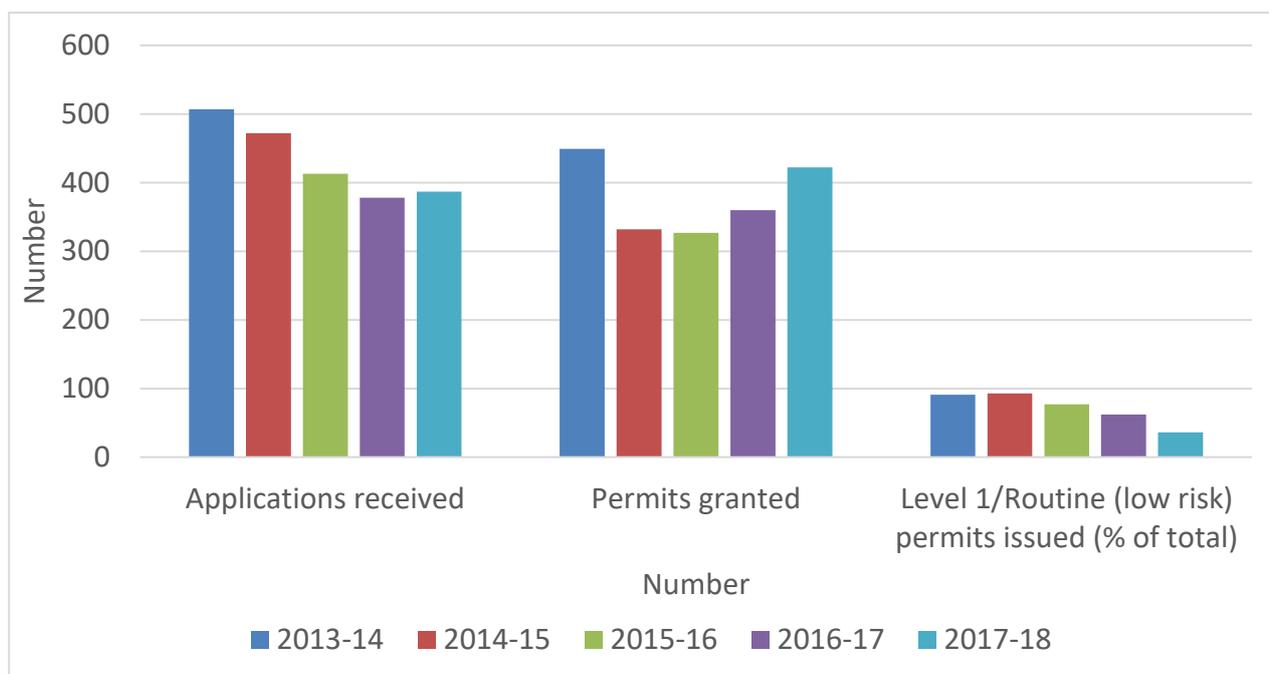
Cost recovery more equitably shares the costs of protecting the Marine Park environment between the community and those who derive a private benefit from the ability to apply for permission to undertake an action otherwise prohibited by the Marine Park Act. Cost recovery, by providing a source of funding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

### **3.2.2 Assumptions about cost drivers**

To provide an estimate of the demand for the current financial year, the Authority assumed that the expected number of applications and administrative requests where fees would apply under the Marine Park Act would be broadly similar to the previous financial years (Figure 1).

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.

The Authority is currently implementing 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 (fewer Level 1 permits being issued, refer Figure 1) as has the need for more dedicated site planning to address congestion and other uses of the Marine Park.



**Figure 1. Permit applications for the past four financial years.**

### 3.2.3 Sensitivity of cost estimates

As noted above, the more complex projects, which are likely to have a higher permission fee charged, can take years to be at a point where a decision can be made. The fee structure of applications that require a public environment report or an environmental impact statement mean that the bulk of the fee is due when the public documents are released for comment. Sometimes applicants change their proposal such that a Marine Park permit is no longer required. This can result in a reduction in fee received (for example, an environmental impact statement that is no longer required means more than \$100,000 is not received by the Authority).

### 3.2.4 Direct and indirect costs for the activity

The costs to the Authority 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 (APS2 through to EL1), 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.

