

COST RECOVERY IMPLEMENTATION STATEMENT

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

***2016-17***

Contents

[1 INTRODUCTION 6](#_Toc256000240)

[1.1 Purpose of this cost recovery implementation statement (CRIS) 6](#_Toc256000275)

[1.2 Description of the activity to be cost recovered 7](#_Toc256000327)

[1.2.1 Environmental Impact Assessments 7](#_Toc256000328)

[1.2.2 Strategic Assessments 8](#_Toc256000329)

[1.2.3 Design of cost recovery arrangements 9](#_Toc256000330)

[1.2.4 Basis of charging – fee or levy 9](#_Toc256000331)

[1.2.5 Who pays the fees 10](#_Toc256000332)

[1.2.6 Inter/intra governmental charging 11](#_Toc256000333)

[2 POLICY AND STATUTORY AUTHORITY TO COST RECOVER 12](#_Toc256000334)

[2.1 Policy and Statutory Authority to cost recover 12](#_Toc256000335)

[2.1.1 Government policy approval to cost recover 12](#_Toc256000336)

[2.1.2 Statutory authority to impose cost recovery charges 12](#_Toc256000337)

[2.1.3 Commencement of charging 12](#_Toc256000338)

[2.1.4 Transitional arrangements for amended cost recovery arrangements 13](#_Toc256000339)

[3 COST RECOVERY MODEL FOR ENVIRONMENTAL IMPACT ASSESSMENTS 14](#_Toc256000340)

[3.1 Outputs and business processes – environmental impact assessments 15](#_Toc256000341)

[3.1.1 Description of activity - environmental impact assessments 15](#_Toc256000342)

[3.2 Costs of environmental impact assessments 18](#_Toc256000343)

[3.2.2 Referral Costs 19](#_Toc256000344)

[3.2.3 Evaluation of action management plans costs 20](#_Toc256000345)

[3.2.4 Contingent Costs 21](#_Toc256000346)

[3.2.5 Base costs for assessments 24](#_Toc256000347)

[3.2.6 Complexity costs for assessments 29](#_Toc256000349)

[3.2.7 Costs of assessments by public inquiry 32](#_Toc256000350)

[3.3 Charges for environmental impact assessments 33](#_Toc256000351)

[3.3.1 Set fees 33](#_Toc256000352)

[3.3.2 Fees for assessments 35](#_Toc256000353)

[3.3.3 Complexity fees for assessments 37](#_Toc256000354)

[3.3.4 Reconsideration of fees 39](#_Toc256000355)

[3.3.5 Summary of fees for each assessment method 40](#_Toc256000356)

[3.3.6 Fees for assessment by Public inquiry 55](#_Toc256000357)

[3.3.7 Exemptions (environmental impact assessments) 56](#_Toc256000358)

[3.3.8 Waivers 57](#_Toc256000359)

[3.3.9 Refunds 57](#_Toc256000360)

[4 COST RECOVERY MODEL FOR STRATEGIC ASSESSMENTS 58](#_Toc256000361)

[4.1 Outputs and business processes – Strategic Assessments 58](#_Toc256000362)

[4.1.1 Description of activity – Strategic assessments 58](#_Toc256000363)

[4.1.2 Funding for strategic assessments 58](#_Toc256000364)

[4.2 Costs of Strategic assessments 60](#_Toc256000365)

[4.3 Charges for strategic assessments 61](#_Toc256000366)

[4.3.1 Strategic assessment fees 61](#_Toc256000367)

[4.3.2 Post approval management plan and contingent activity fees (strategic assessments) 63](#_Toc256000368)

[4.3.3 Exemptions, refunds and waivers (strategic assessments) 63](#_Toc256000369)

[4.3.4 Reconsideration of strategic assessment fees 63](#_Toc256000370)

[5 RISK ASSESSMENT 64](#_Toc256000371)

[6 STAKEHOLDER ENGAGEMENT 65](#_Toc256000372)

[6.1 Updates to CRIS 65](#_Toc256000373)

[6.2 Future amendments to cost recovery arrangements 66](#_Toc256000374)

[7 FINANCIAL ESTIMATES 67](#_Toc256000375)

[7.1 Volume and/or demand assumptions – environmental impact assessments 67](#_Toc256000376)

[7.2 Volume and/or demand assumptions – strategic assessments 69](#_Toc256000377)

[7.3 Projected revenue and expenses 70](#_Toc256000378)

[8 FINANCIAL PERFORMANCE 75](#_Toc256000379)

[9 NON- FINANCIAL PERFORMANCE 76](#_Toc256000380)

[9.1 Non-financial performance indicators 76](#_Toc256000381)

[9.1.1 Compliance with statutory timeframes 76](#_Toc256000382)

[9.1.2 Time taken to complete an assessment 78](#_Toc256000384)

[9.2 Monitoring mechanisms 78](#_Toc256000385)

[10 KEY FORWARD DATES AND EVENTS 78](#_Toc256000386)

[11 CRIS APPROVAL AND CHANGE REGISTER 79](#_Toc256000387)

[Appendix A: SCHEDULE OF FEES 80](#_Toc256000388)

[Set fees 80](#_Toc256000389)

[Assessment fees 81](#_Toc256000390)

[Appendix B: COMPLEXITY MATRIX - FEES 83](#_Toc256000391)

[Appendix C: COMPLEXITY MATRIX - COSTS 85](#_Toc256000392)

List of Figures

[Figure 1. Number of EPBC Act referrals by industry from 1 July 2007 to 30 June 2016. 7](#_Toc459108585)

[Figure 2. The EPBC Act cost recovery charging model 10](#_Toc459108586)

[Figure 3. Overview of the environmental impact assessment process. 14](#_Toc459108587)

[Figure 4. The standard referral process for environmental impact assessment 15](#_Toc459108588)

[Figure 5. The EPBC Act cost recovery charging model for environmental impact assessments. 36](#_Toc459108589)

[Figure 6. Fee stages flow chart for assessment on referral information. 41](#_Toc459108590)

[Figure 7. Fee stages flow chart for preliminary documentation. 44](#_Toc459108591)

[Figure 8. Fee stages flowchart for public environment report and environmental impact statement process. 48](#_Toc459108592)

[Figure 9. Fee stages flowchart for bilateral or accredited assessment process. 52](#_Toc459108593)

[Figure 10. Strategic assessments process. 58](#_Toc459108594)

[Figure 11. Average of calendar days from referral to approval: 2008 - 2015 78](#_Toc459108595)

List of Examples

[Example 1. Highway upgrade (Assessment on referral information) 42](#_Toc256000404)

[Example 2. Residential development (preliminary documentation) 45](#_Toc256000405)

[Example 3. Residential development (preliminary documentation) 46](#_Toc256000406)

[Example 4. Mine, rail & port development with associated offshore dredging (environmental impact statement) 49](#_Toc256000407)

[Example 5. Mine, Rail & Port with associated offshore dredging (bilateral assessment) 53](#_Toc256000408)

[Example 6. Strategic assessment 62](#_Toc256000409)

List of Tables

[Table 1. Summary of referral costs. 19](#_Toc256000410)

[Table 2. Summary of costs to evaluate an action management plan post approval. 20](#_Toc256000411)

[Table 3. Summary of contingent activities. 21](#_Toc256000412)

