



Australian Government

Department of the Environment

COST RECOVERY IMPACT STATEMENT
COST RECOVERY FOR ENVIRONMENTAL ASSESSMENTS UNDER
THE *ENVIRONMENT PROTECTION AND BIODIVERSITY*
***CONSERVATION ACT* 1999**

July 2014 – June 2015

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GLOSSARY

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

Applicant	Refers to both the ‘person proposing to take the action’ for an environmental impact assessment and the ‘person responsible for the adoption or implementation of a policy, plan or program’ for a strategic assessment
The Cost Recovery Guidelines	Australian Government document outlining the principles and criteria for cost recovery activities
CA	Controlled Action
CITES	Convention on International Trade in Endangered Species of Wild Flora and Fauna
Class of Actions	A description of a group of actions that can be subject to a particular decision under the EPBC Act, for instance, a class of actions that is exempt from a Part 9 approval because it meets requirements under a bilateral agreement or a strategic assessment approval
CRIS	Cost Recovery Impact Statement
Direct costs	Those costs that can directly and unequivocally be attributed to making a product or delivering a service
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999 (Cth)</i>
Fee Point	The point in the assessment or application process that a fee is charged
Indirect costs	Costs that are not directly attributable to making a product or delivering a service, often referred to as ‘overheads’
NCA	Not a Controlled Action
NCA/PM	Not a Controlled Action, provided the action is undertaken in a particular manner
Post approval	Functions that occur subsequent to an approval under Part 9 of Chapter 4 of the EPBC Act. e.g. Assessment of post-approval action management plans
Policy, plan or program	Policy, Plan or Program for a strategic assessment under Part 10 of the EPBC Act
regulations	Environment Protection and Biodiversity Conservation Regulations 2000
Stop clock	Suspension of the statutory timeframe of an EPBC Act referral or assessment by the Minister/delegate

The Department	The Department of the Environment
The Minister	The Minister for the Environment

Staffing classifications

APS 4	Assessment Officer / Project Officer
APS 5 / 6	Assessment Officer / Project Manager
EL 1	Assistant Director / Team Manager
EL 2	Director / Section Manager
SES 1	Assistant Secretary / Senior Executive Staff / Delegate of the Minister

PROVISIONAL DRAFT

1 INTRODUCTION

The Australian Government is committed to creating a 'one stop shop' for environmental approvals, by accrediting state and territory environmental assessment and approval systems under national environment law. This will create a single approval process that satisfies both state and Commonwealth requirements, and ensures that high environmental standards are maintained.¹ Projects assessed by the states or territories under an approval bilateral agreement will not be subject to cost recovery by the Commonwealth. A state or territory may undertake its own cost recovery arrangements for these environmental assessments. Cost recovery complements the Government's commitment to streamlining environmental approvals under the 'one stop shop' by ensuring Commonwealth assessment activities are as efficient and effective as possible, and that the beneficiary pays for the services received.

1.1 Purpose of a cost recovery impact statement

This CRIS documents the cost recovery arrangements that the Department of the Environment uses for environmental assessments under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act). Environmental assessments include both environmental impact assessments of individual actions and strategic assessments. This CRIS demonstrates that cost recovery under the EPBC Act for environmental assessments complies with the Australian Government Cost Recovery Guidelines.

This CRIS will be updated on a regular basis following implementation of cost recovery to reflect any changes in the cost recovery model, financial status and performance of the activity. The CRIS will be revised to account for the impacts of the Australian Government's 'one stop shop' reforms to streamline state and Commonwealth environmental assessment processes once those streamlining measures are in place. Through the 'one stop shop' process, the Department is working with states and territories to streamline processes where the Commonwealth and states and territories work together on assessments. Therefore the CRIS will be revised to reflect efficiency gains made through the 'one stop shop' negotiations.

The Department released a draft CRIS for consultation in 2012 and the cost recovery model detailed in the final CRIS has taken into account the stakeholder comments received on the draft, for example on matters such as exemptions and waivers of fees. In particular, the CRIS now includes complexity fees to allow for the differentiation of fees on the basis of the complexity of the assessment. The Department has also updated the final CRIS to reflect minor technical changes to the model and changes in the broader policy context. This CRIS therefore relates to cost recovery for environmental impact assessments (Part 8 of the EPBC Act), strategic assessments (Part 10 of the EPBC Act), but not wildlife trade permits. Cost recovery for these wildlife trade activities were finalised under a separate Wildlife Trade Permit Cost Recovery Impact Statement² and commenced from 1 July 2013.

1.2 Description of the activity

This CRIS relates to environmental assessments under the EPBC Act. The main purpose of the Australian Government undertaking environmental assessment activities is to provide for the protection of matters of national environmental significance, the protection and

¹ Further information about the 'one stop shop' reforms can be found on the Department's website at <http://www.environment.gov.au/topics/about-us/legislation/environment-protection-and-biodiversity-conservation-act-1999/one-stop>

² Wildlife Trade Permit Cost Recovery Impact Statement - <http://www.environment.gov.au/resource/wildlife-trade-permit-cost-recovery-under-epbc-act-cost-recovery-impact-statement-july-2013>

conservation of heritage, and to promote the conservation of biodiversity. A number of assessment options are available under the EPBC Act. The Minister for the Environment (the Minister) decides which method is the most appropriate, depending on the complexity of the proposed action, the scale and magnitude of potential and actual environmental impacts, the level of community interest, and public submissions received in relation to the referral of the action.

The types of environmental assessment provided for under the EPBC Act for individual proposed actions are:

- On referral information,
- On preliminary documentation,
- By public environment report,
- By environmental impact statement,
- By public inquiry, or
- Under a bilateral agreement or accredited assessment process.

In addition, Part 10 of the EPBC Act allows the Minister to conduct strategic assessments and to grant approvals for a 'class of actions' taken in accordance with a policy, plan or program endorsed by the Minister through a strategic assessment. Strategic assessments allow for a 'landscape scale' approach to assessing environmental impacts under a policy, plan or program. Strategic assessments often allow more comprehensive consideration of cumulative impacts of various actions on matters of national environmental significance in a single assessment. When conducting a strategic assessment, the Australian Government works closely with state or territory governments, and, where relevant, private entities, in the early stages of planning. This ensures that governments and businesses take environmental issues, including matters of national environmental significance, into account in broader development strategies. Actions taken under a strategic approval in accordance with an endorsed policy, plan or program do not require a separate referral and/or approval.

A full description of environmental impact assessments and strategic assessments are provided in chapter 3 and 4 of this CRIS. These environmental assessment activities are suitable for cost recovery, consistent with the Cost Recovery Guidelines, because they meet the following criteria:

- The activities deliver a clear benefit for a particular beneficiary,
- Charging for these activities does not deliver a 'free ride' for other applicants,
- Charging for these activities is consistent with policy goals under the EPBC Act, and
- It is efficient to implement cost recovery arrangements on a 'fee for service' basis, as the Department can determine costs of its services, attribute these costs to particular applicants and recover them at the statutory decision points.

1.2.1 Design of cost recovery arrangements

For each cost recovery arrangement documented in this CRIS, the Department applied the following key principles in its scoping and design:

- Driving efficiency for both stakeholders and the Department,
- Charges to reflect 'efficient costs' as based on 'best practice' scenarios,
- Aligning regulatory effort undertaken with statutory charging points, and
- Compliance with the Cost Recovery Guidelines.

1.2.2 Who pays the fees

The person proposing to take the action is responsible for paying cost recovery fees for environmental impact assessments under the EPBC Act. The person proposing to take the action can be different from the person the Minister designates as the 'proponent' under the EPBC Act, who may be managing the referral process for the person proposing to take the action. For the purposes of this CRIS the 'person proposing to take the action' is referred to as the 'applicant' and is liable for the payment of fees.

Applicants subject to cost recovery include private entities, individuals, and government agencies. Some applicants may be eligible for exemptions and waivers. Where an applicant is eligible for a waiver or exemption, the costs of these services are met through the Department's annual appropriation (i.e. 'budget-funded') so that applicants subject to cost recovery do not subsidise applicants subject to waivers and exemptions. Cost recovery fees therefore reflect the cost of carrying out an individual assessment. This arrangement ensures there is no cross-subsidisation between cost recovered and non-cost recovered activities under the EPBC Act or across stakeholder groups. Further information on exemptions and waivers is provided in sections 3.3.13 – 3.3.15.

For strategic assessments, where cost recovery applies, the person responsible for the adoption or implementation of a policy, plan or program is responsible for paying cost recovery fees for the strategic assessment under the EPBC Act. The person responsible for a policy, plan or program is referred to as the 'applicant' for the purposes of this CRIS. The applicant for a strategic assessment may be a state or territory government or a private entity. Note there are no exemptions or fee waivers available for strategic assessments. However, some strategic assessments may be wholly or partially budget funded where assessment will benefit the community as a whole. Further information on cost recovery for strategic assessments is provided in chapter 4 of this CRIS.

1.2.3 Inter/intra governmental charging

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

1.3 Background to cost recovery under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth)

The EPBC Act provides a legal framework to protect and manage nationally and internationally important flora, fauna, wetlands, ecological communities, Commonwealth marine areas, heritage places, nuclear actions and water resources relating to a large coal mining or coal seam gas development. The Department is responsible for administering the regulatory functions of the EPBC Act. Further detail is available at: <http://www.environment.gov.au/>.

Cost recovery more equitably shares the costs of protecting the environment between the community and those who derive a private benefit from the ability to apply for approval to undertake an activity otherwise prohibited by the EPBC Act. Cost recovery, by providing a source of funding related to the actual amount of assessment activity undertaken in the Department, improves the Department's ability to respond to changes in demand for its services. Consistent with the Cost Recovery Guidelines, the fees charged reflect the efficient provision of services under the EPBC Act – that is, work conducted to fulfil legislative requirements within statutory timeframes. Cost recovery provides incentives to industry to undertake early engagement and incorporate the most environmentally acceptable outcomes into their business planning, as this may reduce the level of assessment required and therefore the costs payable.

Following public consultation on the EPBC Act cost recovery consultation paper (2011), the Australian Government decided to amend existing arrangements and introduce new cost recovery arrangements for selected regulatory activities under the EPBC Act. This was reflected in the 2012-13 Budget.

Specifically, the Australian Government decided to cost recover the following activities:

- Environmental impact assessments (full cost recovery arrangements), strategic assessments (full or partial cost recovery arrangements on a case-by-case basis), and
- Wildlife trade permits (partial cost recovery arrangements).

In 2012 the Department released the draft CRIS for consultation with stakeholders on the proposed cost recovery model. The draft CRIS included cost recovery for wildlife trade activities in the EPBC Act. Cost recovery started from 1 July 2013 for some wildlife trade activities under the EPBC Act, such as wildlife trade permits.³ Cost recovery will continue for these activities. The final CRIS therefore only includes cost recovery for environmental assessment activities.

1.4 Australian Government Cost Recovery Guidelines

In December 2002, the Australian Government adopted a formal cost recovery policy to improve the consistency, transparency and accountability of its cost recovery arrangements and promote the efficient allocation of resources. The underlying principle of the policy is that agencies set charges to recover all the costs of a product or service where:

- It is efficient and effective to do so,
- The beneficiaries are a narrow and identifiable group, and
- Charging is consistent with Australian Government policy objectives.

The cost recovery policy is administered by the Department of Finance and is detailed in the Cost Recovery Guidelines.

Cost recovery involves charging some or all of the efficient costs of specific government activities undertaken on behalf of the Australian Government or individuals or non-government organisations that receive them. The decision to recover costs for environmental assessment activities was informed by the Australian Government's cost recovery policy – that those who create the need for regulation should incur the costs, rather than being borne by the wider

³ Wildlife Trade Permit Cost Recovery Impact Statement - <http://www.environment.gov.au/resource/wildlife-trade-permit-cost-recovery-under-epbc-act-cost-recovery-impact-statement-july-2013>

community. The Australian Government's policy position is that entities implementing cost recovery should minimise cost recovery charges through the efficient implementation of cost recovered activities, while achieving policy objectives and legislative functions of the Australian Government.

The Australian Government Cost Recovery Guidelines are available on the Department of Finance website at www.finance.gov.au.

The Cost Recovery Guidelines apply to all *Financial Management and Accountability Act 1997* (Cth) agencies and to relevant *Commonwealth Authorities and Companies Act 1997* (Cth) bodies. In line with the policy, individual portfolio ministers are ultimately responsible for ensuring agencies' implementation and compliance with the Cost Recovery Guidelines. The Department notes that from 1 July 2014 the *Public Governance, Performance and Accountability Act 2013* (Cth) will replace the *Financial Management and Accountability Act 1997* and the *Commonwealth Authorities and Companies Act 1997*.

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2 POLICY AND STATUTORY AUTHORITY TO RECOVER

2.1 Government Policy and Statutory Authority to cost recover environmental impact assessments

2.1.1 Government policy approval to cost recover environmental impact assessments

The Australian Government announced in the 2012-13 Budget⁴ the implementation of full cost recovery for environmental assessments under the EPBC Act from December 2012. In the 2013-14 Budget⁵ the introduction of cost recovery under the EPBC Act was deferred from 1 December 2012 to 1 July 2014.

2.1.2 Statutory authority to impose cost recovery charges

It is necessary to make amendments to the EPBC Act and regulations in order to introduce cost recovery for environmental assessments under the EPBC Act. Parliament passed the legislative amendments on 24 June 2014, but the amendments have not yet received Royal Assent. Amendments to the regulations will be made shortly. A copy of the current EPBC Act and regulations can be found at www.comlaw.gov.au.

The amendments to the EPBC Act will enable the Minister to determine fees for environmental assessments. However, cost recovery will not commence until the Minister has made regulations requiring the payment of fees. The regulations will provide for cost recovery consistent with the arrangements set out in this CRIS.

The amended regulations will include:

- The commencement date for the new cost recovery charges,
- The requirement for full payment of relevant fees as part of statutory processes,
- Methods for calculating fees,
- Requirements as to the timing of fee payments, and
- Provision for exemptions, waivers and refunds.

2.1.3 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 levies⁶.

The Cost Recovery Guidelines stipulate that, where appropriate, charges should be based on fees. The Department determined that a fee for service is an appropriate cost recovery charge for regulatory activities under the EPBC Act.

⁴ 2012-13 Budget Paper 2, pages 268-269

⁵ Portfolio Budget Statements 2013-14, Budget Related Paper No. 1.17

⁶ The Australian Government Cost Recovery Guidelines, page 10

There are two types of fees that apply to this CRIS:

- Fees set in regulations, and
- Fees determined on a case by case basis, such as for strategic assessments.

Figure 1 below shows where set fees will apply, and where the Minister will determine fees on a case-by-case basis. Further information on the fee levels, processes for setting fees, and methods for determining fees on a case-by-case basis is provided in the chapters describing cost recovery activities.

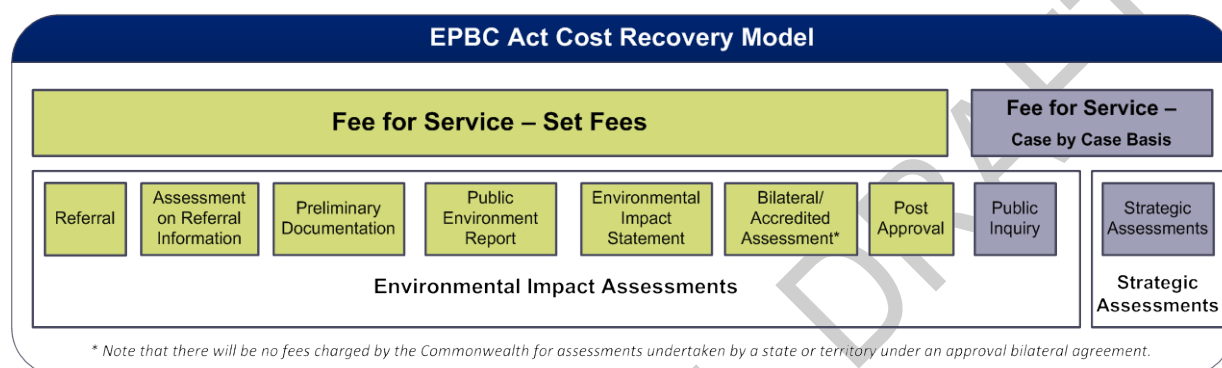


Figure 1. The EPBC Act cost recovery charging model

2.1.4 Commencement of charging for environmental impact assessments

Any person who refers a proposed action referred to the Department on or after 14 May 2014 is liable for payment of relevant fees for any assessment activities conducted by the Department on or after the commencement date for cost recovery. No fees are payable prior to the commencement of cost recovery, or for any activities which occur prior to the commencement of cost recovery. For example, if a person refers a proposal on 17 May 2014, the person will not need to pay a referral fee. However, the person would need to pay fees for any assessment stage which began on or after the commencement of cost recovery. If a person refers an action after the commencement of cost recovery they will need to pay the referral fee and any fees for assessment activities under the EPBC Act.

The Department will provide advice to applicants about the commencement of cost recovery and any future charges that may apply. Any proposed action referred prior to 14 May 2014 is not subject to fees at any stage in the assessment of the action.

Any proposed action referred to the Department after the commencement of cost recovery is subject to payment of fees for all relevant environmental impact assessment functions detailed in Chapter 3.

2.1.5 Users and stakeholders (environmental impact assessments)

A broad variety of individuals, businesses and other organisations may be subject to the environmental impact assessment provisions of the EPBC Act. Any person proposing to take an action which will or is likely to have a significant impact on a matter of national environmental significance must refer that action under the EPBC Act. Applicants can

therefore include local, state and territory, and Australian Government agencies, private individuals, and small businesses through to large companies. A number of different industries undertake activities requiring referral under the EPBC Act (see Figure 2 below).

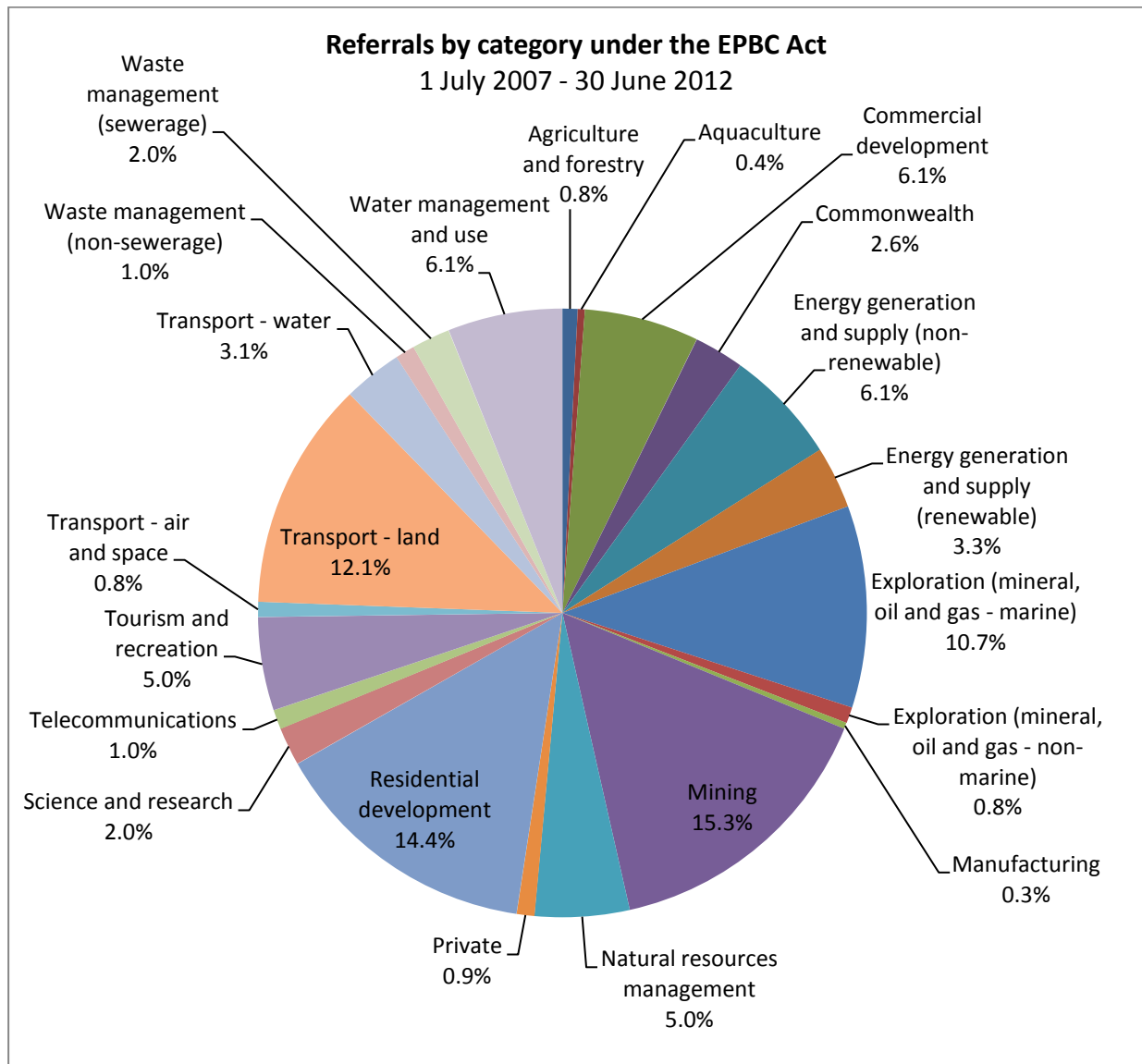


Figure 2. Referrals under the EPBC Act categorised by industry from 1 July 2007 and 30 June 2012. A total of 2119 referrals were received during this period.

2.2 Government Policy and Statutory Authority to cost recover Strategic Assessments

Part 10 of the EPBC Act allows the Minister to conduct strategic assessments of activities proposed to be carried out under a policy, plan or program.

2.2.1 Policy rationale for strategic assessments

The Australian Government is committed to promoting the use of strategic assessments in partnership with state, territory, and local governments. Strategic assessments provide opportunities to facilitate development, reduce administrative burden and deliver improved

environmental benefits to the community above those that would arise from individual project approvals. Strategic assessments can be funded through budget appropriation or, where considered appropriate, through cost recovery.

2.2.2 Statutory authority to impose cost recovery charges

The Australian Government has decided to cost recover strategic assessments under the EPBC Act. Cost recovery will apply to strategic assessments conducted under Part 10 of the EPBC Act. However, the Australian Government has determined that strategic assessment provisions relating to Commonwealth managed fisheries (section 147 to section 154 of the EPBC Act) are not appropriate for cost recovery.

The expenses and revenue presented in this CRIS do not include strategic assessments due to the variable nature of the resources required to conduct a strategic assessment. The Minister will determine on a case-by-case basis whether full or partial cost recovery is appropriate for a particular strategic assessment. Where it would be appropriate to apply cost recovery, the Minister would determine the expenses in consultation with the applicant prior to the commencement of the particular strategic assessment.