### 3.2.5 Allocation of resources

The relevant section within the Authority is focussed on managing the permission system. More than half of the available resources are dedicated to the application assessment and decision phases including post-decision processes such as reviewing environmental management plans, removal plans, schedules of works, sampling and analysis plans and reports. Most of the plans will

require an assessment, negotiation and, ultimately, written approval by the delegate within the Authority.

The remaining resources assist with auditing compliance with permit conditions and the environmental amangement charge as well as ensuring relevant business system linkages and procedures between the Permit Online portal and the internal Reef Management System database.

More senior level staff also provide advice on operational policy that may be implemented via the permissions system, to ensure relevant matters are considered during its development.

### 3.2.6 Categories of capital costs

Nil

### 3.2.7 Shared resources and delivery by another party

The costs also do not include the time of other Authority 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>.

As noted above, a joint permission system operates with the Queensland Parks and Wildlife Service. They lead the assessments for conduct of education programs and some activities that may be proposed to occur principally within the State Marine Park.

### 3.2.8 Cost management strategies

The Authority is relying on its budget appropriation to cover the shortfall in expenditure until such time that the permission system fees are reviewed in line with Australian Government’s cost recovery guidelines and cost recovery framework. The Authority expects a review of permission system fees will occur before the end of the 2020-2021 financial year (see Section 8).

The Authority recently made a capital investment to its systems to develop a Permits Online portal to facilitate greater efficiencies for business and permission system staff. The online portal allows applications to keep their contact details up to date, to submit applications for permissions, to transfer applications and to issue vessel and aircraft notification approvals.

### 3.2.9 Cost breakdown estimates for current budget year

The costs outlined in Table 1 reflect the budgeted amounts associated with the relevant section of the Authority. This section is the primary point for processing applications and post-permit decisions including compliance.

**Table 1: Actual budgeted expenses for 2018-2019**

Activity / Task	Total (\$)
Employee costs & overheads (n=29FTE)	2,999,740
Travel	62,252
Operations including gazettals/public notices, equipment, postage	134,425
Consultants	40,000
Total	<b>3,236,417</b>

The costs outlined in Table 1 do not include capital investments to develop systems to manage and track permission system processes such as applications, referrals, information requests and compliance actions.

<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

### 3.3 Design of regulatory charges

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>5</sup>.

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

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.

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 greater assessment).

**Fee types:** There are two categories of set fees associated with the permission system: (i) permit application assessment fees; and (ii) permit administration fees.

A permit application assessment 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 and is publicly available at [elibrary.gbrmpa.gov.au/jspui/handle/11017/3249](http://elibrary.gbrmpa.gov.au/jspui/handle/11017/3249).

**Table 2. Permit application assessment fees (applies for calendar year 2019 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	\$770	\$770
b) 25 to 50 passengers	\$1,110	\$890
c) 51 to 100 passengers	\$2,010	\$1,230
d) 101 to 150 passengers	\$3,350	\$1,780
e) more than 150 passengers	\$5,600	\$2,240
Activity that requires the use of a facility or structure in the Marine Park	\$2,460	\$2,460
Activity that requires a public notice (as it may restrict reasonable use by the public)	\$8,960	\$3,350
Activity that requires a public environment report to be prepared	\$44,860	\$44,860
Continuation of an activity that required a public environment report, where another report is not required	N/A	\$5,600
Activity that requires an environmental impact statement to be prepared	\$121,170	\$121,170
Continuation of an activity that required an environmental impact statement, where another statement is not required	N/A	\$5,600

<sup>5</sup> Refer to the Australian Government Cost Recovery Guidelines, <http://www.finance.gov.au/resource-management/charging-framework/charging-for-regulatory-activities/> for more details.

Any other activity (including moorings)	\$770	\$770
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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 2019 only)**

Proposed action	Amount
Transfer of a permit	\$630
Variation of a permit condition	\$430
Change to a Vessel Notification Approval (VNA)	\$59
Replacement of a VIN*, BIN* or AIN* or the documents evidencing an identification number	\$59
Re-issue of a permit	\$59
Request to GBRMPA for information about any of the following:	-
(a) the conditions to which the permission is subject	\$59
(b) whether the permission is in force	\$59
(c) the activities for which the permission has been granted	\$59
Request to vary an application if, as a result of the variation:	-
(a) the Authority must notify or re-notify	\$59
(b) an assessment, or an additional assessment, must be made	\$59
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	\$59
(b) each application made by the person	\$59
Lodgement fee for permit allocation (special permits)	\$360
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.