[Table 4. Summary of costs of contingent activities. 22](#_Toc256000413)

[Table 5. Summary of base costs for assessment on referral information. 25](#_Toc256000414)

[Table 6. Summary of base costs for assessment on preliminary documentation. 26](#_Toc256000415)

[Table 7. Summary of base costs of assessment by public environment report or environmental impact statement. 27](#_Toc256000416)

[Table 8. Summary of base costs of assessment by bilateral agreement or accredited process. 28](#_Toc256000417)

[Table 9. Complexity drivers. 30](#_Toc256000418)

[Table 10. Summary of assessment fees. 35](#_Toc256000419)

[Table 11. Summary of assessment on referral information fees. 40](#_Toc256000420)

[Table 12. Proportion of fees payable at each assessment stage for an assessment on referral information 40](#_Toc256000421)

[Table 13. Summary of preliminary documentation fees. 43](#_Toc256000422)

[Table 14. Proportion of fees payable at each assessment stage for an assessment on preliminary documentation 43](#_Toc256000423)

[Table 15. Summary of public environment report and environmental impact statement fees. 47](#_Toc256000424)

[Table 16. Proportion of fees payable at each assessment stage for an assessment by public environment report or environmental impact statement 47](#_Toc256000425)

[Table 17. Summary of bilateral agreement / accredited process fees. 51](#_Toc256000426)

[Table 18. Proportion of fees payable at each assessment stage for an assessment by bilateral agreement or accredited process 51](#_Toc256000427)

[Table 19. Referrals, assessments and post approval management plans – estimated activity volume. 68](#_Toc256000428)

[Table 20. Contingent activities – estimated activity volume. 69](#_Toc256000429)

[Table 21. Referral, assessment and post approval management plan activities (expenses and revenue summary) 71](#_Toc256000430)

[Table 22. Contingent activities (expenses and revenue summary) 73](#_Toc256000431)

[Table 23. Total environmental impact assessment activities (expenses and revenue summary) 74](#_Toc256000432)

[Table 24. Financial performance of EPBC Act cost recovery during the 2014-15 and 2015-16 financial years 75](#_Toc256000433)

[Table 25. Compliance with statutory timeframes under the EPBC Act for specific types of decisions 77](#_Toc256000434)

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 Implementation Statement  |
| **Direct costs** | Those costs that can directly and unequivocally be attributed to making a product or delivering a service |
| **EPBC Act** | *Environment Protection and Biodiversity Conservation Act 1999 (Cth)* |
| **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. evaluation 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  |
| **The Department** | The Department responsible for administering the EPBC Act, currently the Department of the Environment and Energy |
| **The Minister** | The Minister responsible for administering the EPBC Act, currently the Minister for the Environment and Energy (also includes a delegate of the Minister) |

**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 Officer  |

# INTRODUCTION

The *Environment Protection and Biodiversity Conservation Act* *1999* (Cth) (EPBC Act) is the Australian Government's central piece of environmental legislation. It provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places - defined in the Act as matters of national environmental significance. The nine matters of national environmental significance to which the EPBC Act applies are:

* world heritage properties
* national heritage places
* wetlands of international importance
* nationally threatened species and ecological communities
* migratory species
* Commonwealth marine areas
* the Great Barrier Reef Marine Park
* nuclear actions (including uranium mining)
* a water resource, in relation to coal seam gas development and large coal mining development.

In addition, the EPBC Act confers jurisdiction over actions that have a significant impact on the environment where the actions affect, or are taken on, Commonwealth land, or are carried out by a Commonwealth agency.

The Department is responsible for administering the regulatory functions of the EPBC Act. The EPBC Act comes into play when a proposal has the potential to have a significant impact on a matter of national environmental significance. When a person wants to undertake such an action, he or she must refer the project to the Department to be assessed for environmental impacts under the EPBC Act. Further detail is available at: [www.environment.gov.au](http://www.environment.gov.au/).

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

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 action 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 2014 Australian Government Cost Recovery Guidelines[[1]](#footnote-1) (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 fees payable.

This CRIS provides information on how the Department implements cost recovery for environmental impact assessments under the EPBC Act. It also reports financial and non-financial performance information for environmental impact assessments and contains financial forecasts for 2016-17 and three forward years. The Department will maintain the CRIS until the activity or cost recovery for the activity has been discontinued.

## Description of the activity to be cost recovered

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 conservation of heritage, and to promote the conservation of biodiversity.

### Environmental Impact Assessments

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. Many different types of industries undertake actions requiring referral under the EPBC Act (see Figure 1 below). A total of 2889 referrals were received during the period from 1 July 2007 to 30 June 2016. Trends in this diagram are further discussed in Section 7 of this CRIS.

Figure 1. Number of EPBC Act referrals by industry from 1 July 2007 to 30 June 2016.

A number of assessment options are available under the EPBC Act. 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:

* assessment on referral information (ARI);
* assessment on preliminary documentation (PD);
* assessment by public environment report (PER);
* assessment by environmental impact statement (EIS);
* assessment by public inquiry; or
* assessment under a bilateral agreement or accredited assessment process.

A full description of environmental impact assessments is provided in Section 3 of this CRIS.

### Strategic Assessments

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.

The Australian Government is committed to promoting the use of strategic assessments in partnership with state, territory, and local governments and private applicants. 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.

When conducting a strategic assessment, the Australian Government works closely with state or territory governments, and, where relevant, private entities, in the early phases 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.

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. The Minister determines the appropriateness of proceeding with cost recovery for future strategic assessments on a case-by-case basis.

A full description of strategic assessments is provided in Section 4 of this CRIS.

### Design of cost recovery arrangements

In April 2015, the Australian Government agreed to implement a whole-of-government charging framework to apply across the general government sector. The Australian Government Charging Framework[[2]](#footnote-2) (Charging Framework) provides that where an individual or organisation creates the demand for government activity, they should generally be charged for it, unless the Government has decided to fund the activity. The Charging Framework builds on the 2014 Cost Recovery Guidelines and encourages a common approach to planning, implementing and reviewing government charging.

The cost recovery arrangements that the Department uses for environmental assessments under the EPBC Act, as outlined in this CRIS, have been developed in accordance with the Charging Framework and Cost Recovery Guidelines.

This CRIS will be updated on a regular basis to reflect any changes in the cost recovery model, financial status and performance of the activity. The CRIS will be revised as necessary to reflect changes to the environmental assessment process, particularly any efficiency gains resulting from streamlining of the regulatory process.

Environmental assessment activities under the EPBC Act 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.

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.

### Basis of charging – fee or levy

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

* fees that charge individuals or firms directly for the cost of the service; or
* levies on a group of individuals or firms (legally a form of taxation). A taxation act is required to collect levies[[3]](#footnote-3).

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.

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

* fees prescribed in Regulations; and
* fees determined on a case by case basis, such as for strategic assessments.

Figure 2 below shows where prescribed fees will apply, and where the Minister will determine fees on a case-by-case basis. Further information on the application of fees is provided in Sections 3 and 4 describing cost recovery activities for environmental impact assessments and strategic assessments respectively.



Figure 2. The EPBC Act cost recovery charging model

### 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 assessment 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 3.3.7 and 3.3.8 of this CRIS.

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.