2.2.3 Legal requirements for the imposition of charges for strategic assessments

The EPBC Act provides legal authority for cost recovery of strategic assessments under the EPBC Act. The fees for strategic assessments are not specified in the regulations as these will be determined on a case-by-case basis.

2.2.4 Commencement of charging for strategic assessments

The Australian Government has the option of charging for strategic assessments under relevant amendments to the EPBC. However, the suitability of particular strategic assessments for cost recovery, including determination of associated expenses and revenue, will be determined on a case-by-case basis. The Department will provide advice to relevant applicants on charges that may apply following the commencement of cost recovery.

2.2.5 Users and stakeholders (strategic assessments)

To date, strategic assessments have mainly been undertaken in partnership with state and territory governments. However, the EPBC Act allows the Minister to undertake strategic assessments of any policy, plan or program, including those developed by private entities. Recent private applicants have included mining and resource companies. The Minister determines the appropriateness of proceeding with cost recovery for future strategic assessments on a case-by-case basis.

3 COST RECOVERY MODEL

The cost recovery model for environmental impact assessments in this chapter relates to the following functions under Chapter 4 of the EPBC Act:

- Referrals,
- Assessment on referral information,
- Assessments on preliminary documentation,
- Assessments by public environment report,
- Assessments by environmental impact statement,
- Assessments under bilateral agreement or accredited assessment process,
- Assessments by public inquiry, and
- Assessments of post approval action management plans.

Figure 3 provides an outline of the environmental impact assessment process under the EPBC Act, including the various assessment methods available.

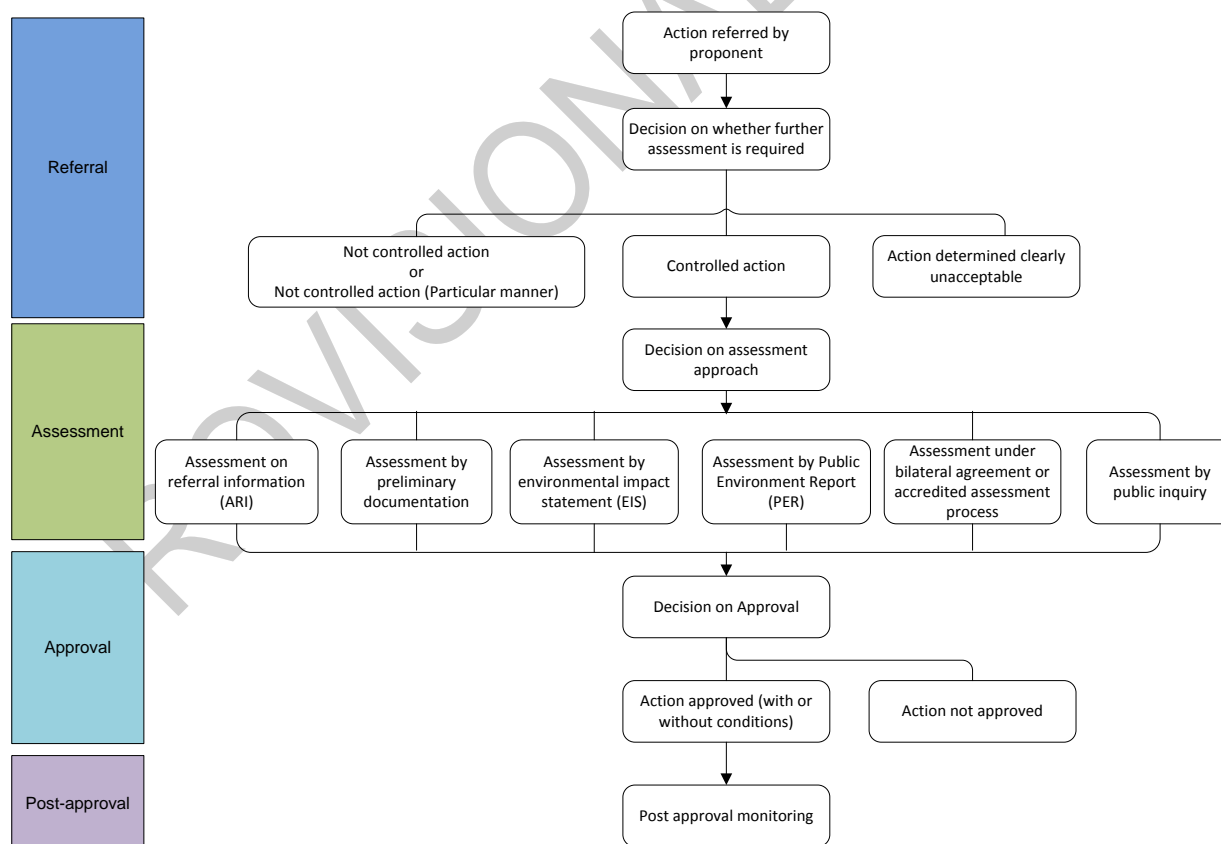


Figure 3. Overview of the environmental impact assessment process under national environmental law, including the assessment approach options.

3.1 Outputs of the activity – environmental impact assessments

3.1.1 Description of activity - environmental impact assessments

Applicants are required to refer proposed actions to the Department where:

- A proposed action is likely to have or will have a significant impact on one or more matters of national environmental significance,
- A proposed action is likely to have or will have a significant impact on the environment on Commonwealth land, or
- A proposed action is undertaken by a Commonwealth agency inside or outside the Australian jurisdiction, and is likely to have a significant impact on the environment.
- Applicants can refer a proposed action to the Department for a decision as to whether or not the action will have or is likely to have a significant impact on matters of national environmental significance. The statutory timeframe for the referral decision making process is 20 business days.

If the Minister considers that a significant impact on a matter of national environmental significance is likely or will happen, the Minister makes a determination that this action is a 'controlled action'. The proposed action is then subject to further assessment prior to the Minister deciding whether to approve the action (with or without conditions) under the EPBC Act.

If the Minister does not consider that the proposed action will have a significant impact on a matter of national environmental significance then further assessment is not required. The Minister will then make a decision that the proposed action is 'not a controlled action' and can therefore proceed without any further assessment under the EPBC Act. The Minister may also determine that the proposed action is 'not a controlled action' provided it is undertaken in a 'particular manner'. This 'manner' will be specified in the decision notice, and the action will not be subject to any further assessment under the EPBC Act as long as the action is taken in the specified manner.

If the proposed action is a controlled action, the Minister will undertake an assessment of the action by one of six assessment options:

- Assessment on referral information,
- Assessment on preliminary documentation,
- Assessment by public environment report,
- Assessment by environmental impact statement,
- Assessment under an assessment bilateral agreement or accredited assessment, or
- Assessment by public inquiry.

The Minister determines the assessment method based on the complexity of the proposed action and the information required to assess whether or not the action should be approved. Sometimes a state or territory may also be undertaking an assessment of a project. Where an assessment bilateral agreement with a state or territory covers the process, the state

assessment also satisfies Commonwealth assessment requirements. If there is no assessment bilateral agreement, but the Minister is satisfied that the state process can satisfy Commonwealth assessment requirements, the Minister may accredit the state process as satisfying the requirements of the EPBC Act for a particular project. In both of these scenarios, the Department still works with the state agencies to ensure that the assessment adequately addresses matters of national environmental significance.

3.1.2 Model assumptions - environmental impact assessments

The total fee for undertaking an environmental impact assessment includes two types of costs: base costs and complexity costs. The cost estimates for environmental impact assessments documented in this CRIS have been derived from an analysis of projects that the Department considered to be 'best practice' – projects which were assessed in the most efficient manner possible. In order to determine 'efficient costs', the Department conducted focus group discussions with assessment officers with experience of a large number of assessments within the Department.

The features of 'best practice' projects examined by these focus groups were:

- Early engagement with applicants,
- Adequate and timely information provided by the applicant,
- Timely assessment at each stage, and
- Regular liaison with the applicant throughout the assessment period.

For relevant projects, these steps resulted in the decision maker meeting statutory timeframes.

3.2 Efficient costs - environmental impact assessments

3.2.1 Base costs

A base cost is applicable for each possible stage of an environmental impact assessment which could be undertaken for an individual action, including referral, assessment, and the assessment of post approval action management plans. Base costs for environmental impact assessment activities, corresponding to fees set out in regulations, are outlined in Table 1 below. Base costs are charged for those stages which apply to a particular action.

The major component of base costs for an environmental impact assessment is staff costs. Staff costs include the base salary, superannuation and other on-costs for staff who are directly involved in the assessment process. The total base cost also includes a component of 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. Environmental impact assessments involve staff members at a range of classifications. The base cost for these activities has been calculated on the basis of best practice for activities necessary to conduct the relevant stage, and what is the most efficient time in which to complete the activity (see Table 1 below).

The calculation of the base cost for an environmental impact assessment has been based on the time required to assess a project of the lowest complexity, that is, the cost of assessing a project with:

- A low level of complexity across all matters of national environmental significance,
- Only one project component,
- A high level of certainty regarding impacts and management measures, and
- Limited links to other legislation that need to be managed throughout the assessment period.

Further information on how base costs are calculated for particular assessment processes is provided in the relevant sections in this chapter.

Table 1. Summary of base costs for environmental impact assessment activities.

Activity	Time (days)				Total base costs (\$)
	Assessment Officer	Assistant Director	Director	Delegate	
<i>Referral</i>	8.9	3.6	1	0.2	\$7,352
<i>Assessment</i>					
Assessment on Referral Information	14	3.2	0.8	0.2	\$9,417
Preliminary documentation	12	3.5	0.8	0.2	\$8,661 ⁷
Public environment report	35	13	5	1.7	\$30,202 ⁸
Environmental impact statement	35	13	5	1.7	\$30,202 ⁹
Bilateral agreement / accredited assessments	31	11	4	1.43	\$26,043 ¹⁰
Public inquiry	Costs to be determined on a case-by-case basis (not in this CRIS)				
<i>Post approval action management plan assessment</i>	5	1	0.25	0.03	\$3,233

⁷ For an assessment by preliminary documentation \$8,661 is the maximum base cost payable, as Stage 1 fees may not be applicable. See section 3.3.5 of this CRIS for further details.

⁸ For an assessment by public environment report \$30,202 is the maximum base cost payable, as Stage 1 fees may not be applicable. See section 3.3.6 of this CRIS for further details.

⁹ For an assessment by environmental impact statement \$30,202 is the maximum base cost payable, as Stage 1 fees may not be applicable. See section 3.3.6 of this CRIS for further details.

¹⁰ For an assessment under a bilateral agreement / accredited process \$26,043 is the maximum base cost payable, as the Minister may determine fees are not applicable for a stage of a bilateral / accredited assessment process if that stage does not apply for a particular project. See section 3.3.7 of this CRIS for further information.

	Time (days)				Total base costs (\$)
Activity	Assessment Officer	Assistant Director	Director	Delegate	
Contingent fees					
Request additional information	2.9	1.1	0.6	0.03	\$2,544
Request additional information (public environment report/ environmental impact statement assessment)	10	8	4	0.4	\$13,087
Reconsideration request (from the proponent of the action)	8.9	3.6	1	0.2	\$7,423
Variation of conditions	3.4	2.1	0.5	0.03	\$3,320
Variation of a post approval action management plan under conditions of approval	5	1	0.25	0.03	\$3,233
Administrative variation of a post approval action management plan under conditions of approval	1	0.5	0.17	0.03	\$943

3.2.2 Complexity costs

The level of complexity of a proposed action determines the departmental resources required to assess the impacts of the action. The major component of complexity costs for environmental impact assessment is staff costs, which includes base salary, superannuation and other on-costs for staff who are directly involved in providing the assessment. The total staff cost also includes a component of accommodation and property expenses, IT costs and human resources support. Complexity costs also include the procurement of specialist advice in high or very high complexity scenarios. Expert advice may be needed in order to ensure a fair and rigorous assessment where the Department does not have the relevant expertise to provide advice to the Minister.

Complexity costs for individual proposed actions are determined on a case-by-case basis. Complexity fees do not apply to Strategic Assessments, or assessments by Public Inquiry. Further details of the charges for complexity are described in a complexity fee matrix (page 19). Further detail on the breakdown of complexity costs is provided at Appendix B.

The charging methodology for complexity enables applicants to potentially reduce the overall cost of their assessment by several means. For example the applicant can:

- Propose to take the action in such a way that the action triggers fewer controlling provisions, by avoiding or minimising the potential impacts on particular matters of national environmental significance.
- Provide comprehensive information about the action and its impacts, making the assessment less time consuming for the Department to conduct.

A number of factors drive the complexity of environmental assessments. These include factors such as the number of matters of national environmental significance affected by the action and the number of project components. However, the applicant can alter other factors which drive complexity, such as the adequacy of information provided in referral information, and the clarity of the project scope. Table 2 below outlines the drivers of complexity, which form the basis for the calculation of complexity costs.

Table 2. Complexity drivers.

Driver	Description
Number of controlling provisions	The number of controlling provisions triggered under the EPBC Act has a direct impact on the time and resources required to undertake the assessment, as each controlling provision requires separate assessment.
The risk to and extent of potential impacts on matters of national environmental significance	The greater the risk to or the higher the level of impact that an action will have on individual matters of national environmental significance, the more departmental time and therefore cost required to undertake an assessment. For example a proposed action that may result in temporary modification to the values of a National Heritage place will generally be less time consuming to assess than a proposed action that will result in permanent damage to a value of a National Heritage place. Additionally, those proposed actions that trigger for water resources may involve a higher risk, given the often complicated and uncertain nature of impacts upon water resources.

Driver	Description
The requirement to undertake a 'whole of environment' assessment	While in most cases the assessment of a proposed action focuses on the impact on defined matters, there are some cases where the assessment must consider the impact of the action on all aspects of the environment. This is relevant where the proposed action may impact on Commonwealth land or the environment of the Commonwealth marine area, is taken within the Great Barrier Reef Marine Park, or is a nuclear action. Such a broad assessment will take more time and resources.
Number of project components	Proposed actions referred under the EPBC Act vary in size. Where additional project 'components' result in a wider variety of impacts that require assessment under the EPBC Act, more time and resources are required. For example the assessment of a rail line is likely to require less time to assess than the assessment of a rail line that is connected to a new mine and a new port facility.
Coordination with other legislation	The Department undertakes to streamline the assessment requirements under the EPBC Act with the state/territory requirements (for example, using the same assessment guidelines, the same environmental impact statement, the same public comment periods, etc.), even where a bilateral agreement does not apply. This streamlining of state/territory assessment requirements involves departmental analysis and coordination with state/territory planning and environmental legislation. The Department undertakes similar coordination where a project is being assessed by another Commonwealth agency under another piece of legislation, such as <i>the Environment Protection (Sea Dumping) Act 1981</i> (Cth), the <i>Airports Act 1996</i> (Cth) or the <i>Great Barrier Reef Marine Park Act 1975</i> (Cth).
Adequacy of information and clarity of project scope	<p>Assessing a proposed action that has unclear or partially complete information requires additional time and resources to gather this information, and potentially the commissioning of specialist external consultants to ensure a rigorous assessment is undertaken. Complexity may be driven by:</p> <ul style="list-style-type: none"> • The availability of relevant environmental data for the project area (data concerning water resources is a particular issue), • The certainty of likely impacts from the proposed action on matters of national environmental significance, and whether the management or mitigation strategies proposed are well defined and proven, and • Level of certainty of scope of the proposed action at the assessment documentation stage of an assessment. The more options that the Department needs to assess, the more time and resources are required to review documentation and provide feedback. The Department recognises that a proposed action may be referred when a project is still in the design phase, and therefore may include a number of options that an applicant is considering. If the applicant clearly identifies the final scope of the action by the assessment documentation stage, then this complexity charge will not apply.

The additional activities undertaken by the Department based on the level of complexity may include:

- Detailed analysis,
- Research of impacts and management and mitigation measures,
- Engagement of and consultation with experts,
- Consultation with the applicant,
- Sourcing advice from other departmental areas and committees (such as the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development) and Commonwealth agencies, and
- Review of responses from the applicant and members of the public.

3.2.2.1 Setting complexity fees

The Department advises the applicant of the level of complexity fees at the time of the controlled action or assessment approach decision.¹¹ Like base costs for an environmental impact assessment, complexity costs are spread across four stages of the assessment process (with the exception of Assessment on Referral Information, which has three assessment stages). Each fee installment reflects the proportion of cost and regulatory effort required at that stage of the assessment. The fee is payable prior to the relevant stage of assessment commencing.

The Department ensures that double or excessive charging of complexity fees does not occur when setting those fees. For example, if a particular migratory species is also a listed threatened species, applicants will only be charged fees for one of those categories, not both, to avoid double charging for the assessment of the impacts of the action on a single species.¹²

As the Great Barrier Reef Marine Park is World Heritage listed, proposed actions that trigger the Great Barrier Reef Marine Park controlling provision also automatically trigger for World Heritage (but not necessarily vice versa). As such the complexity fee for assessing actions taken in the Great Barrier Reef Marine Park takes into account the associated complexity fees for World Heritage to avoid excessive charging.

Not all controlling provisions attract the same fee, given the differing levels of complexity involved. For example, there are additional costs involved in assessing water resources owing to the complicated nature of water impacts. Similarly, assessing impacts upon World Heritage areas, such as the Great Barrier Reef Marine Park, require a high level of engagement with the World Heritage Committee (see complexity fee matrix below).

3.2.2.2 Fee points for complexity

Applicants pay the following complexity fees across stages 1-4¹³ of the assessment (stages 1-3 for assessment on referral information):

- Controlling provision fees (shown in rows A to J in the complexity fee matrix),
- Number of project component fees (shown in row K in the complexity fee matrix),
- Coordination with other legislation (shown in row L in the complexity fee matrix), and
- Exceptional circumstance fee (shown in row P in the complexity fee matrix).

Applicants will need to pay the adequacy of information and clarity of project scope (shown in rows M, N, and O in complexity fee matrix) complexity fees across stages 3-4 of the assessment (not applicable for assessment on referral information).

¹¹ Refer Figure 3 for overview of the environmental impact assessments process

¹² Refer to complexity fee matrix at page 19

¹³ Refer to Figure 6 for a breakdown of assessment process stages. Note that assessment on referral information has only three assessment stages.

3.2.2.3 Opportunities for applicants to reduce complexity fees

Applicants have an opportunity to reduce the “adequacy of information” and “clarity of project scope” complexity fees (shown in rows M, N, and O in complexity fee matrix) during the assessment process. The Department advises applicants of the maximum liability for complexity fees in rows M, N, and O at the time of the controlled action or assessment approach decision, based on the information provided in the referral documentation. However, the fees are not payable until stage 3 and 4 of the assessment.

The Department acknowledges that sometimes the applicant does not have all information regarding a proposed action at the time of the referral, and that an applicant will often be able to provide more adequate information in the draft assessment documentation. Therefore, the Department may reduce complexity fees when the applicant better defines the scope of the proposed action and/or proposed management measures in draft assessment documentation. The “adequacy of referral information” and “clarity of project scope” fees do not apply to assessments on referral information, as to be eligible for this assessment method the information provided at the referral stage must be sufficient so that no further information is required. The final applicable fees for adequacy of information and clarity of project scope are confirmed after the draft assessment documentation (stage 2) is received by the Department, and are then payable across the remaining stages of the assessment (stages 3 & 4).

For example, if an applicant has partially completed site surveys for all project components at the time of the referral, then the Department would advise the applicant at the controlled action or assessment approach decision that a complexity fee of \$14,248 will apply. This fee would be payable at stage 3 & 4 of the assessment. However, if the applicant provided fully completed site surveys in their draft assessment documentation (stage 2), then this fee would no longer apply. The Department will advise the applicant of any reduction in complexity fees.

The CRIS includes further examples below (refer examples 1-5 commencing on page 27) which demonstrate how different complexity costs may apply to projects under each assessment method. The preliminary documentation example also includes an example of how complexity fees may be reduced. These examples outline the total fees that would apply to deliver these assessments. Examples are provided for illustrative purposes only, with the total costs for individual projects to be determined based on the complexity of those projects.

3.2.2.4 Complexity fee review process

Should the applicant disagree with the complexity fees set by the Department, the applicant can request that the Department conduct an internal review. The review will be undertaken by an officer more senior than the original decision maker to ensure fairness. The Department does not charge for this service. The Department will provide guidance on the requirements for seeking review of complexity fees prior to the commencement of cost recovery.