Table 4 below outlines broadly how the fees apply to the various permission types.

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

Fees only apply for commercial activities.

Permission type in the Zoning Plan	Permit fee category (refer Table 2 in this Statement)
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
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

<b>Permission type in the Zoning Plan</b>	<b>Permit fee category (refer Table 2 in this Statement)</b>
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
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
(e) more than 150 passengers	

Permission type in the Zoning Plan	Permit fee category (refer Table 2 in this Statement)
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
(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. Multiple fees may apply if several different processes are triggered.

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 the Authority 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. 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. 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.

The current fees are published on the Authority’s website at [www.gbrmpa.gov.au/zoning-permits-and-plans/permits/applications-for-permissions-fees](http://www.gbrmpa.gov.au/zoning-permits-and-plans/permits/applications-for-permissions-fees).

#### 4 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.

The Authority 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 the Authority staff including maintaining up to date information on the Authority'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 8).

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 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;
- reporting on non-financial performance indicators to show the Authority's commitment to improving processes.

## **5 STAKEHOLDER ENGAGEMENT**

The Authority engaged with stakeholders on cost recovery arrangements at a number of points since fees began to be charged. Most recently the Authority sought comments on the existing arrangements for permission system fees from 24 March through 24 April 2017. The following emails were sent by the Authority 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 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 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 the Authority 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 operates.

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

## 6 FINANCIAL ESTIMATES

Currently the Authority's permission system is cost recovered on a partial basis. The Authority estimated in the current Portfolio Budget Statement that fees amounting to \$340,000 would be recovered in the current financial year and in the forward estimates.

During the current financial year the Authority 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 8).

Over the forward estimates (Table 5), the agency has projected similar revenue from permission system fees as the past three financial years. Projected revenue is not expected to vary significantly until the implementation of revised cost recovery measures after the review mentioned in Section 8.

**Table 5. Financial performance of permission system fees for the next three financial years**

As reported in the agency's Portfolio Budget Statement for each financial year

	2018-19	2019-20	2020-21	2021-22
<b>Estimated revenue*</b>	340,000	340,000	340,000	340,000
<b>Estimated expense</b>	2,470,165	2,470,165	2,470,165	2,470,165
<b>Balance +/-</b>	-2,130,161 (13.77%)	-2,130,161 (13.77%)	-2,130,161 (13.77%)	-2,130,161 (13.77%)
<b>Explain material variance<sup>6</sup></b>	The permission system fees have not been reviewed since the mid-2000's. They are not currently in accordance with the Australian Government's cost recovery guidelines and cost recovery framework.			
<b>Explain impact on balance management strategy</b>	The Authority is relying on its budget appropriation to cover the shortfall in expenditure until such time that the permission system fees can be reviewed in line with Australian Government's cost recovery guidelines and cost recovery framework. The Authority expects a review of permission system fees will occur before the end of the 2020-2021 financial year (see Section 8).			

<sup>6</sup> as defined by AASB1031 and Division 12 – Materiality and disclosure of the Finance Minister's Order

## 7A. FINANCIAL PERFORMANCE

The financial performance of the permission system cost recovery during the past four financial years indicates that the cost recovery is providing between 8 and 18 per cent of the actual costs associated with the permission system (Table 6). These figures are based on the Authority's annual financial statements audited by the Australian National Audit Office.

**Table 6. Financial performance of permission system fees for the past five financial years**

As reported in the agency's Portfolio Budget Statement for each financial year

	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Actual revenue</b>	341,000	350,000	272,000	258,000	245,000
<b>Actual expense</b>	1,912,000	1,981,000	2,247,000	2,230,000	2,626,464
<b>Balance +/-</b>	-1,571,000 (17.8%)	-1,631,000 (17.7%)	-1,975,000 (12.1%)	-1,972,000 (11.5%)	-2,411,464 (8.1%)
<b>Explain material variance<sup>7</sup></b>	The permission system fees have not been reviewed since the mid-2000's. They are not currently in accordance with the Australian Government's cost recovery guidelines and cost recovery framework.				
<b>Explain impact on balance management strategy</b>	The Authority is relying on its budget appropriation to cover the shortfall in expenditure until such time that the permission system fees can be reviewed in line with Australian Government's cost recovery guidelines and cost recovery framework				

## 7B. NON-FINANCIAL PERFORMANCE INDICATORS

A Permission System Service Charter (the Charter) outlines the Authority's commitments to implementing the permission system under the Marine Park Act. This Charter applies to all permission system processes, including post approval monitoring, auditing and compliance functions. The Charter took effect on 4 October 2017 and only applies to applications received from that date, when amended regulations, policies and procedures took effect<sup>8</sup>.