There are no exemptions or fee waivers available for strategic assessments, however, some strategic assessments may be wholly or partially budget funded where the assessment will benefit the community as a whole. Further information on cost recovery for strategic assessments is provided in Section 4 of this CRIS.

### 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.

# POLICY AND STATUTORY AUTHORITY TO COST RECOVER

## Policy and Statutory Authority to cost recover

### Government policy approval to cost recover

The Australian Government announced in the 2012-13 Budget[[4]](#footnote-4) the implementation of full cost recovery for environmental assessments under the EPBC Act from December 2012. In the 2013‑14 Budget[[5]](#footnote-5) the introduction of cost recovery under the EPBC Act was deferred from 1 December 2012 to 1 July 2014. Cost recovery commenced on 1 October 2014.

### Statutory authority to impose cost recovery charges

It was necessary to make amendments to the EPBC Act and Regulations in order to introduce cost recovery for environmental assessments under the EPBC Act. The *Environment Protection and Biodiversity Conservation Amendment (Cost Recovery) Act 2014* (Cth) received Royal Assent on 30 June 2014. The *Environment Protection and Biodiversity Conservation Amendment (Cost Recovery) Regulation 2014* (Cth) was registered on the Federal Register of Legislative Instruments on 9 September 2014.

The amendments to the EPBC Act enabled the Minister to determine fees for environmental assessments, including strategic assessments. The Regulations provide for cost recovery fees consistent with the arrangements set out in this CRIS.

The Regulations included:

* the commencement date of 1 October 2014 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.

An amendment to the Regulations will be necessary to give effect to the altered arrangements and changed fees discussed at section 6.1 and outlined in this CRIS. A copy of the current EPBC Act and Regulations can be found at [www.legislation.gov.au](http://www.legislation.gov.au).

### Commencement of charging

Cost recovery for environmental impact assessments commenced on 1 October 2014.

Any person who referred a proposed action to the Department on or after 14 May 2014 is liable for payment of relevant fees, as detailed in Section 3 of this CRIS, for any assessment activities conducted by the Department on or after 1 October 2014.

Any proposed action referred prior to 14 May 2014 is not subject to fees at any stage in the assessment of the action.

### Transitional arrangements for amended cost recovery arrangements

The amended cost recovery arrangements set out in this CRIS will come into effect as of the commencement date specified in the amended Regulations. The new fees will apply to all cost recovered activities, including upcoming stages of existing assessments, that commence from this date.

To facilitate this transition, upon commencement of the new arrangements, all applicants with an active assessment, where a fee schedule has been provided and one or more cost recovery stages are yet to be paid, will be provided with an updated fee schedule setting out the fees for the remaining stages of their assessment under the new fee arrangements. These revised fees will become payable at the relevant stages of the assessment.

Fees included in the revised fee schedules may be adjusted, at the Minister’s discretion, for any applicants whose remaining fees have increased under the new arrangements. Although overall project fees will generally reduce as a result of these changes, there may be some instances where changes to the proportion of fees payable at different stages could result in fees for the remaining stages increasing beyond the original fee schedule. In these cases an adjustment may be appropriate.

There will be no adjustments for payments made prior to the commencement date, even if the relevant assessment process is still underway.

# COST RECOVERY MODEL FOR ENVIRONMENTAL IMPACT ASSESSMENTS

The cost recovery model for environmental impact assessments in this section 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 a bilateral agreement or accredited assessment process;
* assessments by public inquiry; and
* post approval activities, including evaluation of action management plans.

Figure 3 below 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.

## Outputs and business processes – environmental impact assessments

### 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.

#### Referrals

The standard referral process for environmental impact assessment is shown in Figure 4 below.



Figure 4. The standard referral process for environmental impact assessment

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 does not have sufficient information in the referral documentation to make a decision, the referral timeframe may be suspended and further information requested under section 76 of 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’. The ‘particular 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 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’, and which ‘controlling provisions’ apply. The controlling provisions for an action are the categories of matters protected under the EPBC Act that may be significantly impacted by the proposal, such as ‘listed threatened species and ecological communities’ or ‘World Heritage properties’. Within each controlling provision, multiple protected matters, such as individual species or particular heritage properties, may be impacted or require assessment. The proposed action is then subject to further assessment prior to the Minister deciding whether to approve the action under the EPBC Act.

#### Assessments

If the proposed action is a controlled action, the Minister then decides which of the following approaches must be used to assess the relevant impacts of the action:

* assessment on referral information (ARI);
* assessment on preliminary documentation (PD);
* assessment by public environment report (PER);
* assessment by environmental impact statement (EIS);
* assessment under a 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. If the Minister does not have sufficient information in the referral documentation to make a decision, further information may be requested under section 89 of the EPBC Act.

The basic assessment process under all methods typically involves:

* requesting particular information or issuing guidelines for the assessment documentation;
* reviewing the draft assessment documentation and directing the proponent to publish the assessment documentation for public comment;
* reviewing the finalised assessment documentation addressing the public comments; and
* preparing a recommendation report.

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.

#### Approvals

Following completion of the assessment, the Minister will then decide whether or not to approve the action (with or without conditions) under the EPBC Act. The statutory timeframe for the approval process is 20 business days for an assessment on referral information, 30 business days for a bilateral or accredited assessment, or 40 business days for all other assessment methods. If the Minister does not have sufficient information at the end of the assessment process to make a decision, the approval timeframe may be suspended and further information requested under section 132 of the EPBC Act.

#### Action management plans

Conditions can include a requirement for the approval holder to develop and submit action management plans to the Minister for approval. Action management plans are plans for managing the impacts of the action on a protected matter, such as a plan for conserving habitat of a protected species. These plans allow for adaptive management of an action and its impacts in the post approval stage, ensuring the approval holder develops and implements measures to effectively manage impacts upon matters of national environmental significance.

Should there be a requirement for an action management plan, the applicant can provide the plan as a part of the assessment documentation or elect under section 132 of the EPBC Act to provide it following an approval as a post approval action management plan. If the Minister does not have sufficient information to approve an action management plan as a part of the approval, further information may be requested under section 134(3D) of the EPBC Act.

Action management plans can also be revised over the life of the approval, either substantively or administratively. Substantive changes include changes to how the protected matter is proposed to be managed. Administrative changes are amendments to administrative details of the plan such as structure, layout, contact names or details, which are unrelated to environmental impacts or risks.

#### Post-approval

If an action is approved, it is monitored for the period of approval. During this post approval phase, various activities can take place at the request of the approval holder, including requests for variations to conditions, transfers of approvals to new approval holders, or extensions to the period of approval.

## Costs of environmental impact assessments

The cost for an environmental impact assessment generally relates to staff costs. Staff costs include the base salary, superannuation and other on-costs for staff, at a range of classifications, who are directly involved in the assessment process. The total cost also includes a component of accommodation and property expenses, information technology costs and human resources support that can be attributed to staff who are directly involved in the assessment process. The cost of undertaking these functions has been calculated on the basis of best practice for activities necessary to conduct the function, and what is the most efficient time in which to complete the activity.

#### Changes in cost base

During the 2016-17 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 and Charging Framework.

#### Model assumptions – efficient costs

The cost estimates for environmental impact assessments documented in this CRIS have been derived from targeted effort monitoring of projects, and a further analysis of projects that the Department considered to be ‘best practice’ – that is, 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.