COMPLEXITY FEE MATRIX

For controlled action assessments by PD, ARI, EIS, PER and bilateral and accredited assessments
(Complexity fees from A to P maybe applicable) Note: Low complexity assessment charges are covered in base costs

AF – Additional fee BAC – Base cost *Refer to complexity matrix attachment		LOW COMPLEXITY		MODERATE COMPLEXITY		HIGH COMPLEXITY		VERY HIGH COMPLEXITY	
		DESCRIPTION	AF	DESCRIPTION	AF	DESCRIPTION	AF	DESCRIPTION	AF
CONTROLLING PROVISION: MATTER OF NATIONAL ENVIRONMENTAL SIGNIFICANCE (Fees set and confirmed at the assessment approach or controlled action decision)									
A	Listed threatened species and ecological communities	N/A (controlling provision not triggered under EPBC Act)	-	1 to 5 points*	\$5,463	6 to 14 points*	\$21,852	≥ 15 points*	\$45,711
B	Listed migratory species	N/A (controlling provision not triggered under EPBC Act)	-	One species category impacted*	\$5,463	Two species categories impacted*	\$21,852	≥ Three species categories impacted*	\$45,711
C	Wetlands of international importance	N/A (controlling provision not triggered under EPBC Act)	-	Impacts on the ecological character of the wetland are well understood and are of low severity and temporary in nature.	\$5,463	Impacts on the ecological character of the wetland are unclear or are of moderate severity and are temporary or permanent in nature.	\$21,852	Impacts on the ecological character of the wetland are unclear or are of high severity and are permanent in nature.	\$45,711
D	Environment of the Commonwealth marine area	N/A (controlling provision not triggered under EPBC Act)	-	Impacts on the environment of the Commonwealth marine area and conservation values are well understood, low in severity and temporary in nature.	\$5,463	Impacts on the environment of the Commonwealth marine area and conservation values are unclear or are of moderate severity and are temporary or permanent in nature.	\$21,852	Impacts on the environment of the Commonwealth marine area and conservation values are unclear or poorly defined, or are of high severity and are permanent in nature.	\$45,711
E	World heritage properties	N/A (controlling provision not triggered under EPBC Act)	-	The impacts of the proposed action on values are well understood and comprehensively documented.	\$5,463	Impacts of proposed action on values are uncertain and poorly defined.	\$21,852	Impacts of action are not defined with a high risk of a long term or permanent impact on values.	\$45,711
F	National heritage places	N/A (controlling provision not triggered under EPBC Act)	-	The impacts of the proposed action on values are well understood and comprehensively documented.	\$5,463	Impacts of proposed action on values are uncertain and poorly defined.	\$21,852	Impacts of action are not defined with a high risk of a long term or permanent impact on values.	\$45,711
G	Nuclear actions	N/A (controlling provision not triggered under EPBC Act)	-	The proposal is likely to impact the whole of the environment and the technology is proven, the impacts of the activity is well understood and comprehensively documented.	\$5,463	The proposal is likely to impact the whole of the environment and the technology in use is proven and/or the impacts of activity are unclear and/or poorly documented.	\$21,852	The proposal is likely to impact the whole of the environment and the technology in use is new and unproven or impacts of the activity are of high severity, permanent in nature and /or poorly documented.	\$45,711
H	Great Barrier Reef Marine Park	N/A (controlling provision not triggered under EPBC Act)	-	Impacts of the proposed action on the values of the GBRMP are well understood and are low severity and temporary in nature.	\$2,882	Impacts of the proposed action on the values of the GBRMP are uncertain and poorly defined, and are temporary or permanent in nature.	\$11,528	N/A	N/A
I	Water Resources	N/A (controlling provision not triggered under EPBC Act)	-	The impacts of the proposed action on water resources are well understood and comprehensively documented.	\$5,463	Impacts on water resources are uncertain or poorly defined.	\$21,852	Impacts of action are not defined with a high risk of a long term or permanent impact on water resources.	\$45,711
CONTROLLING PROVISION: COMMONWEALTH LAND / COMMONWEALTH AGENCY / COMMONWEALTH HERITAGE PLACES OVERSEAS (Fees set and confirmed at the assessment approach or controlled action decision)									
J		N/A (controlling provision not triggered under EPBC Act)	-	Impacts on the environment are well understood, low in severity and temporary in nature.	\$5,463	Impacts on the environment are unclear or are of moderate severity and are temporary or permanent in nature.	\$21,852	Impacts on the environment are unclear or poorly defined, or are of high severity and are permanent in nature.	\$45,711
NUMBER OF PROJECT COMPONENTS (Fees set and confirmed at the assessment approach or controlled action decision)									
K		One project component	-	Two project components	BAC x 1	Three project components	BAC x 2	(Y) number of project components	BAC x (Y-1)
COORDINATION WITH OTHER LEGISLATION (Fees set and confirmed at the assessment approach or controlled action decision)									
L	Coordination with Commonwealth legislation under s. 160 of the EPBC Act or links to other legislation	Low level of complexity under s.160 or other legislation.	\$3,892	Moderate level of complexity under s.160 or other legislation.	\$7,783	High level of complexity under s.160 or other legislation.	\$15,567	Very high level of complexity under s.160 or other legislation.	\$32,138
ADEQUACY OF INFORMATION AND CLARITY OF PROJECT SCOPE (Fees set at the assessment approach or controlled action decision and confirmed during stage 2 of the assessment)									
M	Site surveys/Knowledge of environment	Site surveys complete and adequate	-	Site survey partially complete for all project components.	\$14,248	Site survey not complete for at least one of the project components.	\$82,316	P New scope of work/ activity/ process, and potential impacts are unclear; OR activity is understood, but environmental consequences are very high and carry the potential for severe/ irreversible/ long-term impacts	\$577,651
N	Management measures	Management measures defined and proven in previous similar projects	-	Management measures proposed, but clarification is required.	\$14,248	Management strategies poorly defined, not proposed or untested. Technical review of information likely to be required	\$93,316		
O	Project scope	Scope of project clearly defined	-	Project scope includes alternatives, but each alternative clearly defined	\$14,248	Project scope is unclear; OR alternative options poorly defined	\$60,404		

COMPLEXITY FEE MATRIX - Attachment

Controlling provision - Listed threatened species and ecological communities

Points system

Proponents will be charged a complexity fee based on the number of threatened species and ecological communities impacted by the proposed action. Points are allocated to each threatened species and/or ecological community that is either likely to be significantly impacted or is determined to require further assessment. As illustrated below, points will also be allocated based on the category of listing of the threatened species and ecological community.

Point values

- EPBC Act listed as endangered and vulnerable = 1 point
- EPBC Act listed as critically endangered = 2 points

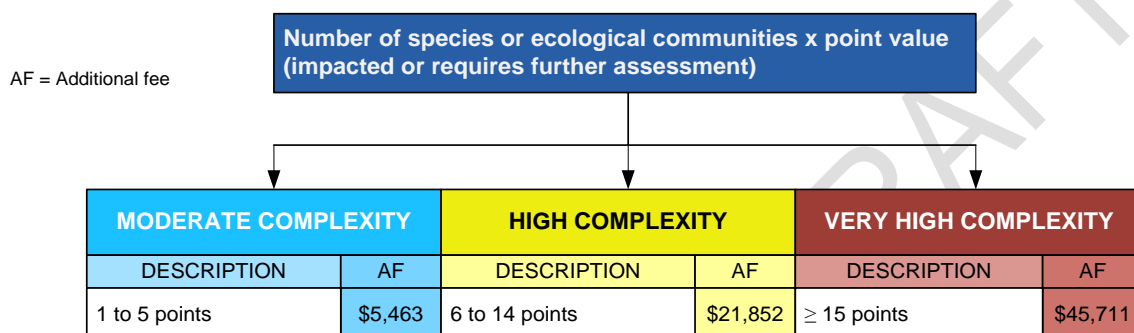


Figure 4. Point values for listed threatened species and ecological communities.

Controlling provision - Listed migratory species

Migratory species categories

Proponents will be charged a complexity fee for listed migratory species based on the number of migratory species categories that are likely to be significantly impacted or that require further assessment.

Categories are defined as:

- Shore birds
- Sea birds
- Other birds
- Marine mammals
- Marine - fish
- Insects
- Reptiles

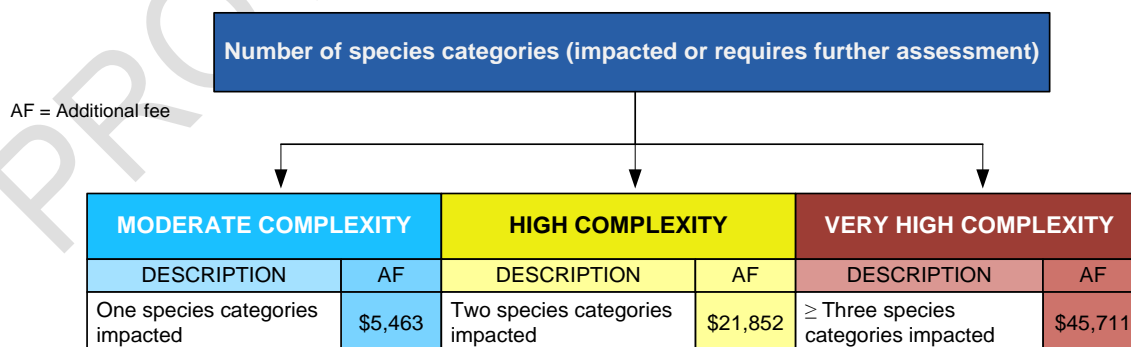


Figure 5. Fees per number of categories for listed migratory species.

Note: If a species is a listed threatened species and a migratory species, proponents will only be charged the fee for the threatened species or migratory species category to ensure no double charging.

3.3 Charges for the activity – environmental impact assessments

3.3.1 Schedule of fees and charges for environmental impact assessment

The delegate of the Minister responsible for determining the fees provides an estimate of the maximum applicable fees for an assessment (including complexity fee components) to an applicant at either the controlled action or assessment approach decision. However, applicants pay fees over the course of the assessment process. Fees are paid by applicants prior to each stage of the assessment as outlined in Figure 6 below. If an applicant cancels or withdraws from the assessment at any stage, the applicant is not liable for the payment of fees for subsequent stages of the assessment.

This ensures that applicants only pay fees for services actually provided, and recognises that proposed actions subject to the EPBC Act often involve a long planning process. There is also scope for applicants to reduce their overall fees for their assessment by improving the quality of information provided to the Department (see section 3.2.2.3). The following sections provide an overview of referrals and environmental impact assessments, and the fees which may be applicable at each stage of the assessment.

A detailed schedule of fees is found at **Appendix A**.

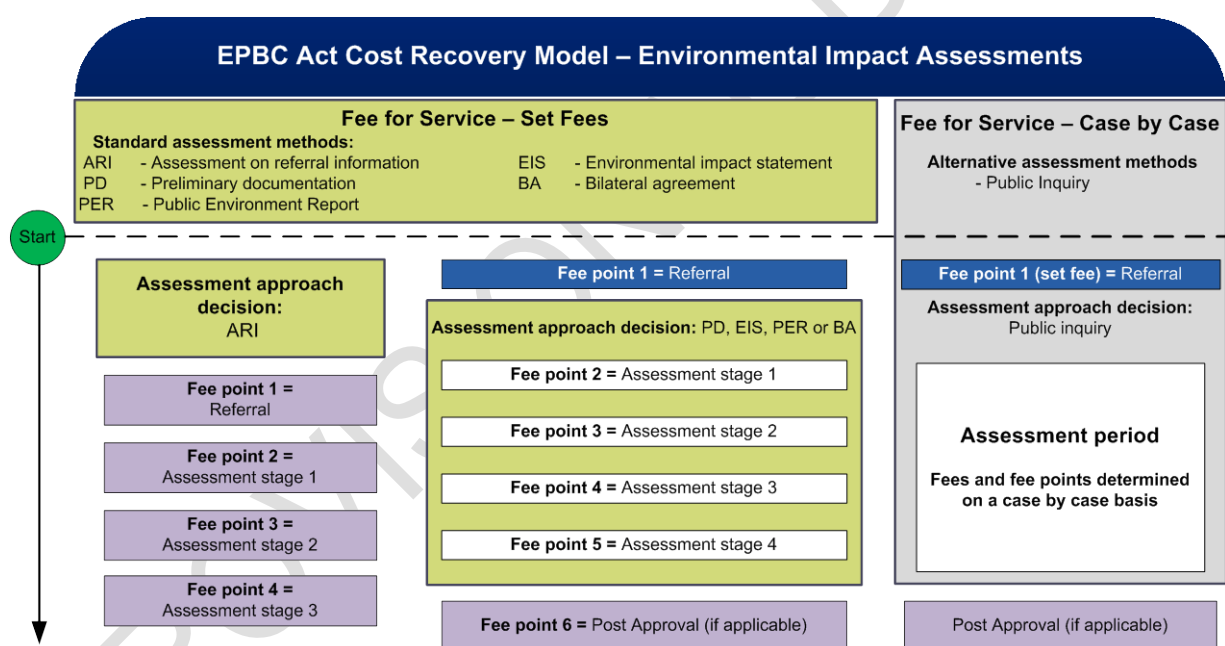


Figure 6. The EPBC Act cost recovery charging model for environmental impact assessments.

3.3.2 Referrals

The standard referral process for environmental impact assessment is shown in Figure 7 below.

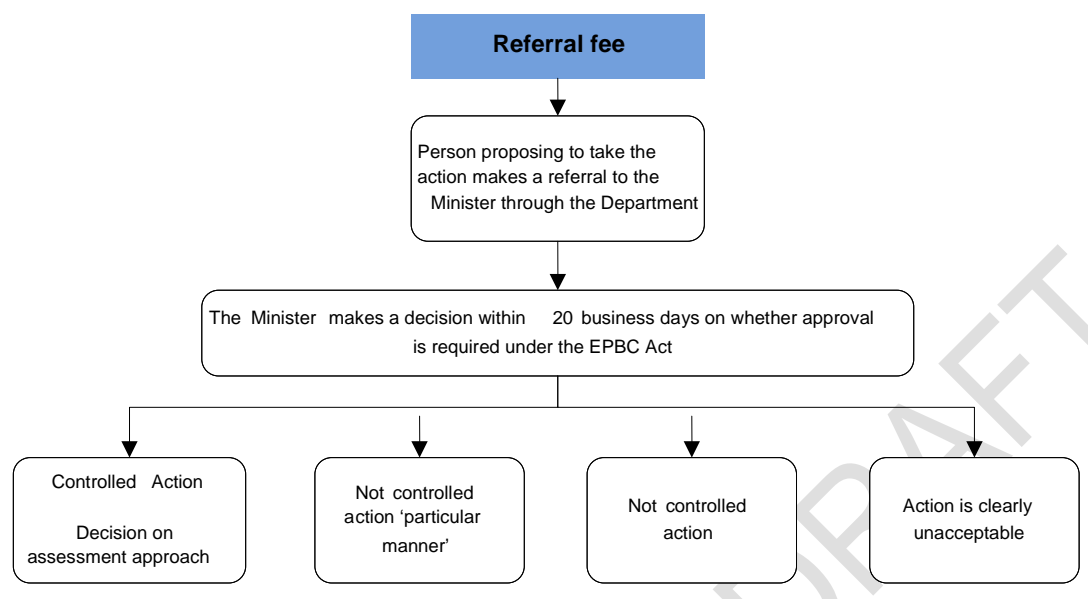


Figure 7. The standard referral process for environmental impact assessment

Applicants pay a fixed fee for referrals based on the amount of work by the requirement that is required for the Minister or the Minister's delegate to meet the 20 day statutory timeframe for making a controlled action decision. The applicant must pay the standard referral fee of \$7,352 prior to the Department commencing assessment of the referral, and this will not vary based on the outcome (controlled action, not controlled action 'particular manner', not controlled action or action is clearly unacceptable), because the Department undertakes the same amount of work regardless of the final decision. There will be no additional complexity fees for referrals.

The costs of assessing whether a referral is a controlled action are based on 8.9 equivalent person-days for an Assessment Officer and 3.6 equivalent person-days for an Assistant Director, along with Director's oversight and a decision by the delegate as outlined in Table 1 above.

Activities involved in the referral process include:

- One optional pre-referral consultation or referral lodgment meeting with the applicant,
- Research and validation of referral information,
- Sourcing advice from other departmental areas,
- Preparation of advice to the Minister or the delegate,
- Consideration of advice,
- Decision notification, and
- Database input.

The resources required for an optional pre-referral meeting are included in the referral costs because if no pre-referral meeting occurs, the Department still needs to do the work to ascertain the kind of information provided in a pre-referral meeting. In other words, the work represented by the pre-referral meeting needs to occur, but it can happen before or after referral. However, there will be no standalone fee imposed for a pre-referral meeting, where that meeting does not result in a referral. A summary of the referral costs is outlined in Table 3 below.

Table 3. Summary of referral costs.

Activity	Base costs (A)	Complexity costs (B)	Total fee (A) + (B)
Referral	\$7,352	N/A	\$7,352

3.3.3 Assessment processes

The standard assessment process for environmental impact assessment is shown in Figure 8 below.

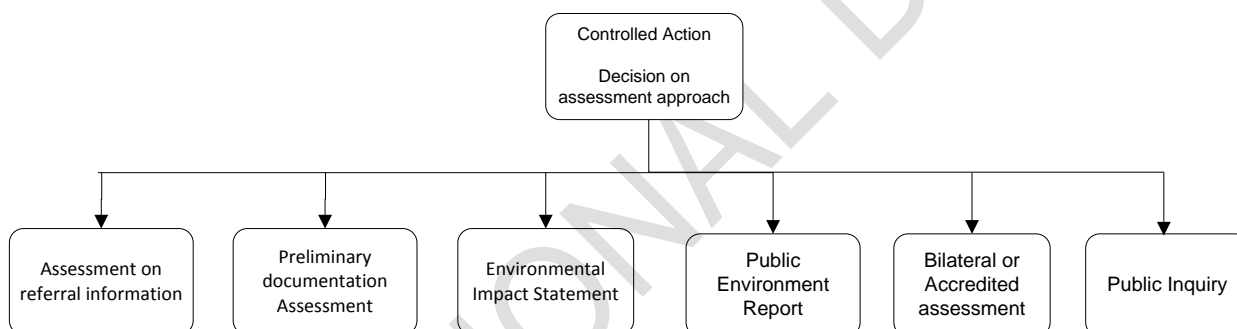


Figure 8. The standard assessment processes for environmental impact assessment

If the Minister decides that the proposed action requires assessment under the EPBC Act, the Department notifies the applicant of the assessment approach decision. The Department at this point provides the applicant with an estimate of maximum applicable assessment fees. The applicant must pay the assessment fees prior to commencing each relevant stage of the assessment process, or the assessment will 'pause' until the fee is paid. The fees for each stage will be commensurate with the work required at that stage. If an applicant cancels or withdraws a proposed action at any stage of the assessment, the applicant will not need to pay any fees for subsequent stages of the assessment.

3.3.4 Assessment on referral information

Base assessment on referral information fees (i.e. for low complexity projects) are based on 14 equivalent person-days for an Assessment Officer and 3.2 equivalent person-days for an Assistant Director, along with executive oversight (detailed below).

Activities involved in the assessment on referral information for a low complexity project include:

- A comprehensive review of the project scope,
- Consultation with the applicant,
- Research and validation of assessment documentation,
- Sourcing advice from other departmental areas,
- Review of responses from the applicant,
- Preparation of decision documentation for the Minister or delegate,
- Consideration of advice,
- Decision notification, and
- Database input.

A summary of the assessment on referral information costs is outlined in Table 4.

A break-down of processes contributing to base costs for assessment on referral information is outlined in Table 5.

Table 4. Summary of assessment on referral information costs.

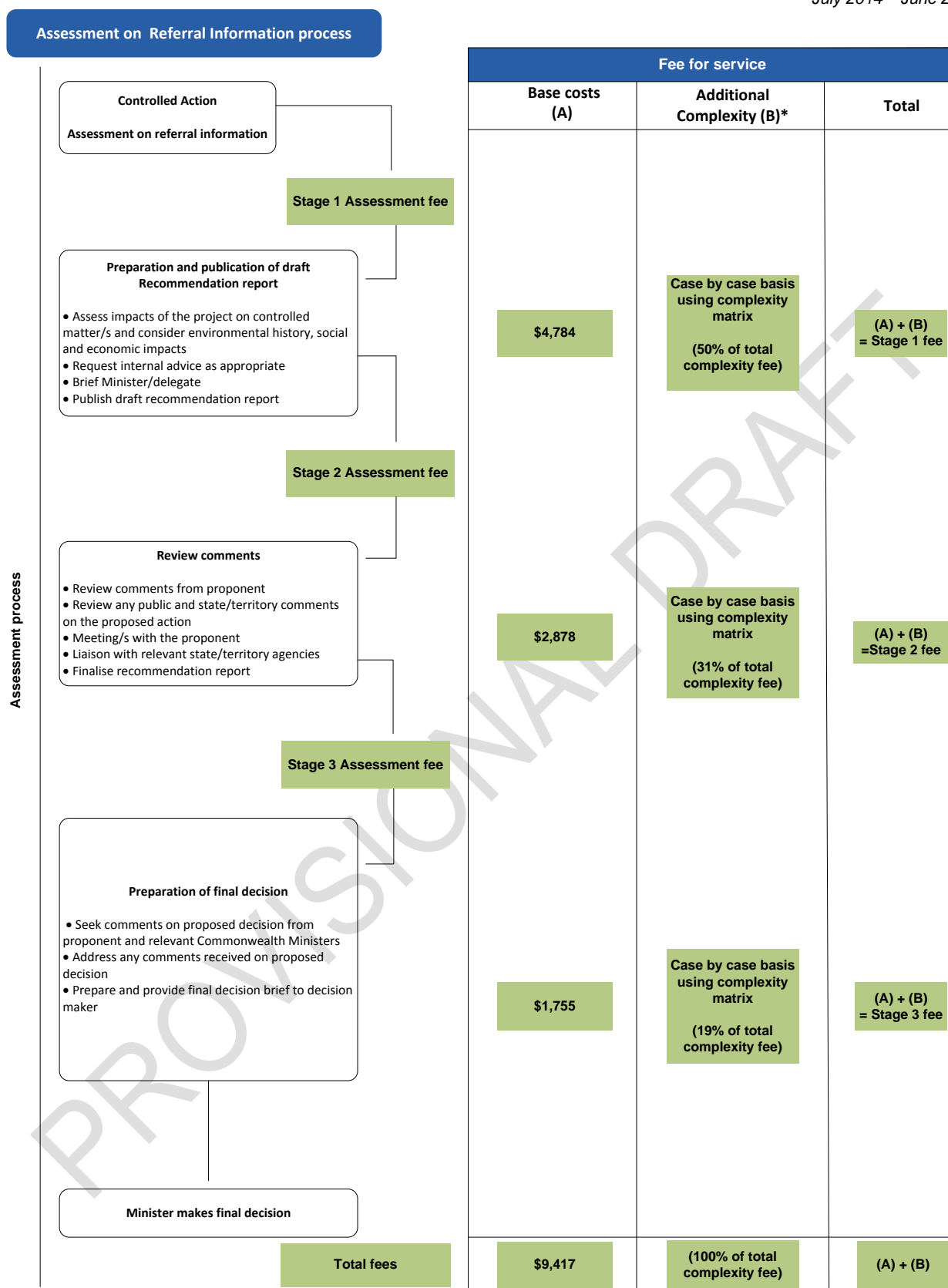
Activity	Base costs (A)	Complexity costs (B)	Total fee (A) + (B)
Assessment on referral information	\$9,417	Determined on a case by case basis	\$9,417 + (B)

Table 5. Summary of Base costs (A) for assessment on referral information costs.

Stages of the assessment process	Time (days)			
	Assessment Officer	Assistant Director	Director	Delegate
Stage 1: Prepare and publish draft recommendation report	8	1.1	0.28	0.06
Stage 2: Review comments and finalise recommendation report	4	1.1	0.3	0.06
Stage 3: Seek comments on draft decision and prepare final decision brief	2	1	0.2	0.03
TOTAL BASE COST		\$9,417		

Fees that may be applicable at each stage of the assessment on referral information process are outlined in the flowchart at Figure 9 below.

Complexity fees may be applicable for an assessment on referral information. Refer to Example 1 below to see how complexity fees could be applied to a project assessed on referral information.



* It is proposed that the total complexity fee for a project is paid in installments across the various fee points based on the proportion of work (percentage) to be completed for each stage of the assessment.

Figure 9. Fee stages flow chart for assessment on referral information.

Example 1 — Highway upgrade (Assessment on referral information)

Project description: The Department of Roads and Transport is proposing to upgrade a section of highway, which requires clearing of up to 50ha of good quality vegetation, located in an important regional habitat corridor for wildlife.