In order to track progress on the principles mentioned in the Charter, the Authority has committed to a range of service level standards, as outlined below.

<b>Extract from the Permission System Service Charter – relevant service level standards</b>
<p>For application decisions:</p> <ul style="list-style-type: none"> <li>• for Routine assessment approaches: <ul style="list-style-type: none"> <li>○ Written acknowledgement sent within 10 business days of receiving a properly made application.</li> <li>○ Decision notice will be given within 25 business days of receiving all information that is required to complete the assessment.</li> </ul> </li> <li>• for Tailored assessment approaches: <ul style="list-style-type: none"> <li>○ Written acknowledgement sent within 10 business days of receiving a properly made application.</li> <li>○ A request for further information, if required, will be sent within 30 business days of receiving a properly made application.</li> <li>○ Decision will be made within 50 business days of receiving all information that is required to complete the assessment.</li> </ul> </li> </ul>

<sup>7</sup> as defined by AASB1031 and Division 12 – Materiality and disclosure of the Finance Minister's Order

<sup>8</sup> The Authority began reviewing the permission system in January 2015 to deliver changes to legislation, policies and procedures to: implement recommendations from the Australian National Audit Office and the Australian Parliament's Joint Committee of Public Accounts and Audit; implement recommendations from the agency's Great Barrier Reef Region Strategic Assessment Program Report; improve harmonisation with the *Environment Protection and Biodiversity Conservation Act 1999* (C'th) and to reduce regulatory burden for clients and the agency, while maintaining strong environmental protection. Further information can be found at <http://www.gbrmpa.gov.au/zoning-permits-and-plans/permits/improving-permissions>.

- publish on our website particulars of permissions granted, refused, suspended, reinstated, revoked pursuant to subregulation 183(1) of the Great Barrier Reef Marine Park Regulations within five days of decision notice being given.

For auditing compliance with permit conditions:

- ensure plans, policies guidelines and information regarding permission compliance are easily accessible through the Authority's website.
- publish on the Authority's website by 1 August each financial year the priority areas for auditing and monitoring.

Each financial year publish in the Authority's Annual Report:

- the total number of permits and permissions in effect as at 30 June.
- the number of permit decisions made in each financial year.
- the number of Part 5 activities notified or directions granted.
- the number of allegations of permission non-compliance.
- the number of administration compliance actions taken for permission non-compliances.

The Authority intends to regularly review progress against the service level standards. The reporting process on these non-financial performance indicators, via the Authority's annual report, will provide assurance to applicants that the Authority is providing an efficient and effective service.

A copy of the Charter can be found at [elibrary.gbrmpa.gov.au/jspui/handle/11017/3247](http://elibrary.gbrmpa.gov.au/jspui/handle/11017/3247).

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

## 8. KEY FORWARD DATES AND EVENTS

This Statement is a living document, and will be updated annually to reflect Consumer Price Index increases in fees, volume and demand assumptions, financial performance (actual and estimated), changes to the Regulations and any other requirements in the Department of Finance template.

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

The Authority 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. The Authority expects a review of permission system fees will occur before the end of the 2020-2021 financial year (see Section 8).

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.

**9. CRIS APPROVAL AND CHANGE REGISTER**

<b>Date of CRIS change</b>	<b>Statement change</b>	<b>Approver</b>	<b>Basis for change</b>
19/05/2017	Certification of the Statement	Chairman, Great Barrier Reef Marine Park Authority	Implementation of new cost recovery implementation statement template
25/5/2017	Approval of the Statement	Minister for the Environment and Energy	Implementation of new cost recovery implementation statement template
15/2/2018	Annual update	Chairman, Great Barrier Reef Marine Park Authority	Changes in forward estimates, assumptions, charges, and Regulations. Wording clarified. Formatting consistent with Department of Finance template.
15/03/2019	Annual update	Chief Executive Officer, Great Barrier Reef Marine Park Authority	Changes in forward estimates, assumptions, charges, and Regulations. Formatting consistent with Department of Finance template.