The Department has also validated and updated these estimates through targeted effort monitoring, by recording the actual time taken by a range of officers to undertake specific activities during actual assessments.

### Referral Costs

The cost of considering whether or not a referral is a controlled action are based on 8.32 equivalent person-days for an Assessment Officer and 2.82 equivalent person-days for an Assistant Director, along with oversight by the Director and Assistant Secretary as outlined in Table 1 below.

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;
* 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 that would have been 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.

Table 1. Summary of referral costs.

|  |  |  |
| --- | --- | --- |
|  | **Time (days)** | **Total cost ($)** |
| **Activity** | **Assessment Officer** | **Assistant Director** | **Director** | **SES** |
| Referral | 8.32 | 2.82 | 0.63 | 0.17 | $6,577 |

### Evaluation of action management plans costs

The evaluation of an action management plan requires on average 3.47 equivalent person-days for an Assessment Officer and 0.93 equivalent person-days for an Assistant Director, along with oversight by the Director and Assistant Secretary.

Activities in the evaluation of an action management plan include:

* 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.

A summary of the action management plan evaluation costs is outlined in Table 2 below.

Table 2. Summary of costs to evaluate an action management plan post approval.

|  |  |  |
| --- | --- | --- |
|  | **Time (days)** | **Total cost ($)** |
| **Activity** | **Assessment Officer** | **Assistant Director** | **Director** | **SES** |
| Evaluation of new action management plan | 3.47 | 0.93 | 0.40 | 0.07 | $2,690 |

### Contingent Costs

Contingent costs relate to additional statutory steps under the EPBC Act which may be required in certain circumstances during referrals, assessments or post approval. The statutory bases for these contingent activities are outlined in Table 3 below. These additional statutory steps relate to:

* situations where the applicant does not include adequate information in referral or assessment documentation and the Minister must request further information to make a decision;
* reconsideration of the controlled action decision at the applicant’s request;
* requests to vary the proposed action during the referral or assessment;
* work conducted post-approval relating to the variation of conditions of approval or of an action management plan at the applicant’s request, transfer of the approval to a new approval holder or extension of the period of approval.

In these cases, additional departmental staff time is required to review and address these issues, resulting in additional costs.

Table 3. Summary of contingent activities.

| **Activity** | **Section of EPBC Act authorising contingent activity** |
| --- | --- |
| Assessment contingent activities |
| Request additional information for referral or assessment approach decision | Section 76Section 89  |
| Request additional information for approval decision | Section 132Section 134(3D) |
| Reconsideration of the controlled action decision at the applicant’s request | Division 3 of Part 7 of Chapter 4 |
| Variation to proposed action | Section 156A |
| Post approval contingent activities |
| Variation of conditions | Section 143 |
| Variation of an action management plan under conditions of approval | Section 143A |
| Administrative variation of an action management plan under conditions of approval | Section 143A |
| Transfer of approval to new approval holder | Section 145B |
| Extension to approval expiry date | Section 145D |

If the Minister needs to request additional information to make a decision due to a substantial gap in information, then contingent activities for requesting and reviewing additional information will be necessary. These related activities include:

* the assessment of additional information required;
* discussion with proponent or other provider of information to ensure requirements are understood;
* review and validation of additional information provided;
* preparation of a statutory decision; and
* negotiation of any additional requirements on the basis of new information.

Assessment work undertaken by the Department in assessing contingent activities relating to requests for reconsideration of a controlled action decision, the variation of a proposed action 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.

A summary of the costs of contingent activities is outlined in Table 4 below.

Table 4. Summary of costs of contingent activities.

|  | **Time (days)** | **Total cost ($)** |
| --- | --- | --- |
| **Activity** | **Assessment officer** | **Assistant Director** | **Director** | **SES** |
| Assessment contingent activities |
| Request additional information for referral or assessment approach decision | 1.77 | 0.97 | 0.23 | 0.03 | $1,701 |
| Variation to proposed action | 1.87 | 0.40 | 0.13 | 0.07 | $1,353 |
| Reconsideration of the controlled action decision at the applicant’s request | 8.32 | 2.82 | 0.63 | 0.17 | $6,577 |
| Request additional information for approval decision (assessment on referral information, preliminary documentation or bilateral/accredited assessment) | 1.77 | 0.97 | 0.23 | 0.03 | $1,701 |
| Request additional information for approval decision (assessment by environmental impact statement assessment or public environment report) | 5.67 | 5.40 | 1.47 | 0.13 | $7,476 |
| Post approval contingent activities |
| Variation of conditions | 3.47 | 0.93 | 0.40 | 0.07 | $2,690 |
| Variation of an action management plan under conditions of approval | 3.47 | 0.93 | 0.40 | 0.07 | $2,690 |
| Administrative variation of an action management plan under conditions of approval | 1.00 | 0.20 | 0.07 | 0.03 | $710 |
| Transfer of approval to new approval holder | 2.13 | 0.27 | 0.00 | 0.00 | $1,967 |
| Extension to approval expiry date | 3.47 | 0.93 | 0.40 | 0.07 | $2,690 |

### Base costs for assessments

The base cost for an environmental impact assessment by each assessment method has been determined by the time required to undertake the core activities necessary to complete the assessment of a project using that method. The additional costs associated with activities to address the complexity of specific projects are outlined separately in section 3.2.6.

The major cost of conducting an assessment is staff costs. Staff costs include the base salary, superannuation and other on-costs for staff, at a range of classifications, who are directly involved in the relevant activity. The costs also include 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 relevant activity. The costs for these activities have been calculated on the basis of best practice necessary to conduct the relevant activity, and what is the most efficient time in which to complete the activity (see Table 5, Table 6, Table 7 and Table 8 below).

Further information on how base costs are derived for each assessment process is provided in the following sections.

#### Base costs of assessments on referral information

Base costs of assessments on referral information are based on 12.88 equivalent person-days for an Assessment Officer and 2.94 equivalent person-days for an Assistant Director, along with executive oversight (detailed below).

Core activities involved in an assessment on referral information 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;
* consideration of advice;
* decision notification; and
* database input.

A summary of the assessment on referral information costs is outlined in Table 5 below.

Table 5. Summary of base costs for assessment on referral information.

|  |  |
| --- | --- |
|  | **Time (days)** |
| **Stages of the assessment process** | **Assessment Officer** | **Assistant Director** | **Director** | **SES** |
| Stage 1: Prepare and publish draft recommendation report | 7.36 | 1.01 | 0.26 | 0.06 |
| Stage 2: Review comments and finalise recommendation report  | 3.68 | 1.01 | 0.28 | 0.06 |
| Stage 3: Proposed and final decision | 1.84 | 0.92 | 0.18 | 0.03 |
| **Total** | **12.88** | **2.94** | **0.72** | **0.14** |
| TOTAL BASE COST | $8,964 |

#### Base costs of assessments on preliminary documentation

Base costs of assessments on preliminary documentation are based on 10.4 equivalent person-days for an Assessment Officer and 2.91 equivalent person-days for an Assistant Director, along with executive oversight (detailed below).

Core activities involved in an assessment on preliminary documentation 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;
* consideration of advice;
* decision notification; and
* database input.

A summary of the preliminary documentation assessment costs is outlined in Table 6 below.