Activity	Base costs (A)	Complexity costs (B)	Total fee (A) + (B)
Highway upgrade (<i>Assessment on referral information</i>)	\$9,417	\$18,709	\$28,126

Additional complexity components (applicable fees for Example 1)

Fee Ref.*	Project characteristics	Additional resources required during the assessment process	Complexity fee
Controlling provisions triggered			
A	Impacts are considered moderate complexity based on 5 EPBC Act listed threatened species /ecological communities requiring further assessment – 5 points.	<ul style="list-style-type: none"> Assessment Officer – 6 days Assistant Director – 3 days Director – 1 day 	\$5,463
B	Impacts are considered moderate complexity based on 1 EPBC Act listed migratory species requiring further assessment – one species category.	<ul style="list-style-type: none"> Assessment Officer – 6 days Assistant Director – 3 days Director – 1 day 	\$5,463
Project components			
K	Land clearing for highway upgrade	<ul style="list-style-type: none"> No additional cost 	N/A
Adequacy of information and clarity of project scope			
M	<ul style="list-style-type: none"> Information was deemed adequate at the referral stage 	<ul style="list-style-type: none"> No additional cost 	N/A
N	<ul style="list-style-type: none"> Information was deemed adequate at the referral stage 	<ul style="list-style-type: none"> No additional cost 	N/A
Other legislation			
L	<ul style="list-style-type: none"> There is a moderate level of complexity under the state planning legislation. Liaison will be required to streamline approval conditions. 	<ul style="list-style-type: none"> Assessment Officer – 8 days Assistant Director – 4 days Director – 2 day 	\$7,783
ESTIMATED COMPLEXITY COSTS			\$18,709

* Please refer to complexity fee matrix

3.3.5 Assessment on preliminary documentation

Base preliminary documentation assessment fees (i.e. for low complexity projects) are based on 12 equivalent person-days for an Assessment Officer and 3.5 equivalent person-days for an Assistant Director, along with executive oversight (detailed below).

Activities involved in the preliminary documentation assessment for a low complexity project include:

- A comprehensive review of the project scope,
- Consultation with the applicant,
- Preparation of requests for information to inform the assessment,
- Research and validation of assessment documentation,
- Sourcing advice from other departmental areas,
- Review of responses from the applicant,
- Preparation of decision documentation for the Minister or delegate,
- Consideration of advice,
- Decision notification, and
- Database input.

A summary of the preliminary documentation assessment costs is outlined in Table 6. A breakdown of processes contributing to base costs for a preliminary documentation assessment is outlined in Table 7.

Table 6. Summary of preliminary documentation costs.

Activity	Base costs (A)	Complexity costs (B)	Total fee (A) + (B)
Assessment on preliminary documentation	\$8,661 ¹⁴	Determined on a case by case basis	\$8,661 +(B)

¹⁴ This is the maximum amount of base costs payable for an assessment by preliminary documentation, as in some circumstances (detailed below) the Stage 1 base cost fee may not be applicable.

Table 7. Summary of Base costs (A) for preliminary documentation.

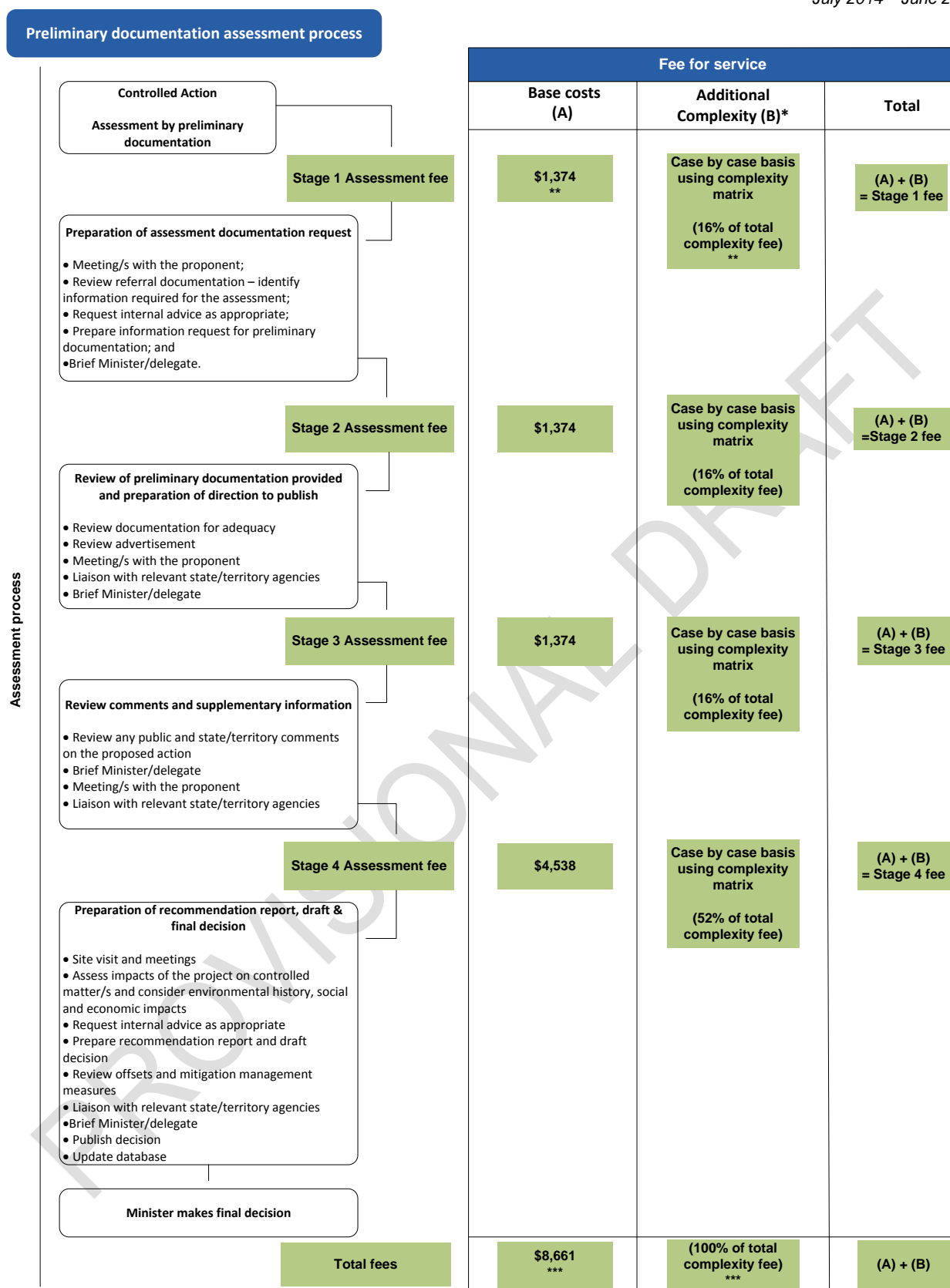
Stages of the assessment and approval process	Time (days)			
	Assessment Officer	Assistant Director	Director	Delegate
Stage 1: Determine information requirements ¹⁵	2	0.5	0.1	0.03
Stage 2: Liaise with applicant and other regulators, and review documents throughout preparation of preliminary documentation	2	0.5	0.1	0.03
Stage 3: Review comments and supplementary information	2	0.5	0.1	0.03
Stage 4: Prepare recommendation report, proposed and final decision	6	2	0.5	0.06
TOTAL BASE COST		\$8,661 ¹⁶		

Fees that may be applicable at each stage of the preliminary documentation assessment process are outlined in the flowchart at Figure 10 below. In circumstances where no further information is required to undertake the assessment by preliminary documentation under section 95(1) of the EPBC Act, the Stage 1 base cost fee of \$1,374 plus 16% of the complexity fee will not be applicable and this will reduce the total costs payable.

Complexity fees may be applicable for an assessment by preliminary documentation. Refer to Example 2 and 3 below to see how complexity fees could be applied to a proposed action assessed by preliminary documentation under the EPBC Act, based on the complexity fee matrix. Refer to section 3.2.2.3 above for more information on reducing complexity fees.

¹⁵ Stage 1 base cost fees will not be applicable where no further information is required to proceed with assessment on preliminary documentation under section 95(1).

¹⁶ The total base cost will be reduced by \$1,374 if the Stage 1 base cost fee is not applicable.



* It is proposed that the total complexity fee for a project is paid in installments across the various fee points based on the proportion of work (percentage) to be completed for each stage of the assessment.

** If no further information is required [as per section 95(1) of the EPBC Act] then the stage 1 Base (A), and 16% of the complexity fees will not be applicable, as this stage in the process does not occur, therefore reducing the overall fee payable.

*** If no further information is required [as per section 95(1) of the EPBC Act] then the total fees will be; Base (A) \$COST, and 84% of the total complexity fee.

Figure 10. Fee stages flow chart for preliminary documentation.

Example 2 — Residential development (preliminary documentation)

Project description: Building Homes Pty Ltd is proposing a residential development, which requires clearing and alteration of water courses in an area that provides important high quality habitat for a threatened species and ecological communities.

Activity	Base costs (A)	Complexity costs (B)	Total fee (A) + (B)
Residential development (<i>Preliminary documentation</i>)	\$8,661	\$58,130	\$66,791

Additional complexity components (applicable fees for Example 2)

Fee Ref.*	Project characteristics	Additional resources required during the assessment process	Complexity fee
Controlling provisions triggered			
A	Impacts are considered high complexity based on 8 EPBC Act listed threatened species / ecological communities requiring further assessment – 10 points	Threatened species (high complexity): <ul style="list-style-type: none"> Assessment Officer—24 days Assistant Director—12 days Director—4 days 	\$21,852
Project components			
K	<ul style="list-style-type: none"> Land clearing for residential development 	<ul style="list-style-type: none"> No additional cost 	N/A
Adequacy of information and clarity of project scope			
M	<ul style="list-style-type: none"> Site surveys for threatened species are partially complete. Additional dry season surveys are required. 	Site surveys (moderate complexity): <ul style="list-style-type: none"> Assessment Officer—18 days Assistant Director—6.5 days Director—2.5 days 	\$14,248
N	<ul style="list-style-type: none"> Clarification is required regarding the proposed management measures, avoidance and mitigation of important habitat. 	Management strategies (moderate complexity): <ul style="list-style-type: none"> Assessment Officer—18 days Assistant Director—6.5 days Director—2.5 days 	\$14,248
Other legislation			
L	<ul style="list-style-type: none"> Coordination not required under section 160 of the EPBC Act. There is a moderate level of complexity under the state planning legislation. Liaison will be required to streamline approval conditions. 	Other legislation (moderate complexity): <ul style="list-style-type: none"> Assessment Officer—8 days Assistant Director—4 days Director—2 days 	\$7,783
ESTIMATED COMPLEXITY COSTS			\$58,130

* Please refer to complexity fee matrix

Reducing complexity fees for Example 2

The proponent in Example 2 would have been advised of their maximum liability for complexity fees at the time of the controlled action or assessment approach decision, based on the information provided in their referral documentation. The proponent in Example 2 has the opportunity to reduce their overall complexity fees for adequacy of information and clarity of project scope fees (shown in rows M, N and O of the complexity fee matrix) by providing comprehensive information in their preliminary documentation (stage 2, refer Figure 10) provided to the Department. For example if the proponent in Example 3 provides a higher quality of information in relation to site surveys and management measures in their preliminary documentation at stage 2, then their complexity fees will be reduced by up to \$28,495.

Example 3 — Residential development (preliminary documentation)

Project description: Building Homes Pty Ltd is proposing a residential development, which requires clearing and alteration of water courses in an area that provides important high quality habitat for a threatened species and ecological communities.

Total fee

Activity	Base Costs (A)	Complexity costs (B)	Total fee (A) + (B)
Residential development (<i>Preliminary documentation</i>)	\$8,661	\$29,635	\$38,296

Additional complexity components (applicable fees for Example 3)

Fee Ref.*	Project characteristics	Additional resources required during the assessment process	Complexity costs
Controlling provisions triggered			
A	<ul style="list-style-type: none"> Impacts are considered high complexity based on 8 EPBC Act listed threatened species / ecological communities requiring further assessment - 10 points 	Threatened species (high complexity): <ul style="list-style-type: none"> Assessment Officer—24 days Assistant Director—12 days Director—4 days 	\$21,852
Project components			
K	<ul style="list-style-type: none"> Land clearing for residential development 	<ul style="list-style-type: none"> No additional cost 	N/A
Adequacy of information and clarity of project scope			
M	<ul style="list-style-type: none"> Site surveys complete and adequate 	<ul style="list-style-type: none"> No additional cost 	N/A
N	<ul style="list-style-type: none"> Management measures are clearly defined and proven 	<ul style="list-style-type: none"> No additional cost 	N/A
Other legislation			
L	<ul style="list-style-type: none"> Coordination not required under section 160 of the EPBC Act. There is a moderate level of complexity under the state planning legislation. Liaison will be required to streamline approval conditions. 	Other legislation (moderate complexity): <ul style="list-style-type: none"> Assessment Officer—8 days Assistant Director—4 days Director—2 days 	\$7,783
ESTIMATED COMPLEXITY COSTS			\$29,635

* Please refer to complexity fee matrix

Reducing complexity fees for Example 3

Example 3 demonstrates how the proponent was able to reduce their overall complexity fee by \$28,495 in comparison to the scenario in Example 2. The proponent in Example 3 did not have fees set for adequacy of information and clarity of project scope fees (shown in rows M and N in complexity fee matrix). The proponent achieved this by providing sufficient information in relation to site surveys and management measures in the referral documentation to enable the Department to meaningfully inform the delegate of the nature of the proposal.

3.3.6 Public Environmental Report / Environmental Impact Statement

Public environmental report and environmental impact statement are very similar assessment methods, with an identical statutory process under the EPBC Act. The base costs for these assessment methods are the same. Costs for both assessment methods are discussed in this section.

Base public environmental report and environmental impact statement fees (i.e. for low complexity projects) are based on 35 equivalent person-days for an Assessment Officer, 13 equivalent person-days for an Assistant Director, and five equivalent person-days for a Director, plus executive oversight.

Activities involved in a base public environmental report and environmental impact statement process include:

- A comprehensive review of project scope,
- Consultation with the applicant,
- Preparation of guidelines,
- Research and validation of assessment documentation,
- Sourcing of advice from other departmental areas responsible for specific aspects of the assessment,
- Preparation of advice to the Minister,
- Consideration of advice,
- Decision notification, and
- Database input.

A summary of the public environmental report and environmental impact statement costs is outlined in Table 8, and a break-down of processes contributing to base costs for public environmental report and environmental impact statement assessment is outlined in Table 9.

Table 8. Summary of public environmental report and environmental impact statement costs.

Activity	Base costs (A)	Complexity costs	Total fee (A) + (B)
Public environmental report / Environmental impact statement	\$30,202 ¹⁷	Determined on a case by case basis	\$30,202 + (B)

¹⁷ This is the maximum amount of base costs payable for an assessment by public environmental report or environmental impact statement, as in some circumstances (detailed below), the Stage 1 base cost fee may not be applicable

Table 9. Summary of Base costs (A) for public environmental report/environmental impact statement.

Stages of the assessment and approval process	Time (days)			
	Assessment Officer	Assistant Director	Director	Delegate
Stage 1: Draft project specific assessment guidelines ¹⁸	5	2	0.5	0.03
Stage 2: Liaise with applicant and other regulators and review documents throughout preparation of draft environmental impact statement / public environment report	15	5	2	1
Stage 3: Review final environmental impact statement / public environment report	5	2	0.5	0.27
Stage 4: Prepare recommendation report, proposed and final decision	10	4	2	0.4
TOTAL BASE COST		\$30,202 ¹⁹		

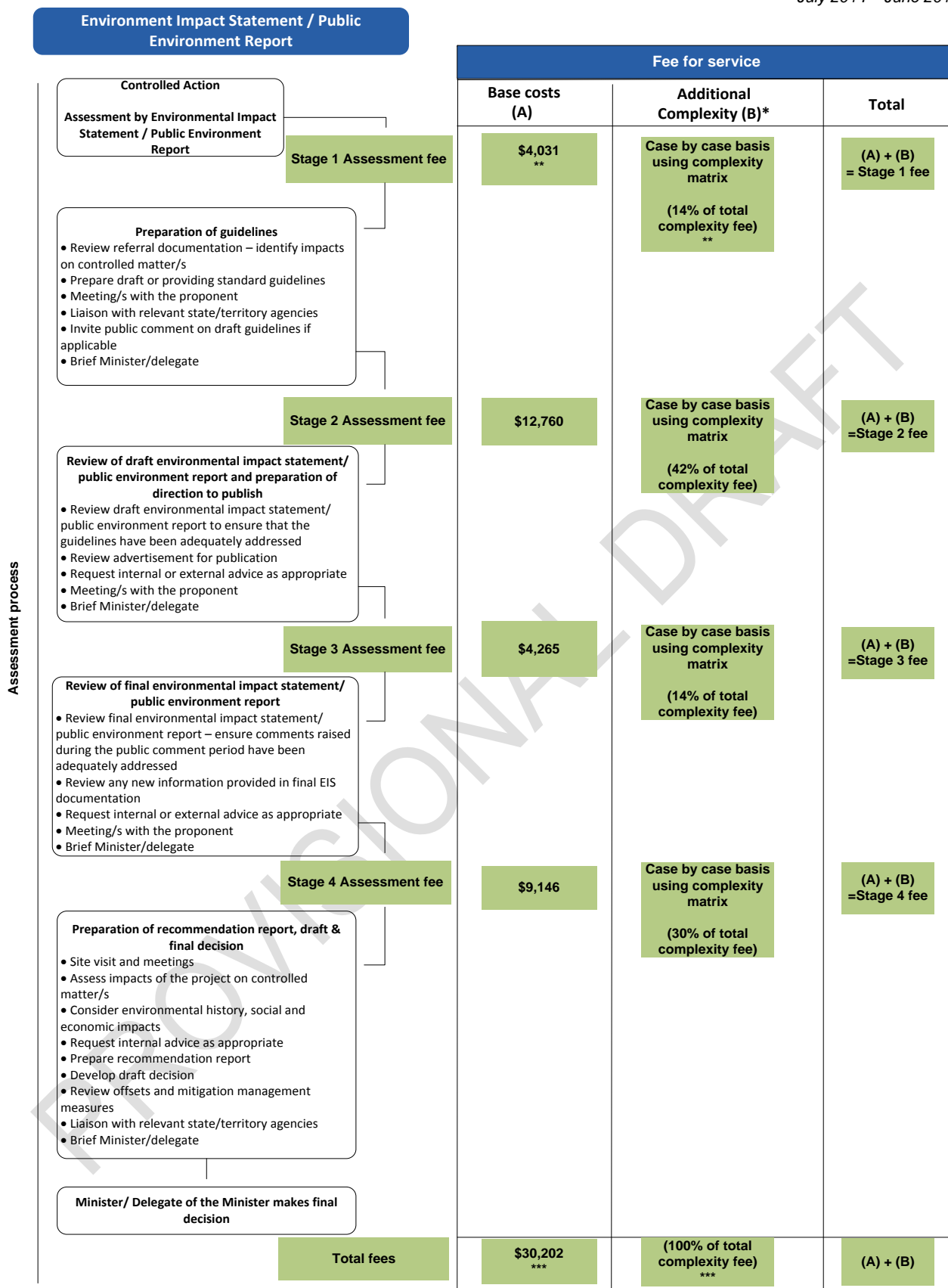
The fees that are applicable at each stage of the public environmental report and environmental impact statement assessment process are outlined in the flowchart Figure 11 below.

Complexity fees may be applicable to an assessment by public environmental report and environmental impact statement. Refer to Example 4 to see how complexity fees could be applied to a proposed action assessed by environmental impact statement or public environment report under the EPBC Act. Refer to 3.2.2.3 above for information about reducing complexity fees during the assessment process.

For an assessment by environmental impact statement, if standard guidelines are used under section 101A(2)(a) of the EPBC Act, the Stage 1 base cost fee of \$4,031 plus 14% of complexity costs will not be applicable and this will reduce the total costs payable. For an assessment by public environment report, if standard guidelines are used under section 96A(2)(a) of the EPBC Act, the Stage 1 base cost fee of \$4,031 plus 14% of complexity costs will not be applicable and this will reduce the total costs payable.

¹⁸ Stage 1 base cost fee of \$4,031 will not be applicable if standard guidelines are used under section 101A(2)(a) for an assessment by environmental impact statement or under section 96A(2)(a) for an assessment by public environment report.

¹⁹ The total base cost will be reduced by \$4,031 if the Stage 1 base cost fee is not applicable.



* It is proposed that the total complexity fee for a project is paid in installments across the various fee points based on the proportion of work (percentage) To be completed for each stage of the assessment.

** If the Minister provides standard guidelines under section 96A(2)(a) (public environment report) or section 101A(2)(a) (environmental impact statement) then the stage 1 fee (Base (A) + 14% additional complexity) will not be applicable, as this stage in the process does not occur, therefore reducing the overall fee payable.

***If standard guidelines are provided as per section 96A(2)(a) (public environment report) or section 101A(2)(a) (environmental impact statement) then the total fees will be: Base (A) \$Cost, and 86% of the complexity fee.

Figure 11. Fee stages flowchart for public environmental report and environmental impact statement process.

Example 4 - Mine, rail and port development with associated offshore dredging (environmental impact statement/public environment report)

Project description: Mining Pty Ltd is proposing the expansion of an existing mine that includes a widening of the mine's footprint and a new rail line to a new onshore port facility. The development of the port facility also involves offshore dredging for the shipping channel and construction of a jetty for docking of ships.

Referral documentation does not provide alternative dredging footprints to reduce the impact on coral species within the Commonwealth marine area. Clarification is required as to whether the project timing can be altered to reduce impacts on migratory and threatened species.

A high level of complexity under state legislation is required, and therefore liaison with the state is necessary to align assessment documentation with both state and EPBC Act requirements.