Table 6. Summary of base costs for assessment on preliminary documentation.

|  | **Time (days)** |
| --- | --- |
| **Stages of the assessment and approval process** | **Assessment Officer** | **Assistant Director** | **Director** | **SES** |
| Stage 1: Determine information requirements | 2.73 | 0.83 | 0.20 | 0.03 |
| Stage 2: Review draft assessment documentation | 3.40 | 0.64 | 0.21 | 0.03 |
| Stage 3: Review final assessment documentation | 1.00 | 0.37 | 0.12 | 0.03 |
| Stage 4: Prepare recommendation report, proposed and final decision  | 3.27 | 1.07 | 0.54 | 0.08 |
| **Total** | **10.40** | **2.91** | **1.07** | **0.17** |
| TOTAL BASE COST | $8,010 |

#### Base costs of assessments by public environment report or environmental impact statement

Assessment by public environment report and assessment by environmental impact statement are very similar assessment methods, that require the same activities to be undertaken. The base costs of these assessment methods are therefore the same. Base costs of both assessment methods are discussed in this section.

Base costs of assessment by public environment report or environmental impact statement are based on 32.53 equivalent person-days for an Assessment Officer, 10.22 equivalent person-days for an Assistant Director, and 3.11 equivalent person-days for a Director, plus executive oversight.

Core activities involved in an assessment by public environment report or environmental impact statement 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 environment report or environmental impact statement costs is outlined in Table 7 below.

Table 7. Summary of base costs of assessment by public environment report or environmental impact statement.

|  | **Time (days)** |
| --- | --- |
| **Stages of the assessment and approval process** | **Assessment Officer** | **Assistant Director** | **Director** | **SES** |
| Stage 1: Determine information requirements | 6.33 | 1.80 | 0.47 | 0.07 |
| Stage 2: Review draft assessment documentation | 7.13 | 1.89 | 0.72 | 0.09 |
| Stage 3: Review final assessment documentation | 7.80 | 3.39 | 1.12 | 0.23 |
| Stage 4: Prepare recommendation report, proposed and final decision | 11.27 | 3.13 | 0.81 | 0.15 |
| **Total** | **32.53** | **10.22** | **3.11** | **0.54** |
| TOTAL BASE COST | $25,583 |

#### Base costs of assessments by bilateral agreement or accredited process

Bilateral agreements reduce duplication of environmental assessment processes between the Commonwealth and states/territories. They allow the Commonwealth to 'accredit' particular state/territory assessment processes, either through an ongoing bilateral agreement for a type of process or a one-off accreditation of a 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.

Core activities undertaken by the Commonwealth as part of an assessment by bilateral assessment or accredited process 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 of a bilateral or accredited assessment are lower than those under the environmental impact statement assessment as the Department does not undertake the activities that are completed as a part of the state assessment. There is no cost recovery by the Australian Government for assessment work undertaken by the states and territories under an assessment bilateral agreement.

A summary of the bilateral agreement / accredited process costs is outlined in Table 8 below.

Table 8. Summary of base costs of assessment by bilateral agreement or accredited process.

|  |  |
| --- | --- |
|  | **Time (days)** |
| **Stages of the assessment and approval process** | **Assessment Officer** | **Assistant Director** | **Director** | **SES** |
| Stage 1: Review terms of reference | 5.53 | 1.53 | 0.27 | 0.03 |
| Stage 2: Review draft assessment documentation | 5.13 | 1.20 | 0.40 | 0.03 |
| Stage 3: Review final assessment documentation | 2.53 | 0.80 | 0.40 | 0.10 |
| Stage 4: Prepare proposed and final decision | 11.27 | 3.13 | 0.81 | 0.15 |
| **Total** | **24.47** | **6.67** | **1.87** | **0.31** |
| TOTAL BASE COST | $18,146 |

### Complexity costs for assessments

The level of complexity of a proposed action determines the additional departmental resources required above the base costs for the relevant assessment method (see section 3.2.5) to address the specific attributes of a project. The major component of addressing complexity for environmental impact assessments is staff costs, which includes base salary, superannuation and other on-costs for staff, at a range of classifications, 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 for 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.

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 9 below outlines the drivers of complexity, which form the basis for the calculation of complexity costs.

Complexity costs associated with individual assessments will vary on a case-by-case basis. Further detail on the breakdown of complexity costs is provided in the complexity matrix at Appendix C.

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.

Table 9. Complexity drivers.

|  |  |
| --- | --- |
| Driver | Description |
| Number of controlling provisionsANDThe degree to which the potential impacts on matters of national environmental significance, and the available measures for managing these impacts, are understood(Rows A to I of the complexity matrix) | The number of controlling provisions triggered under the EPBC Act, and the number of protected matters to be assessed under each controlling provision, has a direct impact on the time and resources required to undertake the assessment, as each controlling provision and matter requires separate assessment[[6]](#footnote-6).Where particular protected matters are well known and understood by the department, the departmental time and resources required to undertake the assessment will be less than for assessments involving less well-known matters.Likewise, where the management or mitigation options available to deal with the impacts to a particular matter are well established and understood, the departmental time and resources required to develop appropriate controls for the action will be less.In this context “well understood” means the information necessary to understand the impacts to the matter and the available measures to manage the impacts are readily available to the department or provided in the referral documentation.See examples 1 to 5 on pages 42, 45, 46, 49 and 53. |
| The requirement to undertake a ‘whole of environment’ assessment(Row J of the complexity matrix) | 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. As for controlling provisions, where the impacts and options for management measures are well-understood, the departmental time and resources required will be less than for less well-understood impacts and measures.See examples 4 and 5 on pages 49 and 53. |
| Number of project components(Row K of the complexity matrix) | 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. In this instance, the rail line, the mine and the port facility could be considered to be three separate components of the project.See examples 4 and 5 on pages 49 and 53. |
| Coordination with other legislation(Row L of the complexity matrix) | Where the department needs to coordinate an assessment with another Commonwealth, State or Territory statutory process, more time and resources are required during the assessment process. The amount of time and resources increases with each process that the department needs to coordinate with. Where coordination is required with other statutory processes for which the relationship to the EPBC Act is well established (including processes under section 160 of the EPBC Act or accredited through bilateral agreements) this coordination effort is less than for processes for which the relationship with the EPBC Act has not been established.See example 4 on page 49. |
| Adequacy of information and clarity of project scope(Rows M, N and O of the complexity matrix) | 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:* The availability of relevant environmental data for the project area;
* 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
* The level of certainty regarding the scope of the proposed action. The more options that the Department needs to assess, the more time and resources are required to review documentation and provide feedback.

See examples 1 to 5 on pages 42, 45, 46, 49 and 53. |

### Costs of assessments by public inquiry

The costs of an assessment by public inquiry vary on a case-by-case basis. The exact costs will be dependent on the specifics of a project and therefore cannot be determined in advance, as opposed to the costing structure for other assessment methods.

The departmental costs of assessment by public inquiry would be directly related to the size and scope of the project that is being assessed. Factors that could influence costs include the number of staff resources necessary to undertake the assessment, 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.

## Charges for environmental impact assessments

The fees for environmental assessments are made up of four different types of fee:

* Set fees for:
	+ referrals;
	+ evaluating post approval management plans; and
	+ contingent activities;
* Base fees for assessments;
* Complexity fees for assessments; and
* Case by case fees for public enquiries.

Set fees are payable before the activity they relate to commences. Base and complexity fees are spread in instalments across a number of stages of the assessment process. Each fee instalment 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. Case by case fees will be agreed with applicants prior to the activity commencing. Further information is provided on each of the fee types in the relevant sections below.

### Set fees

#### Fees for Referrals

Applicants pay a fixed fee for referrals based on the amount of work that is required for the Minister to meet the 20 day statutory timeframe for making a controlled action decision. The applicant must pay the fixed referral fee of $6,577 prior to the Department commencing consideration of the referral, and this will not vary based on the outcome (i.e.: not controlled action, not controlled action ‘particular manner’, controlled action or decision that an action is clearly unacceptable), because the Department undertakes the same amount of work regardless of the final decision. There are no additional complexity fees for referrals.

#### Fees for evaluation of action management plans post approval

Applicants pay a fixed fee for the evaluation of action management plans. The applicant must pay the fixed fee of $2,690 prior to the Department commencing evaluation of the action management plan. The fee for evaluating an action management plan is only applicable when the person proposing the action has elected under section 132 of the Act to provide an action management plan for the consideration of the Minister post approval (see section 3.1.1.5).

#### Fees for Contingent activities

Contingent fees must be paid prior to the commencement of the related work. These fees will not be included in the fee schedule at the time of the assessment approach decision, as the requirement for them arises only for some projects (usually at the request of the applicant) and cannot be determined in advance. Contingent fees apply to the activities outlined in section 3.2.4 and the fees for each of the contingent activities are shown in the schedule of fees at Appendix A.

Contingent fees for requesting additional information

There are a number of different contingent fees associated with requesting additional information, where insufficient information is available to make a decision. Contingent fees for requesting for additional information are applicable for:

* requests made under section 76 where the Minister requires more information to make a referral decision ($1,701);
* requests made under section 89 where the Minister requires more information to make an assessment approach decision ($1,701); or
* requests made under section 132 or section 134(3D) where the Minister requires more information to make an approval decision ($1,701 where the assessment was undertaken on referral information, preliminary documentation or under a bilateral agreement or accredited process; $7,476 where the assessment was undertaken by public environment report or environmental impact statement).

There are no contingent fees for requesting additional information during the preparation of the assessment documentation, as this is factored into the complexity fees. Contingent fees are also not applicable when:

* requesting additional information to make an assessment approach decision, where that additional information relates to how the proposal will be assessed under state legislation; or
* the Minister requests additional information from a third party instead of the person proposing the action or the proponent.

Contingent fees for reconsideration of controlled action decisions

The contingent fee of $6,577 for reconsideration of the controlled action decision is only payable where this request is made by the applicant. If a reconsideration is requested by a third party, no fee is payable. In either case, if the reconsideration results in a change to the original controlled action decision then fees will be revised accordingly, and an updated fee schedule will be provided to the applicant if applicable.

Contingent fees for varying action management plans

There is a contingent fee of $2,690 for the variation of an action management plan and a separate contingent fee of $710 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 (see section 3.1.1.5). This will require less work by the Department, and in such scenario it is appropriate to charge a reduced fee for such work. Where both substantive and administrative changes are requested in the same variation, only the substantive variation fee is charged.

### Fees for assessments

The total fees for an assessment include the base fee for the relevant assessment method plus the relevant complexity fees (Table 10).

A base fee is applicable for each possible stage of an environmental impact assessment which could be undertaken for an individual action. Base fees for environmental impact assessment activities, corresponding to fees set out in Regulations, are outlined in Table 10 below.

Table 10. Summary of assessment fees.

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Base fee** | **Complexity fees** | **Total feeBase + Complexity** |
| Assessment on referral information | $8,964 | Determined on a case by case basis | $8,964 + Complexity fees |
| Assessment on preliminary documentation | $8,010[[7]](#footnote-7) | Determined on a case by case basis | $8,010 + Complexity fees |
| Assessment by public environment report or environmental impact statement | $25,583[[8]](#footnote-8) | Determined on a case by case basis | $25,583 + Complexity fees |
| Assessment by bilateral agreement or accredited process | $18,146[[9]](#footnote-9) | Determined on a case by case basis | $18,146 + Complexity fees |
| Assessment by public inquiry | Determined on a case by case basis. |

These fees are payable in instalments across a number of stages of the assessment process, as outlined in Figure 5 below. If a particular stage is not required for a particular assessment then the fees for that stage would not apply (for example, if no further information is required for a preliminary documentation assessment, the stage 1 and 2 fees for requesting and reviewing further information would not apply).

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. The Minister can also waive stage fees in limited circumstances (see section 3.3.8).

These arrangements ensure that applicants only pay fees for services actually provided, and recognise 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 3.3.3.2). 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.



Figure 5. The EPBC Act cost recovery charging model for environmental impact assessments.

The applicant must pay the relevant instalment of 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.

#### Schedule of fees and charges for environmental impact assessment

If the Minister decides that the proposed action is a controlled action and requires assessment under the EPBC Act, the Minister then makes a decision on the assessment approach to be used. The Department notifies the applicant of the assessment approach decision and at this point provides the applicant with an initial fee schedule that includes an estimate of maximum applicable assessment fees (including all stages and all complexity fee components).

For assessments on referral information, the initial fee schedule is the final fee schedule.

For all other assessment methods, the initial fee schedule includes the final fees for stages 1 and 2 and an estimate of the fees for stages 3 and 4. This fee schedule is reviewed and a final fee schedule is issued during stage 2 of the assessment, when the draft assessment documentation is complete and the final complexity can be calculated (for more information refer to section 3.3.3.2).

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

### Complexity fees for assessments

#### Setting complexity fees

The complexity matrix at Appendix B sets out the basis for determining the complexity of conducting individual assessments. The complexity matrix sets out five elements of complexity:

* Controlling provisions (rows A-J);
* Number of project components (row K);
* Coordination with other legislation (row L);
* Adequacy of information and clarity of project scope (rows M, N and O); and
* Exceptional circumstances (row P).

For each complexity element, descriptions for moderate, high or very high complexity projects are set out. The drivers for these descriptions are outlined in Table 9 on page 30.

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, or a particular national heritage place is also a World Heritage property, applicants will only be charged complexity fees for that species or place in one of those categories, not both, to avoid double charging for the assessment of the impacts of the action on a single matter.[[10]](#footnote-10)

The Great Barrier Reef Marine Park also contains significant overlap with the Great Barrier Reef World Heritage Area and National Heritage place. As such the complexity fee for assessing actions impacting on the Great Barrier Reef Marine Park is reduced when the World Heritage or National Heritage controlling provisions also apply, to avoid excessive charging.

The CRIS includes examples (see pages 42, 45, 46, 49 and 53), which demonstrate how different complexity fees may apply to projects under each assessment method. Examples are provided for illustrative purposes only. The total fees for individual projects are determined based on the specific complexity of those projects.

#### Opportunities for applicants to reduce complexity fees

The Department advises the applicant of the level of complexity fees at the time of the assessment approach decision.[[11]](#footnote-11) The charging methodology for complexity enables applicants to potentially reduce the overall fees for 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, or fewer individual matters within the controlling provisions, by avoiding or minimising the potential impacts on particular matters of national environmental significance; and/or
* provide sufficient information in the referral documentation to demonstrate that individual matters will not be significantly impacted and do not require assessment; and/or
* provide comprehensive information about the action and its impacts, making the assessment less time consuming for the Department to conduct.