Total fee

Activity	Base costs (A)	Complexity costs (B)	Total fee (A) + (B)
Mine, port, rail development and offshore dredging (environmental impact statement/public environment report)	\$30,202	\$361,790	\$391,992

Additional complexity components (applicable fees for Example 4)

Fee Ref.*	Project characteristics	Additional resources required during the assessment process	Complexity costs
Controlling provisions triggered			
A	Impacts are considered high complexity based on 10 EPBC Act listed threatened species / ecological communities requiring further assessment - 12 points	Threatened species (high complexity): <ul style="list-style-type: none"> Assessment Officer—24 days Assistant Director—12 days Director—4 days 	\$21,852
B	Migratory species: The port infrastructure is proposed to be constructed over habitat that provides foraging habitat for migratory species (one species category).	Migratory species (moderate complexity): <ul style="list-style-type: none"> Assessment Officer—6 days Assistant Director—3 days Director—1 days 	\$5,463
D	Commonwealth marine area: This project will involve considerable dredging extending into the Commonwealth marine environment. The dredge plume is likely to impact on some coral communities in the Commonwealth marine environment.	Commonwealth marine area (high complexity): <ul style="list-style-type: none"> Assessment Officer—24 days Assistant Director—12 days Director—4 days 	\$21,852
Project components			
K	Four (very high complexity): <ul style="list-style-type: none"> mine rail line onshore infrastructure offshore dredging. 	Each additional project component increases the Department's workload by the basic assessment cost (that is, the cost of assessing one project component). <ul style="list-style-type: none"> Base cost of assessment x 3 	\$90,606
Adequacy of information and clarity of project scope			
M	No site surveys undertaken offshore, some site surveys undertaken along the rail line, but impacts are not adequately identified and further work is required.	Site surveys (high complexity): <ul style="list-style-type: none"> Assessment Officer—70 days Assistant Director—26 days Director—10 days Delegate of the Minister—3.4 days 	\$82,316

Example 4 (Continued) - Mine, Rail and Port development with associated offshore dredging (environmental impact statement/public environment report)

Fee Ref.*	Project characteristics	Additional resources required during the assessment process	Complexity costs
Adequacy of information and clarity of project scope (continued)			
N	The proponent has proposed broad management measures, but without necessary detail. This causes difficulty to assess the adequacy of the avoidance and mitigation measures for important habitat.	Management strategies (high complexity): <ul style="list-style-type: none"> • Assessment Officer—70 days • Assistant Director—26 days • Director—10 days • Delegate of the Minister—3.4 days • External expert—\$32,912 	\$93,316
O	The project scope includes alternative dredging footprints, but these alternatives are clearly defined.	Project scope (moderate complexity): <ul style="list-style-type: none"> • Assessment officer—18 days • Assistant Director—6.5 days • Director—2.5 days 	\$14,248
Other legislation			
L	A very high level of complexity under state legislation. Liaison with the state will be required to align assessment documentation with both state and EPBC Act requirements.	Coordination with state legislation (very high complexity): <ul style="list-style-type: none"> • Assessment Officer—32 days • Assistant Director—16 days • Director—8 days • Delegate of the Minister – 1 day 	\$32,138
ESTIMATED COMPLEXITY COSTS			\$361,790

3.3.7 Assessment bilateral agreement/Accredited assessment

The Australian Government is committed to establishing a 'one stop shop' for environmental approvals, and is negotiating approvals bilateral agreements with all states and territories. Where state and territory processes are accredited by the Commonwealth under the 'one stop shop', an applicant will not need to refer an action to the Commonwealth for assessment, and the Commonwealth will not be involved in the assessment and approval process. Therefore, Commonwealth cost recovery will not apply to assessments undertaken under an approvals bilateral agreement. A state or territory may undertake their own cost recovery arrangements for these environmental assessments.

If an approval bilateral agreement does not apply to an action it is possible that a state or territory and the Commonwealth may undertake a combined assessment of the same project. This could occur under two scenarios: if there is an assessment bilateral agreement between the Commonwealth and a particular state or territory, or where the Minister accredits a state process for a particular proposed action. In both these cases, the applicant must refer the project under both the state legislation and the EPBC Act.

Activities undertaken by the Commonwealth as part of a base bilateral assessment or accredited assessment process could include:

- Regular liaison with the state or territory departments,
- Comprehensive review of project scope,
- Consultation with the state or territory departments and, the applicant, if required,
- Input into state or territory project assessment guidelines,
- Research and validation of assessment documentation,
- Sourcing of advice from other departmental areas,
- Preparation of advice to the Minister,
- Consideration of advice,
- Decision notification, and
- Database input.

The costs for a bilateral or accredited assessment are lower than those under the environmental impact statement assessment as the Department does not prepare the recommendation report. There will be no cost recovery by the Australian Government for assessment work undertaken by the states and territories under an assessment bilateral agreement.

The base costs for an assessment under a bilateral agreement or accredited assessment will be reviewed following implementation in late 2014 of the 'one stop shop' reforms to streamline state and Commonwealth environmental assessment processes. This is expected to reduce the base costs for an assessment under a bilateral agreement or accredited assessment, as the 'one stop shop' reforms are anticipated to encourage efficiencies in Commonwealth assessment processes. For example, the Department is working to develop joint standard terms of reference and outcomes-focused model conditions with each state and territory. Once implemented these

reduce the need for Commonwealth officers to provide advice on individual projects assessed under an assessment bilateral agreement.

A summary of the bilateral agreement / accredited assessment costs is outlined in Table 10. Base costs for bilateral agreements/accredited assessments are outlined in Table 11.

Table 10. Summary of bilateral agreement / accredited assessment costs.

Activity	Base costs (A)	Complexity costs (B)	Total fee (A) + (B)
Bilateral agreement / Accredited assessments ²⁰	\$26,043	Determined on a case by case basis	\$26,043 + (B) ²¹

Table 11. Summary of Base costs (A) for bilateral agreement / accredited assessment.

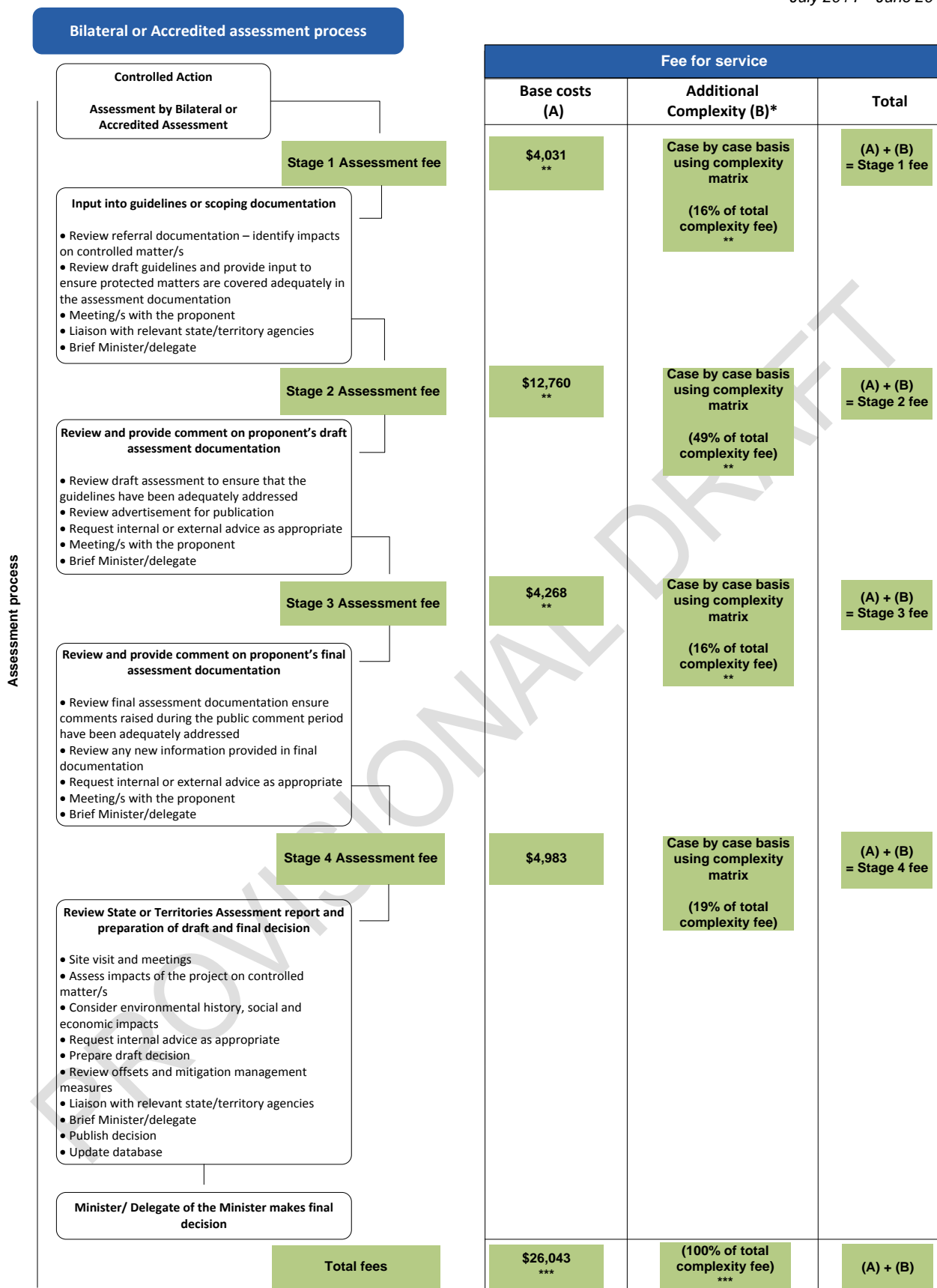
Stages of the assessment and approval process	Time (days)			
	Assessment Officer	Assistant Director	Director	Delegate
Stage 1: Input into the project specific assessment guidelines	5	2	0.5	0.03
Stage 2: Liaison with applicant and other regulators and review of documents throughout preparation of draft assessment documentation	15	5	2	1
Stage 3: Review final assessment documentation	5	2	0.5	0.27
Stage 4: Preparation of proposed and final decision	6	2	1	0.13
TOTAL BASE COST		\$26,043 ²²		

The fees applicable at each stage of the bilateral agreement / accredited assessment process are outlined in the fee stages flowchart. Complexity fees may be applicable to an assessment by bilateral agreement/accredited assessment. See Figure 12 below. Refer to Example 5 below to see how complexity fees could be applied to a proposed action assessed by bilateral agreement/accredited assessment under the EPBC Act. Refer to section 3.2.2.3 above for information about reducing complexity fees during the assessment process.

²⁰ If a bilateral agreement is determined to apply part way through an existing EPBC Act assessment, then a revised fee estimate will be provided to the proponent.

²¹ For an assessment under a bilateral agreement / accredited process \$26,043 is the maximum base cost payable, as the Minister may determine fees (base costs and complexity fees) are not applicable for a stage of a bilateral / accredited assessment process if that stage does not occur.

²² For an assessment under a bilateral agreement / accredited process \$26,043 is the maximum base cost payable, as the Minister may determine fees are not applicable for a stage of a bilateral / accredited assessment process if that stage does not occur. This table also shows the maximum number of hours spent by the Department on a bilateral agreement / accredited assessment.



* It is proposed that the total complexity fee for a project is paid in installments across the various fee points based on the proportion of work (percentage) to be completed for each stage of the assessment.

**If the Minister in his or her sole discretion determines that this stage is not required under the bilateral or accredited assessment process, then this stage Base (A) and the relevant % of the complexity fees will not be applicable.

*** If the Minister determines that one or more of the fee stages are not required, then the relevant stage Base (A) and the relevant % of the complexity fees will be deducted from the total fee, therefore reducing the overall fee payable.

Figure 12: Fee stages flowchart for bilateral or accredited assessment process.

Example 5– Mine, Rail & Port with associated offshore dredging (bilateral assessment)

Project description: Mining Pty Ltd is proposing the new development of a mine, rail line and port. The development of the port facility also involves offshore dredging for the shipping channel and construction of a jetty for docking of ships.

The project involves the clearing and fragmentation of habitat for a number of threatened and migratory species. Site surveys are partially complete for all project components however impacts are not adequately identified and further work is required. The proponent has proposed broad management measures, however further clarification is required.

There is a low level of complexity under the state planning legislation. Liaison with the state will be required during the bilateral assessment process.

Activity	Base costs (A)	Complexity costs (B)	Total fee (A) + (B)
Mine, port, rail development and offshore dredging (<i>Bilateral assessment</i>)	\$26,043	\$349,312	\$375,355

Additional complexity components (applicable fees for Example 5)

Fee Ref.*	Project characteristics	Additional resources required during the assessment process	Complexity costs
Controlling provisions triggered			
A	Impacts are considered high complexity based on 10 EPBC Act listed threatened species / ecological communities requiring further assessment - 12 points	Threatened species (high complexity): <ul style="list-style-type: none"> Assessment Officer—24 days Assistant Director—12 days Director—4 days 	\$21,852
B	Migratory species: The port infrastructure is proposed to be constructed over habitat that provides foraging habitat for migratory species (one species category).	Migratory species (moderate complexity): <ul style="list-style-type: none"> Assessment Officer—6 days Assistant Director—3 days Director—1 days 	\$5,463
D	Commonwealth marine area: This project will involve considerable dredging extending into the Commonwealth marine environment. The dredge plume is likely to impact on some coral communities in the Commonwealth marine environment.	Commonwealth marine area (high complexity): <ul style="list-style-type: none"> Assessment Officer—24 days Assistant Director—12 days Director—4 days 	\$21,852
Project components			
K	Four: <ul style="list-style-type: none"> mine rail line onshore infrastructure offshore dredging. 	Each additional project component increases the Department's workload by the basic assessment cost (that is, the cost of assessing one project component). <ul style="list-style-type: none"> Base cost of assessment x 3 	\$78,128
Adequacy of information and clarity of project scope			
M	No site surveys undertaken offshore, some site surveys undertaken along the rail line, but impacts are not adequately identified and further work is required.	Site surveys (high complexity): <ul style="list-style-type: none"> Assessment Officer—70 days Assistant Director—26 days Director—10 days Delegate of the Minister—3.4 days External expert—\$21,912 	\$82,316

Example 5 (Continued) - Mine, Rail and Port development (bilateral assessment)

Fee Ref.*	Project characteristics	Additional resources required during the assessment process	Complexity costs
Adequacy of information and clarity of project scope (continued)			
N	The proponent has proposed broad management measures, but without necessary detail. This causes difficulty to assess the adequacy of the avoidance and mitigation measures for important habitat.	Management strategies (high complexity): <ul style="list-style-type: none"> • Assessment Officer—70 days • Assistant Director—26 days • Director—10 days • Delegate of the Minister—3.4 days • External expert—\$32,912 	\$93,316
O	The project scope includes alternative dredging footprints, but these alternatives are clearly defined.	Project scope (moderate complexity): <ul style="list-style-type: none"> • Assessment officer—18 days • Assistant Director—6.5 days • Director—2.5 days 	\$14,248
Other legislation			
L	A very high level of complexity under state legislation. Liaison with the state will be required to align assessment documentation with both state and EPBC Act requirements.	Coordination with state legislation (very high complexity): <ul style="list-style-type: none"> • Assessment Officer—32 days • Assistant Director—16 days • Director—8 days • Delegate of the Minister – 1 day 	\$32,138
ESTIMATED COMPLEXITY COSTS			\$349,312

3.3.8 Public inquiry

The Minister will determine the costs of an assessment by public inquiry on a case-by-case basis. The exact costs will be dependent on the specifics of a project and therefore fees cannot be determined and fixed in regulations in advance, as opposed to the set fee structure for other assessment methods. Costs and associated revenue (fee for service) for assessments by public inquiry, as well as appropriate payment methods, will be determined by the Minister in consultation with the applicant.

The Minister will determine assessment fees based on a full recovery of relevant costs, consistent with the Cost Recovery Guidelines. The departmental costs for assessment by public inquiry would be directly related to the size and scope of the project that is being assessed. Considerations that could influence costs include the number of staff resources necessary to undertake the assessments, the size and expertise of the panel, the extent of independent expert advice required, the role and number of hearings during the assessment process and potentially the related travel to conduct and support these hearings.

The Department will establish guidelines on the costing methodology for case-by-case assessments. The guidelines will be provided to applicants to whom cost recovery applies. Costing methodology will be similar to that used for other assessment methods. The fee specified by the Minister may also include a requirement to make specified payments at particular points in the assessment, similar to that of other assessment processes. An estimate of maximum fees applicable will be provided by the Minister to the applicant prior to the assessment commencing, similar to other assessment methods.

The Department does not expect that assessments by public inquiry will occur on a regular basis. The Department has never conducted a public inquiry in the past. Therefore, the costs and associated revenue for assessments by public inquiry are not included in the total costs and revenue documented in this CRIS.

The fees for contingent activities and for post-approval action management plans may be applicable for an approval granted following an assessment by public inquiry (see sections 3.3.9 and 3.3.10 for further information).

3.3.9 Action management plan (post approval)

When the Minister grants an approval under the EPBC Act, the Minister may attach conditions to that approval. These approval conditions may require the approval holder to develop and submit action management plans to the Minister for approval. These plans allow for adaptive management of an action in the post approval stage, ensuring the approval holder develops and implements measures to effectively manage impacts upon matters of national environmental significance.

The assessment of an action management plan requires on average five equivalent person-days for an Assessment Officer and one equivalent person-day for an Assistant Director, along with oversight by the Director and Assistant Secretary.

Activities in the assessment of an action management plan includes:

- Review of a proposed action management plan to ensure that it adequately meets the requirement(s) of the condition that triggers preparation of the plan,
- Consultation with the applicant,
- Research and validation of new information,
- Sourcing of advice from other departmental areas,
- Preparation of advice to the Minister,
- Consideration of advice, and
- Decision notification.

Should there be a requirement for further information that relates to an action management plan, the applicant can provide this information during the assessment process (at no cost) or elect to provide it following an approval as a post approval action management plan (fees apply).

A summary of the action management plan assessment costs is outlined in Table 12.

Table 12. Summary of action management plan assessment costs.

Activity	Base costs (A)	Complexity costs (B)	Total fee (A) + (B)
Action management plan assessment ²³	\$3,233	N/A	\$3,233

²³ An action management plan assessment fee is only applicable when the proponent has elected to provide a management plan for the consideration of the Minister.

3.3.10 Contingent activities

Contingent fees relate to additional statutory steps under the EPBC Act which may be required in certain circumstances. The statutory bases for these contingent fees are outlined in Table 13 below. These additional statutory steps relate to:

- Requests for reconsideration,
- Work conducted post-approval relating to the variation of an action management plan or the conditions of approval at the applicant's request, or
- Situations where the applicant does not include adequate information in assessment documentation and the Minister must request further information to assess the impacts of a project.

In these cases, additional departmental staff time is required to review and address these issues, resulting in additional costs. These costs will not be included in the fee estimate at the time of a controlled action or assessment approach decision, as the requirement for them arises only for some projects (often at the request of the applicant) and cannot be determined in advance. The fees for each of the contingent activities are shown in the schedule of fees at Appendix A, and are detailed in Table 13.

Assessment work undertaken by the Department in assessing contingent activities relating to requests for reconsideration or the variation of an approval may include:

- The review and validation of new information,
- Assessment of the likely impact on matters of national environmental significance related to any potential changes to the project,
- Discussion with applicant to ensure requirements are understood,
- Preparation of draft statutory decision, and
- Negotiation of any requirements on the basis of new information.

If the Minister or delegate of the Minister needs to request additional information in either the referral or approval stage of an assessment due to substantial gap in information, then contingent fees for requesting additional information will be applicable. These related activities include:

- The assessment of additional information required,
- Discussion with applicant to ensure requirements are understood,
- Review and validation of additional information provided,
- Preparation of statutory decision, and
- Negotiation of any additional requirements on the basis of new information.

Contingent fees must be paid prior to the commencement of the related work. For the request for additional information, this fee is only applicable for referrals, the final stage of assessment or post approval action management plans to ensure that applicants are not charged for matters factored into the complexity fee.

For additional requests relating to an assessment by environmental impact statement or public environment report, to ensure applicants are not charged for matters factored into the complexity fee, this fee is not be applicable if the additional information request relates to:

- Site surveys/knowledge of the environment,
- Management measures, and
- Project scope.

These costs are already covered in the 'Adequacy of Information and Clarity of Project Scope' complexity fees (fees M, N and O in the complexity fee matrix). The fee associated with the request for additional information fee is therefore only applicable for an assessment by environmental impact statement or public environment report where the Minister must make a significant information request which would not have been necessary if the applicant had followed the assessment process. For example, where an applicant has not included critical information in their environmental impact statement or public environment report that was required by the assessment guidelines, and the information is necessary for the final assessment report to be validly submitted to the Minister.

The applicant does not need to pay a fee for a reconsideration request where the reconsideration is requested by a third party rather than the applicant. If the reconsideration results in a change to the original referral decision then fees will be revised, and an updated fee schedule will be provided to the applicant if applicable.

There is a fee for the variation of an action management plan and a separate fee for the administrative variation of an action management plan. These two different fees recognise that in some circumstances, the Department may be requested to approve a minor 'administrative' variation of an action management plan, such as a change of a name of an entity. This will require less work by the Department, and in such scenario it is appropriate to charge a reduced fee for such work.

Table 13. Summary of contingent activity costs.

Activity	Section of EPBC Act authorising contingent activity	Base costs (A)	Complexity costs (B)	Total fee (A) + (B)
Request additional information	Section 76 Section 89 Section 132 Section 134(3D) ²⁴	\$2,544	N/A	\$2,544
Request additional information (environmental impact statement assessment and public environment report)	Section 132 Section 134(3D) ²⁵	\$13,087	N/A	\$13,087
Reconsideration request (made by the applicant of the action)	Division 3 of Part 7 of Chapter 4	\$7,423	N/A	\$7,423
Variation of conditions	Section 143	\$3,320	N/A	\$3,320
Variation of an action management plan under conditions of approval	Section 143A ²⁶	\$3,233	N/A	\$3,233
Administrative variation to action management plan under conditions of approval	Section 143A ²⁷	\$943	N/A	\$943

²⁴ This section is in the Environment Protection and Biodiversity Conservation Amendment (Cost Recovery) Bill 2014, but this bill has not yet received Royal Assent.

²⁵ This section is in the Environment Protection and Biodiversity Conservation Amendment (Cost Recovery) Bill 2014, but this bill has not yet received Royal Assent.

²⁶ This section is in the Environment Protection and Biodiversity Conservation Amendment (Cost Recovery) Bill 2014, but this bill has not yet received Royal Assent.

²⁷ This section is in the Environment Protection and Biodiversity Conservation Amendment (Cost Recovery) Bill 2014, but this bill has not yet received Royal Assent.

Table 14. Summary of Base costs (A) for contingent activities.

Activity	Time (days)				Total Base cost (\$)
	Assessment officer	Assistant Director	Director	Delegate of the Minister	
Request additional information	2.9	1.1	0.60	0.03	\$2,544
Request additional information (environmental impact statement assessment and public environment report)	10.0	8.0	4.00	0.40	\$13,087
Reconsideration request (from the applicant of the action)	8.9	3.6	1.00	0.20	\$7,423
Variation of conditions	3.4	2.1	0.50	0.03	\$3,320
Variation of an action management plan under conditions of approval	5.0	1.0	0.25	0.03	\$3,233
Administrative variation of an action management plan under conditions of approval	1.0	0.5	0.17	0.03	\$943

3.3.11 Changes in cost base

During the 2014-15 financial year the Department does not anticipate significant capital expenditure nor increases in salary or supplier costs. If these expenses do increase, the Department will revise the cost recovery fees in accordance with the Australian Government's Cost Recovery Guidelines.

3.3.12 Volume and/or demand assumptions

The regulatory process for environmental impact assessments under the EPBC Act has been operating since July 2000. Over this period, the number of referrals received by the Department has increased from 309 in 2001-02 to 439 in 2012-13. Over this time the complexity of referred projects has also increased.

To provide an estimate of the demand for the 2014-15 financial year, the Department assumed that the expected number of referrals, assessments and approvals/post-approvals under the EPBC Act will be similar to the historic period of 1 July 2008 to 30 June 2009.

Environmental impact assessments are usually not concluded within one financial year. Therefore, the volume of activities in any year will include new referrals and assessments and assessments continuing from previous years. This will result in progressive increases in the number of proposed actions subject to cost recovery each year as more actions move through the various stages of assessment. Similarly, the number of post-approval action management plan assessments will increase each year as more projects are approved. The historical activity represented in Table 15, Table 16, Table 17 and Table 18 forms the basis of the forecast revenue and expenses.