Applicants have a further opportunity to reduce the Part B “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 assessment approach decision, based on the information provided in the referral documentation. However, these components of the fees are not payable until stages 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 reassess the Part B complexity and reduce the associated fees when the applicant better defines the scope of the proposed action and/or proposed management measures in the draft assessment documentation.

The Part B complexity fees do not apply to assessments on referral information or assessments on preliminary documentation with no further information required, as to be eligible for these assessment methods the information provided at the referral stage must be sufficient so that no further information is required.

The final applicable fees for Part B complexity are confirmed after the draft assessment documentation is received by the Department (during stage 2), and are then payable across the remaining stages of the assessment (stages 3 & 4).

See examples 2 and 3 on pages 45 and 46 for more information.

#### Fee points for complexity

Applicants pay the following complexity fees (Part A complexity fees) in instalments across all stages of the assessment:

* 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 also need to pay the following complexity fees (Part B complexity fees) in instalments across stages 3-4 of the assessment:

* adequacy of information (shown in rows M and N in the complexity fee matrix); and
* clarity of project scope (shown in row O in the complexity fee matrix).

The Part B complexity fees are only applicable to the latter stages of the assessment as the information available to determine this type of complexity may be provided during the earlier stages. Part B fees are not applicable for assessments on referral information, or assessments on preliminary documentation where no further information is required, as these assessment methods can only be used when adequate information relevant to the assessment is provided in the referral documentation.

The fee schedule at Appendix A sets out the proportion of complexity fees payable at each stage for each assessment method.

### 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. The review of the fee 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 EPBC Act and Regulations set out the requirements for seeking review of complexity fees.

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.

If the fee is raised following a reconsideration process then the applicant is liable for the higher fee.

### Summary of fees for each assessment method

#### Fees for Assessments on referral information

The total fee for an assessment on referral information includes the base fee for an assessment on referral information and the relevant complexity fees (Table 11).

Table 11. Summary of assessment on referral information fees.

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Base fee** | **Complexity fees**  | **Total feeBase + Complexity**  |
| Assessment on referral information | $8,964 | Determined on a case by case basis | $8,964 + Complexity fees |

These fees are payable across three stages of the assessment process, as outlined in Table 12 below.

Table 12. Proportion of fees payable at each assessment stage for an assessment on referral information

|  |  |  |
| --- | --- | --- |
| **Activity** | **Base fee** | **Complexity fees**  |
| Stage 1: Prepare and publish draft recommendation report | 51% | 51% |
| Stage 2: Review comments and finalise recommendation report | 30% | 30% |
| Stage 3: Proposed and final decision | 19% | 19% |
| **Total** | **100%** | **100%** |

\*There may be minor discrepancies between the percentages within this table and the corresponding fees stated within this Statement. This is because the percentages above have been rounded to whole numbers.

More information on the fees that may be applicable at each stage of the assessment on referral information process is outlined in the flowchart at Figure 6 below. Refer to Example 1 on page 42 to see how complexity fees could be applied to a project assessed on referral information.

The fees for contingent activities and for evaluation of post-approval action management plans may be applicable during the assessment or for an approval granted following an assessment on referral information (see sections 3.3.1.2 and 3.3.1.3 for further information).



Figure 6. 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 vegetation, located in an important regional habitat corridor for wildlife. |
| **Fee Ref.\*** | **Project characteristics** | **Additional resources required during the assessment process** | **Fee** |
| Part A Complexity Fees | Controlling provisions triggered |
| A | 3 threatened species require assessment; impacts to all species are well defined and understood; and all management options are well defined and understood. | Threatened species (moderate complexity):* Assessment Officer – 7.93 days
* Assistant Director – 2.94 days
* Director – 1.25 days
* SES – 0.11 days
 | $6,742 |
| B | 6 migratory species require assessment, 2 of which are also threatened species considered above; impacts to all migratory species are well defined and understood; and all management options are well defined and understood . | Migratory species (moderate complexity):* Assessment Officer – 7.93 days
* Assistant Director – 2.94 days
* Director – 1.25 days
* SES – 0.11 days
 | $6,742 |
| Project components |
| K | One component - Land clearing for highway upgrade | * No additional fee
 | N/A |
| Other legislation |
| L | Low complexity - no coordination with other legislative processes required | * No additional fee
 | N/A |
| Part B Complexity Fees | Adequacy of information and clarity of project scope |
| M | Information was deemed adequate at the referral stage | * No additional fee
 | N/A |
| N | Information was deemed adequate at the referral stage | * No additional fee
 | N/A |
| O | Project scope clearly defined with no alternatives | * No additional fee
 | N/A |
| total complexity fees | $13,484 |
| BASE fee (Assessment on referral information) | $8,964 |
| TOTAL fee | $22,448 |

\* Please refer to complexity fee matrix at Appendix B

#### Fees for Assessment on preliminary documentation

The total fee for an assessment on preliminary documentation includes the base fee for an assessment on preliminary documentation and the relevant complexity fees (Table 13).

Table 13. Summary of preliminary documentation fees.

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Base fee** | **Complexity fees** | **Total feeBase + Complexity** |
| Assessment on preliminary documentation | $8,010 | Determined on a case by case basis | $8,010 + Complexity fees |

These fees are payable across four stages of the assessment process, as outlined in Table 14 below.

Table 14. Proportion of fees payable at each assessment stage for an assessment on preliminary documentation

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Base fee** | **Part A complexity fees** | **Part B complexity fees**  |
| Stage 1: Determine information requirements | 26% | 12% |  |
| Stage 2: Review draft assessment documentation | 28% | 19% |  |
| Stage 3: Review final assessment documentation | 11% | 20% | 50% |
| Stage 4: Prepare recommendation report, proposed and final decision | 35% | 49% | 50% |
| **Total** | **100%** | **100%** | **100%** |

\*There may be minor discrepancies between the percentages within this table and the corresponding fees stated within this Statement. This is because the percentages above have been rounded to whole numbers.

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 and Stage 2 base and complexity fees will not be applicable and this will reduce the total fees payable.

More information on the fees that may be applicable at each stage of the preliminary documentation assessment process is outlined in the flowchart at Figure 7 below. Refer to Examples 2 and 3 on pages 45 and 46 to see how complexity fees could be applied to a proposed action assessed by preliminary documentation. Refer to section 3.3.3.2 for more information on reducing complexity fees.

The fees for contingent activities and for evaluation of post-approval action management plans may be applicable during the assessment or for an approval granted following an assessment on preliminary documentation (see sections 3.3.1.2 and 3.3.1.3 for further information).