Table 15. Referrals – estimated activity volume.

Activity	Estimated activity volume ²⁸
	2014-15
Referrals (NCA/NCA-PM/clearly unacceptable/ withdrawn/stop clock)	310
Referrals (CA decisions)	128
TOTAL REFERRALS	438

²⁸ Demand for 2014-15 is based on the actual activity volumes from 2008-09.

Table 16. Assessments – estimated activity volume.

Activity		Estimated activity volume²⁹
		2014-15
Assessment on referral information		
Stage1	Prepare and publish draft recommendation report	5
Stage 2	Review comments and finalise recommendation report	5
Stage 3	Seek comments on draft decision and prepare final decision brief	3
Preliminary documentation		
Stage 1	Preparation of additional information request	51
Stage 2	Review of preliminary documentation and preparation of direction to publish	46
Stage 3	Review comments and supplementary information	18
Stage 4	Preparation of recommendation report, draft and final decision	18
Public environmental report		
Stage 1	Preparation of guidelines	6
Stage 2	Review of draft public environmental report and preparation of direction to publish	6
Stage 3	Review of final public environmental report	0
Stage 4	Preparation of recommendation report, draft and final decision	0

²⁹ Demand for 2014-15 is based on the actual activity volumes from 2008-09.

Activity		Estimated activity volume ³⁰
		2014-15
Environmental impact statement		
Stage 1	Preparation of guidelines	15
Stage 2	Review of draft environmental impact statement and preparation of direction to publish	11
Stage 3	Review of final environmental impact statement	0
Stage 4	Preparation of recommendation report, draft and final decision	0
Bilateral agreement / Accredited assessment		
Stage 1	Input into guidelines	28
Stage 2	Review and provide comment on applicant's draft assessment documentation	0
Stage 3	Review and provide comment on applicant's final assessment documentation	0
Stage 4	Review state or territory's assessment report and preparation of draft and final decision	0

Table 17. Post approval action management plans – estimated activity volume.

Activity		Estimated activity volume ³¹
		2014-15
Assessment on referral information		3
Preliminary documentation		8
Public environmental report		0
Environmental impact statement		0
Bilateral agreement / Accredited assessment		0

³⁰ Demand for 2014-15 is based on the actual activity volumes from 2008-09.

³¹ Demand for 2014-15 is based on the actual activity volumes from 2008-09.

Table 18. Contingent fees – estimated activity volume.

Activity	Estimated activity volume ³²
	2014-15
Request additional information	146
Request additional information (environmental impact statement/public environment report)	0
Reconsideration request (from the applicant of the action)	11
Variation of conditions	19
Variation of a post approval action management plan under conditions of approval	0
Administrative variation of a post approval action management plan under conditions of approval	0

3.3.13 Exemptions (environmental impact assessments)

There are limited occasions where a proposed action referred under the EPBC Act will be exempt from the payment of fees. The Australian Government will fund costs for environmental impact assessments where the applicant is exempt from cost recovery so other applicants will not cross subsidise these assessments. The Australian Government has determined that it is appropriate to exempt individuals and small businesses from environmental impact assessments fees under the EPBC Act, for the following reasons:

- Small businesses have a lower revenue base than large companies, which means they will be disproportionately impacted by cost recovery fees.
- Cost recovery fees may provide a disproportionate disincentive for small businesses and individuals to refer their project to the Department.
- The cost to the government of increasing compliance to investigate non-referred projects would be greater than the cost to the government of granting exemptions to small businesses and individuals.

The definition of a small business is as specified in subdivision 328-C of the *Income Tax Assessment Act 1997* (Cth).

³² Demand for 2014-15 is based on the actual activity volumes from 2008-09.

As of June 2014, the definition under subdivision 328-C of the Income Tax Assessment Act was an individual (such as a sole trader), partnership, trust or company with:

- Aggregated turnover for the previous income year less than \$2 million, or
- Estimated aggregated turnover for the current year of less than \$2 million (if turnover for one of the previous two years was less than \$2 million).

This definition may be updated from time to time in line with amendments to the Income Tax Assessment Act. The following conditions will apply to exemptions for environmental impact assessments:

- Applicants claiming a small business exemption are required to sign a declaration on their referral form that they are a small business or an individual. The Department may require proof from an applicant in the form of a tax return for operation as a small business for the previous two financial years.
- The small business or individual referring the action must also be the person proposing to take the action. That is, they are not referring on another organisation's behalf.
- Where a transfer of an action occurs (either during assessment and/or after the issuing of an approval) from an exempt entity to a non-exempt entity, the transferee may be required to pay the full fee of the assessment before the Minister consents to the transfer.
- If a person obtains a fee exemption, however is later found not to qualify for the exemption, the full fee is recoverable as a debt due to the Commonwealth. If assessment or approval is underway, the approval decision or work on the assessment will be suspended until relevant fees are paid.
- Commonwealth offence provisions apply to persons found to provide false or misleading information to the Commonwealth.

3.3.14 Waivers

In limited circumstances, the Minister may use discretionary power to waive a fee or part of a fee under the EPBC Act. Decisions on waiving fees are made on a case by case basis. The Australian Government will fund costs for environmental impact assessments where the Minister waives the applicant's liability to pay cost recovery fees, so other applicants will not cross subsidise these assessments.

The following are the criteria for the waiver of fees:

- The Minister determines in his or her sole discretion that the primary objective of the proposed action is to protect or conserve the environment (including heritage) consistent with the objectives of the EPBC Act,
- The Minister determines in his or her sole discretion that there are exceptional circumstances or it is in the public interest to waive a fee or part of a fee, or
- The Minister determines in his or her sole discretion that a stage of an assessment is not applicable and the applicable fee should be waived.

3.3.15 Waiver application process

A person may submit an application for a fee waiver prior to or at the same time as the proposed action is referred under the EPBC Act. The Minister will have 20 business days to make a decision on whether the fee should be waived. The Minister will have the right to refuse a fee waiver application at his or her discretion.

The Department will not commence work on the referral until the referral has been validated - i.e. until a fee waiver application has been processed and approved, or until relevant fees have been paid. Referrals submitted without a fee waiver approval will be subject to standard fees.

3.3.16 Refunds

The Department will provide refunds of fees in limited circumstances, for instance, following a reconsideration of a fee. The Department considers partial refunds may be appropriate if the Minister determines in his or her sole discretion that there are exceptional circumstances that warrant a partial refund of a fee. In these situations, the applicant will be eligible for a partial refund of the most recently paid Fee Point. The Department will make a determination estimating the proportion of work completed since the most recent Fee Point was paid on a pro-rata basis.

Referrals will not be eligible for partial refunds, as their short timeframe makes it unreasonable to estimate the amount of work completed by the Department.

3.3.17 Reconsideration of fees

A person may submit an application for a reconsideration of a method used to work out a fee (for instance, the method used to calculate the complexity fees) to the Department. The Department will have 30 business days to reconsider the fee. If the fee is lowered following a reconsideration process then the Department will provide a refund of the difference between the original fee and the reconsidered fee.

4 STRATEGIC ASSESSMENTS

4.1 Outputs of the activity – Strategic Assessments

4.1.1 Description of activity – Strategic assessments

The strategic assessment provisions (section 146) of the EPBC Act allow for the assessment and endorsement of a plan, policy or program (the ‘policy, plan or program’) and the subsequent approval of actions or classes of actions if they are taken in accordance with the endorsed policy, plan or program. A request to undertake a strategic assessment may be made by or on behalf of any person responsible for the adoption or implementation of a policy, plan or program (the ‘applicant’). The Department provides advice and guidance to applicants throughout key stages of strategic assessment. The strategic assessment process is outlined in Figure 13 below.

Cost recovery for strategic assessments more equitably shares the costs of protecting the environment between the community and those who derive a private benefit from the ability to apply for a strategic assessment approval to undertake an activity otherwise prohibited by the EPBC Act. Cost recovery, by providing a source of funding related to the actual amount of assessment activity undertaken in the Department, improves the Department’s ability to undertake strategic assessments and respond to changes in demand for its services. It also provides incentives to industry to undertake early engagement and incorporate the most environmentally acceptable outcomes into their business planning, as this may reduce the level of strategic assessment required and therefore the costs payable.

For strategic assessments that are cost recovered, the applicant is responsible for paying cost recovery fees for the strategic assessment of the policy, plan or program under the EPBC Act. The applicant for a strategic assessment may be a state or territory government or a private entity.

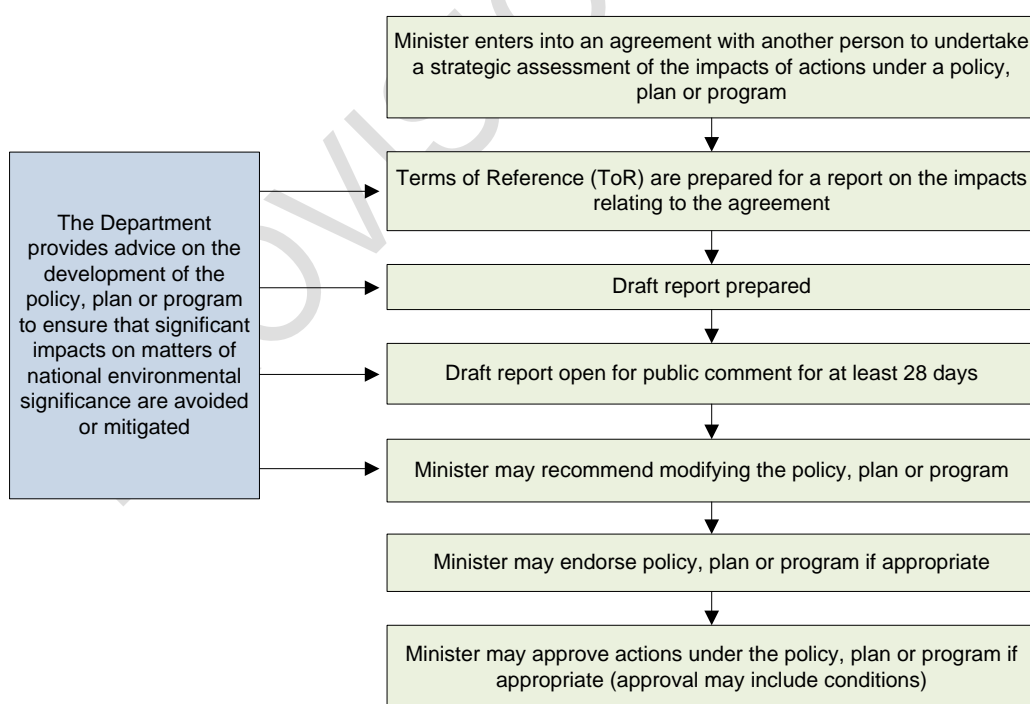


Figure 13. Strategic assessments process.

Under cost recovery, there are three streams of strategic assessments:

- 1) Budget funded strategic assessments: These strategic assessments will not be subject to cost recovery and will be delivered through departmental budget funding.
- 2) Cost recovered strategic assessments: Strategic assessments that are not delivered by budget funding will be subject to cost recovery.
- 3) Partial cost recovered strategic assessments: Strategic assessments that have a mixture of cost recovery and budget funding.

The Department will prioritise budget funding for strategic assessments that are in the public interest and which deliver high value outcomes, particularly those that provide the strongest contributions to the objectives of the EPBC Act.

4.1.2 Budget funded strategic assessments

Strategic assessments that primarily provide benefits to the general public and community, rather than an identifiable beneficiary (or group of beneficiaries), or that significantly contribute to streamlining of environmental approvals – removing duplication and reducing regulatory burden – will continue to be funded by the government, subject to funding availability. The Australian Government will determine the relative priority of different budget funded strategic assessments to ensure that budget spending on these assessments is efficient, effective, economical and ethical.

As the size and cost of strategic assessments varies, so does the number of assessments that can be undertaken within any given year within the limit of funding. The Minister will make the final determination as to which strategic assessments the government will prioritise for being budget funded, having regard to the objects of the EPBC Act.

The Australian Government has determined that strategic assessment provisions relating to Commonwealth managed fisheries (section 147 to section 154 of the EPBC Act) are not appropriate for cost recovery.

4.1.3 Cost recovered strategic assessments

The budget funding available to deliver strategic assessments is limited, against a backdrop of continued development across Australia. In some cases, however, strategic assessments might deliver a private benefit, by enabling a private entity or group of private entities to have a strategic assessment done of a larger group of actions. In the long term, this may be more efficient and effective than seeking a number of separate EPBC Act approvals. For the Department to meet increasing demand and deliver more strategic assessments, the Australian Government has agreed to establish a mechanism for cost recovery of strategic assessments where appropriate, to enable private entities to take advantage of strategic assessments, or to contribute to the cost where they derive a benefit from those assessments.

Cost recovered strategic assessments would be considered appropriate where the outcome of the strategic assessment delivers a clear private benefit to an identifiable beneficiary (or identifiable group of beneficiaries), and charging would be efficient and effective.

Due to the discretionary nature of strategic assessments, an applicant must be willing to enter into an agreement with the Minister to have their policy, plan or program assessed. The applicant must also agree to take responsibility for meeting the costs of the assessment. Cost recovery

therefore cannot be imposed on an applicant. Should an applicant decline to take responsibility for meeting the costs of the assessment, the strategic assessment would not proceed.

4.1.3.1 Partial cost recovered strategic assessments

There may be circumstances where a proposed strategic assessment has both public and private benefit. In these situations, the government considers a mixture of budget funding and cost recovery will be appropriate. The Minister will determine the rate of budget funding for partial cost recovered strategic assessments on a case by case basis. The amount of budget funding will aim to reflect the ratio of public versus private benefit for each policy, plan or program.

For example, the Minister determines that a policy, plan or program as being 30% public benefit and 70% private benefit. The applicant would be eligible for partial cost recovery – and would receive a 30% reduction to their cost recovery fees.

4.2 Efficient costs – Strategic assessments

The following steps outline the new decision making process for determining whether a strategic assessment would be suitable for cost recovery.

Step 1 - Identification of Applicant/s

Identification of the applicant/s is the first step in determining whether it is appropriate for a strategic assessment to be cost recovered. Applicants could be state governments, individuals, companies or groups of companies working for profit that seek a strategic assessment of a particular policy, plan or program.

If an applicant or group of applicants undertaking a policy, plan or program are clearly identifiable (that is, there is a small number of prospective approval holders), then cost recovery may be appropriate (go to step 2 and 3 below).

If an applicant or a group of applicants cannot be clearly identified (there are a large number of prospective approval holders) then budget funding should be considered, unless the Department is over subscribed for budget funded strategic assessments (outlined above), noting, applicants will always have the right to seek an EPBC assessment under Parts 7—9 of the Act

Step 2 - Determination of Commercial Benefit

The Department will then consider whether the strategic assessment could provide a commercial benefit to the applicant/s. This is of relevance to the cost recovery principle that ‘those who create the need for regulation should bear the costs’.

The assessment of a commercial benefit could be determined by, but is not limited to, the following factors:

- The stated mission/aim of the company or objective of the policy, plan or program,
- Projected earnings to be generated from projects under the policy, plan or program, and
- Whether a company, industry body or applicant is acting on behalf of identifiable applicants or entities with clear and joint commercial interests.

The information used to assess these criteria is largely publicly available, and could indicate the extent to which commercial factors and considerations are relevant to a cost recovery determination. If a commercial benefit is not identified, cost recovery may not be appropriate and alternative options may need to be discussed with the Department. If a clear commercial benefit is identified, step 3 will apply.

Step 3 - Ministerial Discretion

The Minister has final discretion to determine whether a strategic assessment will be suitable for cost recovery. The Minister has some flexibility in making a final determination, but may take into consideration a broad range of factors to inform his or her decision, including:

- Whether cost recovery would drive efficiency in the assessment process,
- Whether charging would be consistent with policy goals, including the development of regional capability and high-level strategic planning,
- Willingness of applicants to pay (i.e. if a policy, plan or program is not prioritised for budget funding due to the Department being over-subscribed, the applicant may still choose to pay),
- Cost of the assessment, with consideration given to the total value of the project (i.e. the Minister would assess whether cost recovery would undermine or prohibit the success of the policy, plan or program),
- Other significant benefits to the community as a result of the policy, plan or program, including economic and social considerations,
- Whether prioritising the strategic assessment for budget funding would be ethical, economic, efficient and effective, and
- The involvement of multiple stakeholders directly impacted by the policy, plan or program.

If the Minister determines that the policy, plan or program is not suitable for cost recovery, the Department would continue to provide advice to the applicant on alternative assessment methods if necessary, including the standard referral and assessment process under Part 7, 8 and 9 of the EPBC Act, or whether the policy, plan or program is suitable for a budget funded strategic assessment.

If the Minister determines that cost recovery is appropriate for the strategic assessment, the applicant and Department would agree costs prior to the assessment commencing. To agree costs, the Department will write to the applicant with a proposed schedule of fees included in a contract, or service level agreement. This correspondence would seek the applicant's commitment to the strategic assessment and a response from the applicant confirming their agreement to proceed with the cost recovered strategic assessment.

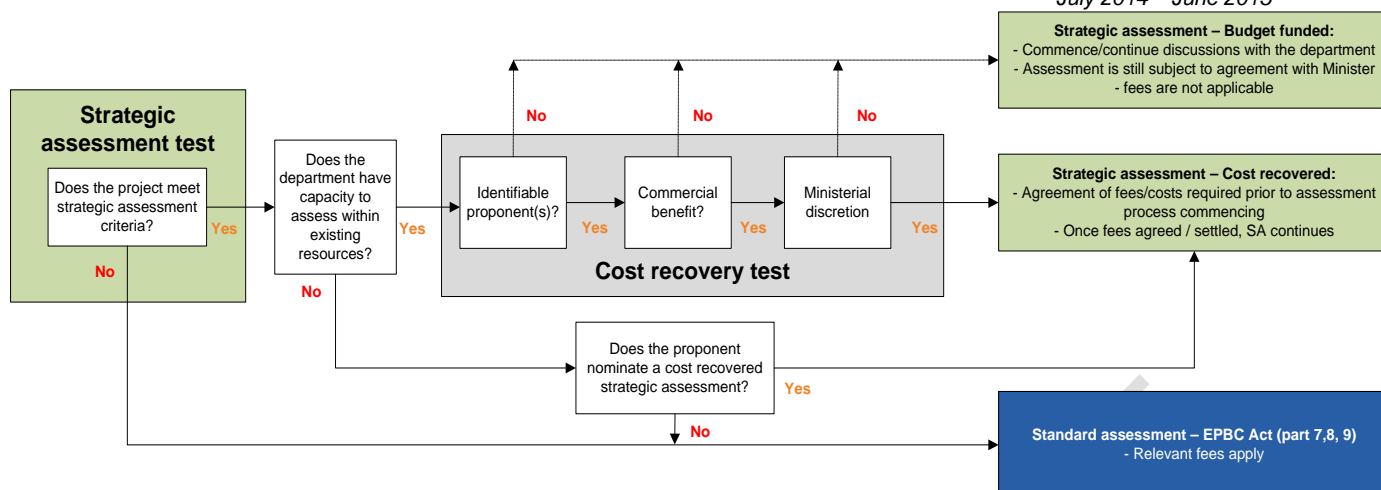


Figure 14. Summary of Strategic assessment process for cost recovery

4.2.1 Cost components

Experience to date indicates that costs from one strategic assessment to another vary significantly, and there is no 'one-size-fits-all' cost model. The resourcing required to complete a strategic assessment depends on a number of cost drivers, including the complexity or uncertainty of management planning arrangements and the size, scale, and environmental impacts (for example, the number of matters of national environmental significance impacted) of the policy, plan or program.

The duration of strategic assessments and associated costs are also highly dependent on the applicant's responsiveness to requests for information from the Department, and whether the quality of information provided meets legislative requirements for a robust assessment process. Where it is appropriate to do so, previous strategic assessments will be used as a guide to costing strategic assessments that are considered appropriate for cost recovery.

4.2.2 Base costs

The current approach to delivering strategic assessments involves base costs comprising salary and salary on-costs, and an allocated share of accommodation and property expenses, IT costs and human resources support costs.

The approach for delivering strategic assessments involves a small team of dedicated staff working on a single strategic assessment. The team includes Project/Policy Officers to research and analyse reports, review and write briefing material, manage procurement processes, and visit project sites. An Assistant Director is required to lead each team of Project/Policy Officers and manage components of the assessment. A Director is required to manage a section comprising several teams, and provides strategic oversight. An Assistant Secretary is required to lead industry and government negotiations, facilitate stakeholder meetings and brief the Minister, and therefore part of an Assistant Secretary's time is also factored into the costs.

In some cases, strategic assessments require advice from specialist areas within the Department on issues relevant to the assessment, such as marine and heritage matters. These direct costs vary, and will depend on the requirements of the policy, plan or program. The cost of advice from specialist areas uses a similar methodology as for the rest of the base costs attributable to a strategic assessment.

The Department uses external experts where necessary to obtain advice on specialist matters. Additional expenses are also associated with visiting the project site, applicant and/or other regulators involved in the strategic assessment of the policy, plan or program. These costs are commensurate with the size and complexity of a project, and are subject to departmental procurement policies to obtain best value for money in line with the broader Commonwealth Procurement Rules³³.

4.3 Charges for the activity

4.3.1 Schedule of fees and charges

Where the Minister considers that cost recovery of strategic assessments is appropriate, the Minister will determine the total quantum of fees and payment schedule on a case by case basis and agreed with an applicant prior to commencement of the strategic assessment. Fees will be based on the level of departmental resourcing required to assess the policy, plan or program, and will also depend upon the length of the assessment. The Department will calculate fees prior to the beginning of the strategic assessment. The applicant and the Department will agree on the fees through an exchange of letters, initiated by the Department, prior to entering into the strategic assessment agreement, which is the first statutory step in the assessment process. The Department will write to the applicant with a proposed schedule of fees included in a contract, or service level agreement, applying the agreed costing methodology. The Department would seek the applicant's commitment to the strategic assessment and a response from the applicant confirming their agreement to proceed. Upon the applicant's agreement, the strategic assessment will commence. The service level agreement will articulate the timing and quality of information that the applicant will need to provide in order to meet the timeframes, and the services that the Department will provide.

4.3.1.1 Two tier charging model

The strategic assessment costing model has two price tiers over the life of the assessment. Although the level of costs and fees may vary for each strategic assessment, the two price tier model is standard for all assessments at tailored rates. The price tiers are linked to key stages of the assessment (refer Fee Summary Table below), and recognise the variation in departmental effort required to complete each stage on a pro-rata basis:

- **Tier 1:** The Department experiences the lowest costs within the first two stages of the project commencing, the strategic agreement and terms of reference stages, which both occur over nine months in the hypothetical example. Approximately 20% of the total assessment effort is required during this period. Fees are comprised of apportioned costs across the entire period.
- **Tier 2:** The start point for the Tier 2 charging rate is when an applicant submits to the Department a first draft of either the 'Plan, Policy or Program' or the strategic assessment report for comment prior to their public release. The Department experiences highest costs during the remaining stages of the project, which in the hypothetical example is the remaining 15 months. This amounts to 80% of the total assessment effort. Costs vary slightly from month to month during this period, but fees are comprised of apportioned costs across the entire period.

The Department will usually set fees as a monthly rate and collect fees on a quarterly basis. Fees are set within the two tier structure described above. Fee increments are closely linked to the

³³ http://www.finance.gov.au/sites/default/files/cpr_commonwealth_procurement_rules_july_2012_1.pdf

actual costs incurred by the Department over each stage of the assessment. The Tier 1 and Tier 2 fees will vary from project to project because costs are tailored to meet the individual requirements of each assessment. Quarterly fees are considered appropriate for staging fees across the total assessment period. Alternatively, fees could be set on a monthly basis if desired, though this would create an additional increase in administrative load for the processing of additional payments of lesser value.

4.3.1.2 Accounting for change in project timeframes (unforeseen circumstances)

The duration of assessment stages can be variable due to a number of reasons outside of the control of the Department. The Department has some flexibility in cases where costing and/or time assumptions change during the assessment. For example:

- If the assessment is delayed beyond the projected timeframe for any stage, additional charges at monthly or quarterly rates depending on the length of delay will be applied until that stage of the assessment is completed. Additional charges will only apply where the delay is a result of the applicant's actions or a lack thereof. Delays of this kind would result in higher costs for the Department due to additional time taken to assess the policy, plan or program.
- Conversely, if stages of the assessment are completed in a shorter timeframe, then lower costs will be experienced by the Department, and fees are reduced for the applicant.

4.3.1.3 Accounting for extended project delays (driven by the applicant)

The Department and/or applicant have the option to 'pause' the assessment if either party identifies that the assessment is likely to be on hold or delayed for a length of time. Either party can initiate the pause period, but both parties must agree to the pause before it can come into effect.

During these periods, the Department will not undertake further work on the assessment and no fee will be charged, noting that:

- The minimum pause period is 1 month.
- Once both parties agree that the assessment is to be put on hold, there would be a wind down fee at the Tier 2 rate for 1 month to close off the project temporarily.
- The first month of assessment following recommencement would be charged at the Tier 2 rate which directly relates to the higher effort / time for the Department to re-engage with the policy, plan or program and pick up where the assessment left off. This fee would apply regardless of the length of time the assessment has been dormant.

4.3.1.4 Post approval management plan and contingent activity fees

In circumstances where a policy, plan or program has been endorsed by the Minister, and the policy, plan or program or the strategic assessment approval provides for subsequent plans to manage impacts on matters of national environmental significance to be assessed and approved by the Minister, the Minister may consult with the applicant on the case by case fees to be paid for this assessment work.

In addition, the Minister may consult with the applicant on the case by case fees to be paid for an additional strategic assessment approval under Part 10 of the EPBC Act, a variation to conditions

of approval, or a variation of a post approval action management plan under conditions of approval.

4.3.2 Changes in cost base

During the 2014-15 financial year the Department does not anticipate significant capital expenditure nor increases in salary or supplier costs. If these expenses do increase, the Department will revise the cost recovery fees in accordance with the Australian Government's Cost Recovery Guidelines.

4.3.3 Volume and/or demand assumptions

Demand for cost recovered strategic assessments under a 'fee for service' model is difficult to predict. The level of uptake of cost recovered strategic assessments can only be assessed after the commencement of cost recovery.

The Department and the Minister will manage demand for budget funded strategic assessments by communicating the resource capacity to undertake additional assessments with stakeholders as projects come forward. Given the tendency for applicants of strategic assessments to engage early with the Department to negotiate a strategic assessment, this will provide sufficient lead time for the Department to manage demand for projects (both budget funded and cost recovered).

4.3.4 Exemptions, refunds and waivers (strategic assessments)

There are no exemptions, refunds or fee waivers available for strategic assessments. As detailed above, the Department will consider whether a strategic assessment is suitable for budget funding or cost recovery, if it is suitable for budget funding then no fees will be payable.

4.3.5 Reconsiderations

There are no reconsiderations available for strategic assessments, as the reconsideration process will not apply to case by case fees for assessments by strategic assessment. As detailed above, the Department and the applicant will agree the fees for a cost recovered strategic assessment.

Strategic assessment costing model - case study: Hypothetical mining proposal

Case study introduction

In a hypothetical scenario the Australian and a state Government agree to a strategic assessment of a number of prospective and existing mining exploration licences for which applications to mine or expand are expected over the next few years. The state Government entity is the person responsible for the policy, plan or program. Multiple mining companies in the strategic assessment area are participating in the strategic assessment. Undertaking the strategic assessment will likely reduce the need for mining companies to seek individual approvals under the EPBC Act. Individual mining companies will be the beneficiaries of the approval. The assessment is anticipated to take two years.

Costs of strategic assessments

The primary costs to the Department for strategic assessments are staff time, including on-costs (IT, accommodation etc). Some ad-hoc consultancies may be required for some strategic assessments, however no consultancies are required in the hypothetical example.

Hypothetical strategic assessment costing tables

The tables below provide a summary of the costs associated with the hypothetical strategic assessment, and a breakdown of staff time for each stage which underpins this costing structure. It is proposed that the costing model for strategic assessments be established on the two tiered basis. These tables are used only as an example for the purposes of illustrating the strategic assessment costing process, noting that other strategic assessments will use the two tier costing model but may have different levels of costs, and therefore fees.

Fee summary - Hypothetical Strategic Assessment

Biodiversity Assessment Stage							Rounded Quarterly fee	
Price Period	Months	Assessment Stage		Monthly cost	Cumulative cost	Total Costs		
Tier 1 Price Period	1	1 -	2 - Terms of reference	\$5,597	\$5,597	Tier 1 Total Cost* \$50,375	\$16,791	
	2	Strategic agreement		\$5,597	\$11,194			
	3			\$5,597	\$16,791			
	4	\$38,000		\$5,597	\$22,388		\$16,791	
	5			\$5,597	\$27,985			
	6			\$5,597	\$33,582			
	7		\$12,375	\$5,597	\$39,179		\$16,791	
	8		\$5,597	\$44,776				
	9		\$5,597	\$50,373	\$16,791			
Tier 2 Price Period	10	3- Department comments on Draft Biodiversity Plan of (policy, plan or program) & Strategic Assessment Report (SAR)		\$12,640	\$63,013	Tier 2 Total Cost* \$189,607	\$37,920	
	11			\$12,640	\$75,653			
	12			\$12,640	\$88,293			
	13			\$12,640	\$100,933		\$37,920	
	14			\$85,406	\$12,640			\$113,573
	15			\$12,640	\$126,213			
	16	4 - Public consultation report		\$12,640	\$138,853		Tier 2 Total Cost* \$189,607	\$37,920
	17	\$17,178		\$12,640	\$151,493			
	18	5 - Biodiversity Plan & SAR (final)		\$12,640	\$164,133			\$37,920
	19			\$12,640	\$176,773			
	20			\$23,747	\$12,640			
	21	6 - Endorsed biodiversity plan		\$12,640	\$202,053			\$37,920
	22			\$38,524	\$12,640			
	23	7 - Preparation of briefing for approval decision		\$12,640	\$227,333			\$37,920
	24			\$24,751	\$12,640			
Fee Total**						\$239,981		

Monthly cost

Tier1	\$5,597.22
Tier2	\$12,640.47

Monthly fees (rounded)

Tier1	\$5,597
Tier2	\$12,640

*Monthly costs for Tier 1 and Tier 2 are rounded to the nearest dollar. Cumulative costs are based on the sum of un-rounded monthly costs. The cumulative costs vary slightly when compared to the Total costs for Tier 1 and Tier 2 because of rounding. Tier 1 and Tier 2 Total costs are the true cost of the assessment.

** The variation between the Total cumulative cost (\$239,973) and the Fee Total (\$239,981) in the hypothetical strategic assessment is \$8, or approximately 0.003% of the Total cost. The variation is due to the rounding of fees based on monthly costs.

ASL costings - weighted against each stage of assessment

Stage of Assessment		Months per stage	SES (1) Days	EL 2 Days	EL 1 Days	APS 5/6 Days	ASL costs	% of resource allocation	Total cost per stage	
1	Strategic Agreement	6	1	10	20	36	\$38,000	16%	\$38,000	Tier 1 Total Cost \$50,375
2	Terms of Reference	9	1	3.33	6.67	10	\$12,375	5%	\$12,375	
3	Draft Biodiversity Plan (policy, plan or program) & Strategic Assessment Report (SAR)	6	1	23.33	46.67	80	\$85,406	36%	\$85,406	Tier 2 Total Cost \$189,607
4	Public consultation report	2	1	3.33	6.67	20	\$17,178	7%	\$17,178	
5	Biodiversity Plan & SAR (final)	3	1	6.67	13.33	20	\$23,747	10%	\$23,747	
6	Endorsed Biodiversity Plan	2	2	10	20	35	\$38,524	16%	\$38,524	
7	Preparation of briefing for approval decision	2	2	6.67	13.33	20	\$24,751	10%	\$24,751	
8	Post-approval work plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	Not Cost Recoverable
9	Review & 'learnings'	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0	
Total		24*	9	63.3	126.7	221	\$239,981	100%	\$239,981	

* Stage 1 and stage 2 periods run concurrently (9 months total)

Costing assumptions: EL days applies a 1/3 - 2/3 ration of EL2 -EL1 time

5 RISK ASSESSMENT

The most likely risks identified were:

- Cost recovery fees creating a disincentive to refer projects to the Department, necessitating an increase in compliance costs and undermining the cost recovery arrangements.
- Inherent risks in implementing new and complex cost recovery arrangements.
- Misunderstanding of how complexity fees are calculated, which could manifest in errors in how these fees are calculated and stakeholder concern.

The Department will address these risks by:

- Providing exemptions for individuals and small businesses, as individuals and small businesses are the most likely to find cost recovery fees a disincentive to refer.
- Providing guidance material and training to departmental staff.
- Provide guidance material to departmental staff and applicants on how complexity fees are calculated.

Impacts on the community will be limited to businesses and individuals who undertake actions which require referral under the EPBC Act. The levels of fee payable will vary according to complexity of the project and small businesses and individuals may be subject to an exemption from fees. These charges will have a moderate impact on those people affected, but the fact that the cost recovery arrangements are new may generate more concern about the costs.

Significant consultation on the program has been carried out to address possible stakeholder concerns. Chapter 6 below provides further detail on the stakeholder consultation. The risk of stakeholders not understanding the process or having issues with implementation can be addressed through:

- Ensuring that efficient business systems are in place to manage cost recovery
- Communicating with stakeholders about the policy and the basis for fee calculations, and
- Reporting on non-financial performance indicators to show the Department's commitment to improving processes.

The Department will also manage potential confusion about the interaction between 'one stop shop' and cost recovery through its stakeholder engagement plan.

6 STAKEHOLDER ENGAGEMENT

The Department has conducted consultations on these cost recovery arrangements at a number of stages. The Department has responded to comments provided during those consultations. See below for details of these consultations and how the Department responded to comments received.

Significantly, the Department released both a consultation paper in 2011 and a draft CRIS in 2012. The Department wrote to over 600 stakeholders informing them about cost recovery and inviting them to comment on the CRIS. The Department received 80 submissions on the consultation paper and 38 on the draft CRIS. The Department also invited nineteen key stakeholders to a stakeholder workshop in 2012, which nine invitees attended.

6.1 Information provided on 2014 implementation of cost recovery arrangements

For the cost recovery arrangements contained within this CRIS, stakeholders have been informed of the changes. In particular stakeholders have been informed that the arrangements to be implemented in 2014-15 are:

- Based on assessment methods currently in the EPBC Act. That is, assessment by assessment on referral information, preliminary documentation, public environment report, environmental impact statements, public inquiry, and assessment under a bilateral agreement or accredited assessment.
- Anticipated to be operational for a one year period and to be revised once the financial impact of the 'one stop shop' reforms is known.

The Department wrote to stakeholders, including repeat referrers under the EPBC Act, peak industry bodies, relevant non-government organisations and relevant state and territory departments and agencies, outlining the proposed cost recovery measures and noting how the Department has taken into account previous stakeholder comments in the measures described in this CRIS.

The Department has updated its website to reflect that cost recovery measures will commence in 2014 in the form outlined in this CRIS, and has provided information in the form of questions and answers. The Department has a cost recovery mailbox (epbc.costrecovery@environment.gov.au) for ongoing feedback on the cost recovery arrangements.

The Department will continue to keep stakeholders informed about the implementation of cost recovery measures.

6.2 How the final CRIS addresses issues raised in stakeholder consultation

6.2.1 2011 Consultation paper

In September 2011 a consultation paper on proposed cost recovery measures under the EPBC Act was published. The Department received 80 submissions on the consultation paper. Written comment was sought from peak industry bodies, relevant non-government organisations and relevant state and territory departments and agencies. Commonwealth agencies were also consulted.

The key issues arising from the 80 submissions received during the public consultation period for the consultation paper (September-October, 2011) included:

- Some stakeholder groups were concerned by the imposition of a fee for service. However, most stakeholders were willing to pay for improved service, streamlined assessments and increased transparency in the system,
- Stakeholders generally agreed that cost recovery should be accompanied by service level standards and some stakeholders considered that fees should be refunded if standards are not met,
- Stakeholders were broadly supportive of the reforms to the relevant regulatory activities that cost recovery will enable; in particular, tailored guidelines on referrals and assessments, consistent national standards for the listing of threatened species and ecological communities and online tracking for assessments and permit applications, and
- Many stakeholders commented that full cost recovery could create a disincentive to refer projects.

Following consultation in 2011, the following changes were made to the cost recovery arrangements, and are detailed in this CRIS:

- For environmental impact assessment charges, the Department revised the cost recovery policy to:
 - Remove the proposed business improvement charge,
 - Include fee exemptions for environmental impact assessments for small businesses and individuals,
 - Provide for Ministerial consideration of fee waiver applications in limited circumstances, and
 - Remove cost recovery of post-approval audits.
- Strategic assessments will be delivered under two separate funding streams - budget funded and cost recovered (full and partial).

6.2.2 Draft Cost Recovery Impact Statement 2012

The Department published the draft Cost Recovery Impact Statement in May 2012,³⁴ with a six week consultation period. The Department hosted a stakeholder workshop to discuss the Cost Recovery Impact Statement in June 2012. Written comment was specifically sought from repeat referrers under the EPBC Act, peak industry bodies, relevant non-government organisations and relevant state and territory departments and agencies.

The Department gave thorough consideration to the range of verbal and written stakeholder feedback received during the consultation period. The cost recovery model has been revised to take account of the comments received.

Key issues arising from the 38 submissions received during the public consultation period for the previous draft CRIS in May-June 2012 included that stakeholders:

- Were concerned about the imposition of a fee for service. However, most stakeholders were willing to pay fees provided that there is a commitment to improved service, including through increased compliance with statutory timeframes,

³⁴ <http://www.environment.gov.au/resource/cost-recovery-under-environment-protection-and-biodiversity-conservation-act-1999-epbc-act>

- Were supportive of several changes made to the cost recovery model as a result of stakeholder comments on the Cost Recovery Consultation Paper 2011, particularly the removal of the business improvement charge and fees for post approval audits, and the introduction of the small business exemption,
- Emphasised the need to ensure transparency and certainty for business around the setting of fees by the Department, particularly around complexity fees, contingent fees and strategic assessments. Stakeholders were supportive of a clear review mechanism in the case of disagreement about the fees set by the Department,
- Sought a commitment to review the CRIS after two to three years, rather than the previously proposed five years, and
- Sought additional exemptions or waivers to cost recovery.

The Department gave thorough consideration to the range of verbal and written stakeholder feedback received during the consultation period. As a result of this feedback, the Department made the following changes to the cost recovery model:

- Providing detail on contingent fees;
- Providing a mechanism for reconsideration of a method used by the Department to calculate fees;
- A commitment to the development of guidance material on strategic assessments;
- Clarification on the staging of fees and timing of payments;
- Clarification on the charging structure of the complexity fee matrix; and
- Clarification of intra/inter-governmental charging arrangements.

A number of stakeholders sought a commitment to improved services and efficiency following the introduction of cost recovery. The Department's highest priority in improving services will be to improve compliance with statutory timeframes. A client service charter has been developed and is available on the Department's website

(<http://www.environment.gov.au/resource/environmental-impact-assessment-client-service-charter>).

7 FINANCIAL ESTIMATES

7.1 Projected revenue and expenses

Projected revenue and expenses are based on the cost/fee of each activity being applied to the forecast demand for relevant activity when statutory decision points (fee points) fall within a corresponding financial year. Demand for 2014-15 is based on the actual activity volumes from 2008-09.

Based on historical data, the forecast assumes 50% of the assessments comprise only base costs (no additional complexity costs), and 50% of the assessments comprise base and complexity costs. The level of complexity is likely to correlate to the assessment approach, and therefore 50% of preliminary documentation assessments were determined to be of moderate complexity, and 50% of environmental impact statement/public environment report/bilateral agreement/accredited assessment were determined to be of high complexity. However, the Department has seen a recent increase in high and very high complexity for environmental impact statement, public environment report and bilateral agreement/accredited assessment which are not accounted for in these estimates of expenses and revenue, to ensure that they are not overestimated based on what may be a short-term fluctuation. To account for significant demand fluctuations, the 'pay as you go' fee points will allow the Department to ensure that the appropriate resources are allocated for such projects.

The volumes of post-approval management plans relating to various types of assessment methods have been estimated based on the historical numbers of post-approval action management plans which were included in approval conditions:

- Assessment on referral information - 1
- Preliminary documentation - 2
- Environmental impact statement – 5
- Public environment report - 5
- Bilateral agreement/Accredited assessment - 5

Table 19, Table 20, Table 21, Table 22 and Table 23 outline forecast expenses and revenue for environmental impact assessments.

Table 19. Referrals (expenses and revenue summary)

Referrals	2014-15 (\$mil)
Expense	3.095
Revenue	3.095
Balance +/-	0

Table 20. Assessment activities (expenses and revenue summary)

Assessment activities	2014-15 (\$mil)
Assessment on referral information	
<i>Stage 1 Prepare and publish draft recommendation report</i>	
Expense	0.048
Revenue	0.048
Balance +/-	0
<i>Stage 2 Incorporate public comments</i>	
Expense	0.029
Revenue	0.029
Balance +/-	0
<i>Stage 3 Finalise recommendation report</i>	
Expense	0.010
Revenue	0.010
Balance +/-	0
Preliminary documentation	
<i>Stage 1 Preparation of additional information request</i>	
Expense	0.293
Revenue	0.293
Balance +/-	0
<i>Stage 2 Review of preliminary documentation and preparation of direction to publish</i>	
Expense	0.263
Revenue	0.263
Balance +/-	0
<i>Stage 3 & 4 Review further information and preparation of recommendation report</i>	
Expense	0.438
Revenue	0.438
Balance +/-	0

Assessment activities	2014-15 (\$mil)
Environmental impact statement	
<i>Stage 1 Preparation of guidelines</i>	
Expense	0.411
Revenue	0.411
Balance +/-	0
<i>Stage 2 Review of draft environmental impact statement and preparation of direction to publish</i>	
Expense	0.887
Revenue	0.887
Balance +/-	0
<i>Stage 3 Review of final environmental impact statement</i>	
Expense	0
Revenue	0
Balance +/-	0
<i>Stage 4 Preparation of recommendation report & draft and final decision</i>	
Expense	0
Revenue	0
Balance +/-	0
Public environment report	
<i>Stage 1 Preparation of guidelines</i>	
Expense	0.169
Revenue	0.169
Balance +/-	0
<i>Stage 2 Review of draft environment report and preparation of direction to publish</i>	
Expense	0.535
Revenue	0.535
Balance +/-	0
<i>Stage 3 Review of final environment report</i>	
Expense	0
Revenue	0
Balance +/-	0

Assessment activities		2014-15 (\$mil)
<i>Stage 4 Preparation of recommendation report & draft and final decision</i>		
	Expense	0
	Revenue	0
	Balance +/-	0
Bilateral agreement / Accredited assessment		
<i>Stage 1 Input into guidelines</i>		
	Expense	0.870
	Revenue	0.870
	Balance +/-	0
<i>Stages 2, 3 & 4 Review draft assessment documentation, final assessment documentation and review state/territory recommendation report</i>		
	Expense	0
	Revenue	0
	Balance +/-	0

Table 21. Post approval action management plans (expenses and revenue summary)

Post approval action management plans	2014-15 (\$mil)
Assessment on referral information	
Expense	0.010
Revenue	0.010
Balance +/-	0
Preliminary documentation	
Expense	0.045
Revenue	0.045
Balance +/-	0
Environmental impact statement	
Expense	0
Revenue	0
Balance +/-	0
Public environment report	
Expense	0
Revenue	0
Balance +/-	0
Bilateral agreement / Accredited assessment	
Expense	0
Revenue	0
Balance +/-	0

Table 22. Contingent fees (expenses and revenue summary)

Contingent fees	2014-15 (\$mil)
Request additional information	
Expense	0.356
Revenue	0.356
Balance +/-	0
Request additional information (public environment report/environmental impact assessment)	
Expense	0
Revenue	0
Balance +/-	0
Reconsideration request (from the applicant of the action)	
Expense	0.082
Revenue	0.082
Balance +/-	0
Variation of conditions	
Expense	0.060
Revenue	0.060
Balance +/-	0
Variation of a post approval action management plan under conditions of approval	
Expense	0
Revenue	0
Balance +/-	0
Administrative variation of a post approval action management plan under conditions of approval	
Expense	0
Revenue	0
Balance +/-	0

Table 23. Total environmental impact assessments, post approval action management plans and contingent fees (expenses and revenue summary)

Environmental impact assessments (total)	2014-15 (\$mil)
Total projected expenses ³⁵	7.602
Total projected revenue ³⁶	7.602
Balance +/-	0

³⁵ Total expenses and revenue do not include assessments by Public Inquiry as expenses and revenue for this assessment will be determined on a case-by-case basis.

³⁶ Total expenses and revenue do not include assessments by Public Inquiry as expenses and revenue for this assessment will be determined on a case-by-case basis.

8 FINANCIAL PERFORMANCE

As cost recovery for environmental assessments under the EPBC Act is a new activity, there is no historical data available to detail the financial performance of EPBC Act cost recovery. In future financial years, this section of the CRIS will be completed.

PROVISIONAL DRAFT

9 NON- FINANCIAL PERFORMANCE

9.1 Non-financial performance indicators

The EPBC Act includes statutory timeframes for almost all decisions. This includes timeframes for assessment and approval decisions. The processes for making these decisions will now be cost recovered. The Department will report, through updates to this CRIS, on:

- the percentage of decisions made within statutory timeframes, including the median number of days for which late decisions were delayed, and
- the overall time taken from referral to approval for referred actions.

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

9.1.1 Compliance with statutory timeframes

The Department reports on compliance with statutory timeframes under the EPBC Act in its annual report. In 2012-13, 86 per cent of all statutory decisions under the EPBC Act were made within the statutory timeframes. This includes decisions relating to permits, listings, recovery plans and environmental impact assessments.

For the purposes of this CRIS the Department will use data on the timing of decisions which affect the timing of an applicant's approval, that is:

- Controlled action determinations and issue of notices (section 75(5) and section 77(1))
- Statements of reasons for controlled action decisions (section 77(4))
- Assessment approach decisions and issue of notices (section 88(1) and section 91(1))
- Requests for further information (section 95A(2)) and directions to publish (section 95A(3)) for assessment on preliminary documentation
- Provision of guidelines for environmental impact statement (section 101A(4)(b))
- Submission of recommendation reports to the Minister and timing of approval decisions (section 130), and
- Decisions on whether to accept a varied proposal (section 156B(1)).

An indicator in this CRIS is the percentage of all of the above decisions made within statutory timeframes. Table 24 sets out the Department's performance against this indicator for the 2012-13 financial year. In 2012-13 the statutory timeframes were met 65.6 per cent of the time.

The Department will update this table each year following the publication of annual report statistics, including for the 2013-14 financial year. The Department 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.

Table 24. Non-financial performance indicators

Financial year	2012–13
Percentage of decisions made within statutory timeframes	65.6% ³⁷

9.1.2 Time taken to complete an assessment

The Department will also monitor the number of calendar days from referral to approval. Table 25 sets out the number of calendar days from referral to approval over the last five financial years.

Table 25. Number of calendar days from referral to approval

Financial year	2008–09	2009–10	2010–11	2011–12	2012–13
Average calendar days from referral to approval	579	528	482	375	241

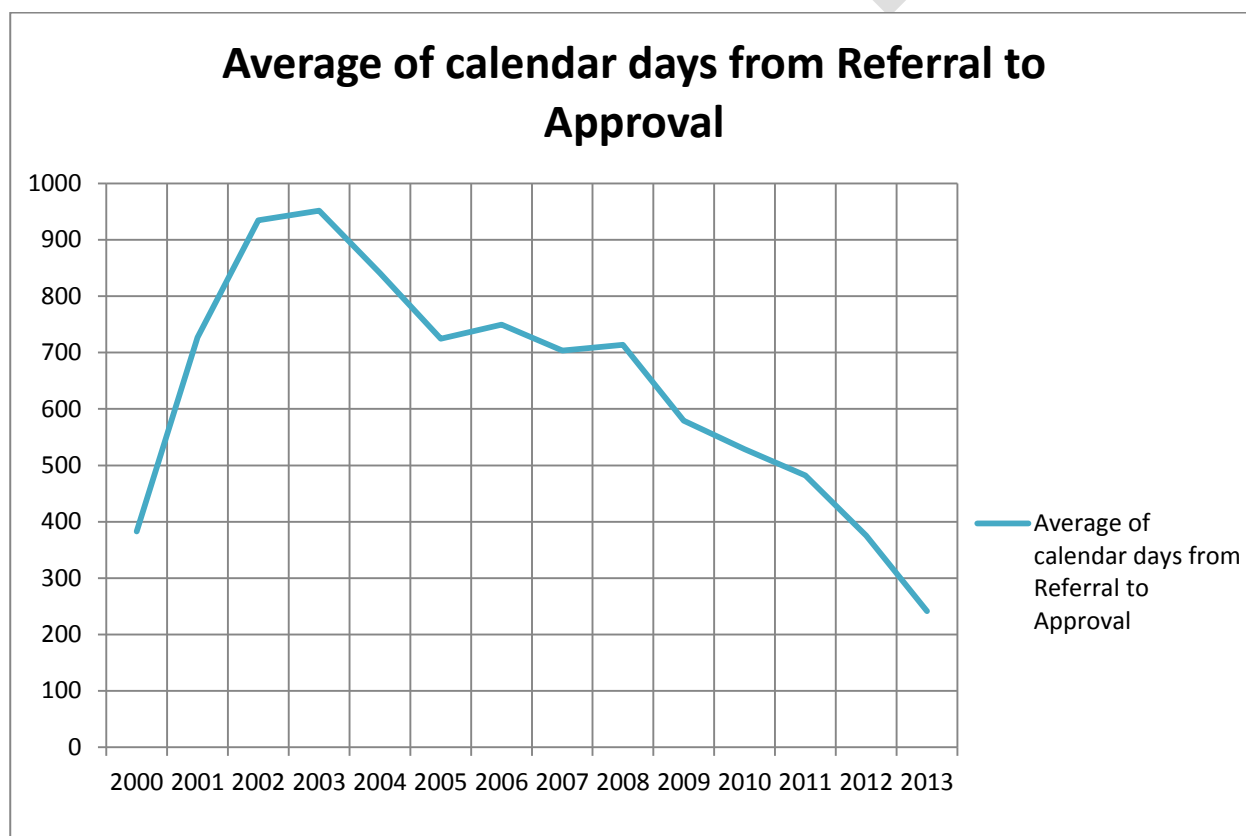


Figure 15. Average of calendar days from referral to approval: 2000 - 2013

³⁷ A total of 34.4 per cent of these decisions did not meet statutory timeframes. The average median number of days late for these decisions was 19 days late, that is, if the median number of days late for each of the above decisions is averaged then the result is 19 days late.

9.2 Monitoring mechanisms

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

9.3 Review of CRIS

This CRIS is a living document, and will be updated as needed. The Department anticipates that a review of the CRIS will be conducted following the implementation of the 'one stop shop' policy in late 2014, and a revised CRIS will be published after the review is completed.

The review process will consider the implications of the 'one stop shop' policy, as well as:

- Measure efficiencies to the system that have been gained through changes to departmental processes,
- Review the costs of providing regulatory services to determine the efficiency, cost effectiveness and appropriateness of cost recovery, and
- Determine whether fees, or administrative aspects of cost recovery, require re-evaluation.

The Department is committed to reviewing fees as significant improvements are made to the assessment process, to ensure the costs reflect the benefits of increased efficiency. The Department will involve stakeholders in any significant review of cost recovery arrangements.

The schedule of fees will be updated for each future financial year to reflect increases to the consumer price index.

10 KEY FORWARD DATES AND EVENTS

The key forward dates and events for cost recovery for environmental assessments under the EPBC Act are:

- Updating this CRIS (July 2014 to June 2015) following the implementation of the 'one stop shop' policy of the Australian Government by late 2014.
- Revising the projected revenue from cost recovery for environmental assessments under the EPBC Act for the 2014-15 financial year in early 2015.
- Providing the forward estimates for cost recovery for environmental assessments under the EPBC Act from 2015-16 in early 2015.

PROVISIONAL DRAFT

11 CRIS APPROVAL AND CHANGE REGISTER

List approvals and changes made to the CRIS. The table below is one way how this information can be recorded.

Date	Description	Approved by	Comments
	Certification of the CRIS		
	Agreement to the CRIS		
	Approval of the CRIS		

PROVISIONAL DRAFT

APPENDIX A: SCHEDULE OF FEES

Fee schedule 2014-15

Referrals

Activity	Base Costs (A)	Complexity costs (B)	Total
Referral decision	\$7,352	N/A	\$7,352

Assessment process

Assessment on Referral Information	Base Costs (A)	Complexity costs (B)	Total
Stage 1	\$4,784	51%	(A) + (B)
Stage 2	\$2,878	31%	(A) + (B)
Stage 3	\$1,755	18%	(A) + (B)
TOTAL	\$9,417	100%	(A) + (B)

Preliminary Documentation	Base Costs (A)	Complexity costs (B) (Fees A to L, P)	Complexity costs (B) (Fees M, N, O)	Total
Stage 1	\$1,374	16%		(A) + (B) ³⁸
Stage 2	\$1,374	16%		(A) + (B)
Stage 3	\$1,374	16%	48%	(A) + (B)
Stage 4	\$4,538	52%	52%	(A) + (B)
TOTAL	\$8,661	100%	100%	

³⁸ For an assessment by preliminary documentation, if no further information is required under section 95(1), the Stage 1 base cost fee of \$1,374 plus 16% of the complexity fee will not be applicable.

Fee schedule 2014-15 (continued)

Environmental Impact Statement	Base Costs (A)	Complexity costs (B) (Fees A to L, P)	Complexity costs (B) (Fees M, N, O)	Total
Stage 1	\$4,031	14%		(A) + (B) ³⁹
Stage 2	\$12,760	42%		(A) + (B)
Stage 3	\$4,265	14%	70%	(A) + (B)
Stage 4	\$9,146	30%	30%	(A) + (B)
TOTAL	\$30,202	100%	100%	

Public Environment Report	Base Costs (A)	Complexity costs (B) (Fees A to L, P)	Complexity costs (B) (Fees M, N, O)	Total
Stage 1	\$4,031	14%		(A) + (B) ⁴⁰
Stage 2	\$12,760	42%		(A) + (B)
Stage 3	\$4,265	14%	70%	(A) + (B)
Stage 4	\$9,146	30%	30%	(A) + (B)
TOTAL	\$30,202	100%	100%	

Bilateral Agreement / Accredited Assessment	Base Costs (A)	Complexity costs (B) (Fees A to L, P)	Complexity costs (B) (Fees M, N, O)	Total
Stage 1	\$4,031	16%		(A) + (B)
Stage 2	\$12,760	49%		(A) + (B)
Stage 3	\$4,268	16%	81%	(A) + (B)
Stage 4	\$4,983	19%	19%	(A) + (B)
TOTAL	\$26,043 ⁴¹	100% ⁴²	100% ⁴³	

³⁹ For an assessment by environmental impact statement, if standard guidelines are used under section 101A(2)(a) of the EPBC Act, the Stage 1 base cost fee of \$4,031 plus 14% of complexity costs will not be applicable.

⁴⁰ For an assessment by public environment report, if standard guidelines are used under section 96A(2)(a) of the EPBC Act, the Stage 1 base cost fee of \$4,031 plus 14% of complexity costs will not be applicable.

⁴¹ For an assessment under a bilateral agreement / accredited process \$26,043 is the maximum base cost payable, as the Minister may determine fees are not applicable for a stage of a bilateral / accredited assessment process if that stage does not occur. See section 3.3.7 of this CRIS for further information.

⁴² For an assessment under a bilateral agreement / accredited process 100% is the maximum percentage of complexity costs (A to L, P) payable, as the Minister may determine fees are not applicable for a stage of a bilateral / accredited assessment process if that stage does not occur.

Fee schedule 2014-15 (continued)

Public inquiry	Costs determined on a case-by-case basis
Strategic Assessments	Costs determined on a case-by-case basis

Post approval fees

Activity	Base Costs (A)	Complexity costs (B)	Total
Management plan assessment fee (per management plan)	\$3,233	N/A	\$3,233

Contingent fees

Activity	Base Costs (A)	Complexity costs (B)	Total
Request additional information	\$2,544	N/A	\$2,544
Request additional information (environmental impact statement assessment/public environment report)	\$13,087	N/A	\$13,087
Reconsideration request (made by the applicant of the action)	\$7,423	N/A	\$7,423
Variation of conditions	\$3,320	N/A	\$3,320
Variation of a action management plan under conditions of approval	\$3,233	N/A	\$3,233
Administrative variation to action management plan under conditions of approval	\$943	N/A	\$943

⁴³ For an assessment under a bilateral agreement / accredited process 100% is the maximum percentage of complexity costs (M, N, O) payable, as the Minister may determine fees are not applicable for a stage of a bilateral / accredited assessment process if that stage does not occur.

ASL costs for 2014-15 financial year (includes all overheads)

Assessment officer / Project manager	Average APS 5/6	\$124,889
Assistant Director / Team manager	EL1	\$158,724
Director / Section manager	EL2	\$194,848
Delegate of the Minister / Assistant Secretary / Senior Executive Staff	SES-1	\$261,045

There may be minor discrepancies in this CRIS due to the rounding of individual numbers to the nearest dollar. For instance, there may be minor variations between: (i) the actual sum of individual numbers, and (ii) a total amount based on non-rounded numbers. In the scenarios for assessment by preliminary documentation and assessment by bilateral agreement / accredited assessment base costs, the individual stages of the base costs added together does not equal the total base costs.

COMPLEXITY FEE MATRIX

For controlled action assessments by PD, ARI, EIS, PER and bilateral and accredited assessments
(Complexity fees from A to P maybe applicable) Note: Low complexity assessment charges are covered in base costs

		LOW COMPLEXITY		MODERATE COMPLEXITY		HIGH COMPLEXITY		VERY HIGH COMPLEXITY	
		DESCRIPTION	AF	DESCRIPTION	AF	DESCRIPTION	AF	DESCRIPTION	AF
CONTROLLING PROVISION: MATTER OF NATIONAL ENVIRONMENTAL SIGNIFICANCE (Fees set and confirmed at the assessment approach or controlled action decision)									
A	Listed threatened species and ecological communities	N/A (controlling provision not triggered under EPBC Act)	-	1 to 5 points*	\$5,463	6 to 14 points*	\$21,852	≥ 15 points*	\$45,711
B	Listed migratory species	N/A (controlling provision not triggered under EPBC Act)	-	One species category impacted*	\$5,463	Two species categories impacted*	\$21,852	≥ Three species categories impacted*	\$45,711
C	Wetlands of international importance	N/A (controlling provision not triggered under EPBC Act)	-	Impacts on the ecological character of the wetland are well understood and are of low severity and temporary in nature.	\$5,463	Impacts on the ecological character of the wetland are unclear or are of moderate severity and are temporary or permanent in nature.	\$21,852	Impacts on the ecological character of the wetland are unclear or are of high severity and are permanent in nature.	\$45,711
D	Environment of the Commonwealth marine area	N/A (controlling provision not triggered under EPBC Act)	-	Impacts on the environment of the Commonwealth marine area and conservation values are well understood, low in severity and temporary in nature.	\$5,463	Impacts on the environment of the Commonwealth marine area and conservation values are unclear or are of moderate severity and are temporary or permanent in nature.	\$21,852	Impacts on the environment of the Commonwealth marine area and conservation values are unclear or poorly defined, or are of high severity and are permanent in nature.	\$45,711
E	World heritage properties	N/A (controlling provision not triggered under EPBC Act)	-	The impacts of the proposed action on values are well understood and comprehensively documented.	\$5,463	Impacts of proposed action on values are uncertain and poorly defined.	\$21,852	Impacts of action are not defined with a high risk of a long term or permanent impact on values.	\$45,711
F	National heritage places	N/A (controlling provision not triggered under EPBC Act)	-	The impacts of the proposed action on values are well understood and comprehensively documented.	\$5,463	Impacts of proposed action on values are uncertain and poorly defined.	\$21,852	Impacts of action are not defined with a high risk of a long term or permanent impact on values.	\$45,711
G	Nuclear actions	N/A (controlling provision not triggered under EPBC Act)	-	The proposal is likely to impact the whole of the environment and the technology is proven, the impacts of the activity is well understood and comprehensively documented.	\$5,463	The proposal is likely to impact the whole of the environment and the technology in use is proven and/or the impacts of activity are unclear and/or poorly documented.	\$21,852	The proposal is likely to impact the whole of the environment and the technology in use is new and unproven or impacts of the activity are of high severity, permanent in nature and/or poorly documented.	\$45,711
H	Great Barrier Reef Marine Park	N/A (controlling provision not triggered under EPBC Act)	-	Impacts of the proposed action on the values of the GBRMP are well understood and are low severity and temporary in nature.	\$2,882	Impacts of the proposed action on the values of the GBRMP are uncertain and poorly defined, and are temporary or permanent in nature.	\$11,528	N/A	N/A
I	Water Resources	N/A (controlling provision not triggered under EPBC Act)	-	The impacts of the proposed action on water resources are well understood and comprehensively documented.	\$5,463	Impacts on water resources are uncertain or poorly defined.	\$21,852	Impacts of action are not defined with a high risk of a long term or permanent impact on water resources.	\$45,711
CONTROLLING PROVISION: COMMONWEALTH LAND / COMMONWEALTH AGENCY / COMMONWEALTH HERITAGE PLACES OVERSEAS (Fees set and confirmed at the assessment approach or controlled action decision)									
J		N/A (controlling provision not triggered under EPBC Act)	-	Impacts on the environment are well understood, low in severity and temporary in nature.	\$5,463	Impacts on the environment are unclear or are of moderate severity and are temporary or permanent in nature.	\$21,852	Impacts on the environment are unclear or poorly defined, or are of high severity and are permanent in nature.	\$45,711
NUMBER OF PROJECT COMPONENTS (Fees set and confirmed at the assessment approach or controlled action decision)									
K		One project component	-	Two project components	BAC x 1	Three project components	BAC x 2	(Y) number of project components	BAC x (Y-1)
COORDINATION WITH OTHER LEGISLATION (Fees set and confirmed at the assessment approach or controlled action decision)									
L	Coordination with Commonwealth legislation under s. 160 of the EPBC Act or links to other legislation	Low level of complexity under s.160 or other legislation.	\$3,892	Moderate level of complexity under s.160 or other legislation.	\$7,783	High level of complexity under s.160 or other legislation.	\$15,567	Very high level of complexity under s.160 or other legislation.	\$32,138
ADEQUACY OF INFORMATION AND CLARITY OF PROJECT SCOPE (Fees set at the assessment approach or controlled action decision and confirmed during stage 2 of the assessment)								EXCEPTIONAL CIRCUMSTANCES (Fees set and confirmed at the assessment approach or controlled action decision)	
M	Site surveys/Knowledge of environment	Site surveys complete and adequate	-	Site survey partially complete for all project components.	\$14,248	Site survey not complete for at least one of the project components.	\$82,316	P	New scope of work/ activity/ process, and potential impacts are unclear; OR activity is understood, but environmental consequences are very high and carry the potential for severe/ irreversible/ long-term impacts
N	Management measures	Management measures defined and proven in previous similar projects	-	Management measures proposed, but clarification is required.	\$14,248	Management strategies poorly defined, not proposed or untested. Technical review of information likely to be required	\$93,316		
O	Project scope	Scope of project clearly defined	-	Project scope includes alternatives, but each alternative clearly defined	\$14,248	Project scope is unclear; OR alternative options poorly defined	\$60,404		

APPENDIX B: COMPLEXITY MATRIX (TIME) SUMMARY

COMPLEXITY FEE MATRIX

For controlled action assessments by PD, ARI, EIS, PER and bilateral and accredited assessments
(Complexity fees from A to O maybe applicable) Note: Low complexity assessment charges are covered in base cost

TIME (DAYS)	LOW COMPLEXITY		MODERATE COMPLEXITY		HIGH COMPLEXITY		VERY HIGH COMPLEXITY		
	DESCRIPTION	AF	DESCRIPTION	AF	DESCRIPTION	AF	DESCRIPTION	AF	
CONTROLLING PROVISION: MATTER OF NATIONAL ENVIRONMENTAL SIGNIFICANCE (Fees set and confirmed at the assessment approach or controlled action decision)									
A	Listed threatened species and ecological communities	N/A (controlling provision not triggered under EPBC Act)	-	- Assessment Officer – 6 days - Assistant Director – 3 days - Director – 1 Day	\$5,463	- Assessment Officer – 24 days - Assistant Director – 12 days - Director – 4 days	\$21,852	- Assessment Officer – 48 days - Assistant Director – 24 days - Director – 8 days - Delegate – 2 days	\$45,711
B	Listed migratory species	N/A (controlling provision not triggered under EPBC Act)							
C	Wetlands of international importance	N/A (controlling provision not triggered under EPBC Act)							
D	Environment of the Commonwealth marine area	N/A (controlling provision not triggered under EPBC Act)							
E	World heritage properties	N/A (controlling provision not triggered under EPBC Act)							
F	National heritage places	N/A (controlling provision not triggered under EPBC Act)							
G	Nuclear actions	N/A (controlling provision not triggered under EPBC Act)							
H	Great Barrier Reef Marine Park	N/A (controlling provision not triggered under EPBC Act)	-	- Assessment Officer – 6 days	\$2,882	- Assessment Officer – 24 days	\$11,528	N/A	N/A
I	Water Trigger	N/A (controlling provision not triggered under EPBC Act)	-	- Same ASL days as rows A to G	\$5,463	- Same ASL days as rows A to G	\$21,852	- Same ASL days as rows A to G	\$45,711
CONTROLLING PROVISION: COMMONWEALTH LAND / COMMONWEALTH AGENCY / COMMONWEALTH HERITAGE PLACES OVERSEAS (Fees set and confirmed at the assessment approach or controlled action decision)									
J		N/A (controlling provision not triggered under EPBC Act)	-	- Assessment Officer – 6 days - Assistant Director – 3 days - Director – 1 day	\$5,463	- Assessment Officer – 24 days - Assistant Director – 12 days - Director – 4 days	\$21,852	- Assessment Officer – 48 days - Assistant Director – 24 days - Director – 8 days - Delegate – 2 days	\$45,711
NUMBER OF PROJECT COMPONENTS (Fees set and confirmed at the assessment approach or controlled action decision)									
K		One project component	-	Refer to table 2	BAC x 1	Refer to table 2	BAC x 2	Refer to table 2	BAC x (Y-1)
COORDINATION WITH OTHER LEGISLATION (Fees set and confirmed at the assessment approach or controlled action decision)									
L	Coordination with Commonwealth legislation under s. 160 of the EPBC Act or links to other legislation	Assessment Officer – 4 days Assistant Director – 2 days Director – 1 day	\$3,892	- Assessment Officer – 8 days - Assistant Director – 4 days - Director – 2 days	\$7,783	- Assessment Officer – 16 days - Assistant Director – 8 days - Director – 4 days	\$15,567	- Assessment Officer – 32 days - Assistant Director – 16 days - Director – 8 days - Delegate – 1 day	\$32,138
ADEQUACY OF INFORMATION AND CLARITY OF PROJECT SCOPE (Fees set at the assessment approach or controlled action decision and confirmed during stage 2 of the assessment)									
M	Site surveys/Knowledge of environment	Site surveys complete and adequate	-	- Assessment Officer – 18 days - Assistant Director – 6.5 days - Director – 2.5 days	\$14,248	- Assessment Officer – 70 days - Assistant Director – 26 days - Director – 10 days - Delegate – 3.4 days - External experts - \$21,912	\$82,316	EXCEPTIONAL CIRCUMSTANCES (Fees set and confirmed at the assessment approach or controlled action decision) P - Assessment Officer – 350 days - Assistant Director – 290 days - Director – 150 days - Delegate – 20 days - External experts - \$100,000	\$577,651
N	Management measures	Management measures defined and proven in previous similar projects				- Assessment Officer – 70 days - Assistant Director – 26 days - Director – 10 days - Delegate – 3.4 days - External experts - \$32,912	\$93,316		
O	Project scope	Scope of project clearly defined				- Assessment Officer – 70 days - Assistant Director – 26 days - Director – 10 days - Delegate – 3.4 days	\$60,404		

AF- additional fee
BAC – Base costs