Figure 7. 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 the alteration of water courses in an area that provides important high quality habitat for a threatened species and ecological communities.  |
| **Fee Ref.\*** | **Project characteristics** | **Additional resources required during the assessment process** | **Fee** |
| Part A Complexity Fees | Controlling provisions triggered |
| A | 7 threatened species and 1 ecological community require assessment; impacts to the 7 species are well defined and understood; impacts to the ecological community are not well understood; management options are all well defined and understood. | Threatened species (high complexity):* Assessment Officer—20.59 days
* Assistant Director—6.98 days
* Director—2.25 days
* SES – 0.4 days
* Line area advice - $8,827
 | $25,615 |
| Project components |
| K | One component - Land clearing for residential development | * No additional fee
 | N/A |
| Other legislation |
| L | Low complexity - no coordination with other legislative processes required | * No additional fee
 | N/A |
| Part B Complexity Fees | Adequacy of information and clarity of project scope |
| M | Site surveys for threatened species are partially complete. Additional dry season surveys are required. | Site surveys (moderate complexity):* Assessment Officer—10 days
* Assistant Director—6.5 days
* Director—2.5 days
 | $10,982 |
| N | Clarification is required regarding the proposed measures for the management, avoidance and mitigation of damage to important habitat. | 1. Management strategies (moderate complexity):
* Assessment Officer—10 days
* Assistant Director—6.5 days
* Director—2.5 days
 | $10,982 |
| O | Project scope clearly defined with no alternatives | * No additional fee
 | N/A |
| total complexity fees | $47,579 |
| base fee (assessment on preliminary documentation) | $8,010 |
| Total fee | $55,589 |

\* Please refer to complexity fee matrix at Appendix B

**Reducing Part B complexity fees for Example 2**

The proponent in this example would have been advised of their maximum liability for complexity fees at the time of the assessment approach decision, based on the information provided in their referral documentation. The proponent then has the opportunity to reduce their Part B complexity fees by providing comprehensive information in their preliminary documentation (during stage 2, refer Figure 7) provided to the Department. For example if the proponent in this example provides a higher quality of information in relation to site surveys and management measures in their preliminary documentation during stage 2, then their complexity fees for M and N could be reduced by up to $21,964.

Example 3. Residential development (preliminary documentation)

|  |
| --- |
| **Project description:** Building Homes Pty Ltd is proposing a residential development, which requires clearing and the alteration of water courses in an area that provides important high quality habitat for a threatened species and ecological communities.  |
| **Fee Ref.\*** | **Project characteristics** | **Additional resources required during the assessment process** | **Fee** |
| Part A Complexity Fees | Controlling provisions triggered |
| A | 7 threatened species and 1 ecological community require assessment; impacts to the 7 species are well defined and understood; impacts to the ecological community are not well understood; management options are all well defined and understood. | Threatened species (high complexity):* Assessment Officer—20.59 days
* Assistant Director—6.98 days
* Director—2.25 days
* SES - 0.4 days
* Line area advice - $8,827
 | $25,615 |
| Project components |
| K | One component - Land clearing for residential development | * No additional fee
 | N/A |
| Other legislation |
| L | Low complexity - no coordination with other legislative processes required | * No additional fee
 | N/A |
| Part B Complexity Fees | Adequacy of information and clarity of project scope |
| M | Site surveys complete and adequate  | * No additional fee
 | N/A |
| N | Management measures are clearly defined and proven | * No additional fee
 | N/A |
| O | Project scope clearly defined with no alternatives | * No additional fee
 | N/A |
| total complexity fees | $25,615 |
| base fee (assessment on preliminary documentation) | $8,010 |
| total fee | $33,625 |

\* Please refer to complexity fee matrix at Appendix B

**Part B complexity fees for Example 3**

This example demonstrates how the proponent was able to reduce their overall complexity fee by $21,964 in comparison to the scenario in Example 2. The proponent in Example 3 did not have additional complexity fees 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 Minister of the nature of the proposal.

#### Fees for assessment by Public Environment Report / Environmental Impact Statement

The total fee for an assessment by Public Environment Report or Environmental Impact Statement includes the base fee for an assessment by Public Environment Report or Environmental Impact Statement and the relevant complexity fees (Table 15).

Table 15. Summary of public environment report and environmental impact statement fees.

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Base fee** | **Complexity fees** | **Total fee****Base + Complexity** |
| Public environment report / Environmental impact statement | $25,583 | Determined on a case by case basis | $25,583 + Complexity fees |

These fees are payable across four stages of the assessment process, as outlined in Table 16 below.

Table 16. Proportion of fees payable at each assessment stage for an assessment by public environment report or environmental impact statement

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Base fee** | **Part A complexity fees** | **Part B complexity fees**  |
| Stage 1: Determine information requirements | 18% | 12% |  |
| Stage 2: Review draft assessment documentation | 21% | 19% |  |
| Stage 3: Review final assessment documentation. | 28% | 20% | 50% |
| Stage 4: Prepare recommendation report, proposed and final decision | 33% | 49% | 50% |
| **Total** | **100%** | **100%** | **100%** |

\*There may be minor discrepancies between the percentages within this table and the corresponding fees stated within this Statement. This is because the percentages above have been rounded to whole numbers.

In circumstances where standard guidelines are used under section 101A(2)(a) or 96A(2)(a) of the EPBC Act, the Stage 1 base fee and complexity fees will not be applicable and this will reduce the total fees payable.

More information on the fees that may be applicable at each stage of the public environment report/environmental impact statement assessment process is outlined in the flowchart at Figure 8 below. Refer to Example 4 on page 49 to see how complexity fees could be applied to a proposed action assessed by public environment report or environmental impact statement. Refer to section 3.3.3.2 for more information on reducing complexity fees.

The fees for contingent activities and for evaluation of post-approval action management plans may be applicable during the assessment or for an approval granted following an assessment by public environment report or environmental impact statement (see sections 3.3.1.2 and 3.3.1.3 for further information).



Figure 8. Fee stages flowchart for public environment report and environmental impact statement process.

Example 4. Mine, rail & port development with associated offshore dredging (environmental impact statement)

|  |
| --- |
| **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. The dredging and the likely impacts of its plume extend into the Commonwealth marine environment. The port infrastructure is proposed to be constructed over a shoreline area that provides foraging habitat for threatened and migratory species.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. The assessment needs to be coordinated with two other legislative processes: a state government assessment of the mine and rail line; and a Commonwealth process under the *Environment Protection (Sea Dumping) Act 1981* for the offshore dredging. The state process is one that is accredited under a bilateral agreement, but the bilateral cannot apply as the state assessment does not include the port facility or offshore dredging.  |
| **Fee Ref.\*** | **Project characteristics** | **Additional resources required during the assessment process** | **Fee** |
| Part A complexity fees | Controlling provisions triggered |  |  |
| A | 8 threatened species and 1 ecological community require assessment; impacts to the 7 species are well defined and understood; impacts to 1 species and the ecological community are not well understood; management options are all well defined and understood. | Threatened species (high complexity):* Assessment Officer—20.59 days
* Assistant Director—6.98 days
* Director—2.25 days
* SES – 0.4 days
* Line area advice - $8,827
 | $25,615 |
| B | 6 migratory species require assessment, 4 of which are also threatened species considered above; impacts to all migratory species are well defined and understood; and all management options are well defined and understood . | Migratory species (moderate complexity):* Assessment Officer—7.93 days
* Assistant Director—2.94 days
* Director—1.25 days
* SES – 0.11 days
 | $6,742 |
| D | The impacts to the marine environment are well defined and understood but the available options for managing these impacts are not well understood. | Commonwealth marine area (high complexity):* Assessment Officer—20.59 days
* Assistant Director—6.98 days
* Director—2.25 days
* SES – 0.4 days
* Line area advice - $8,827
 | $25,615 |
| Project components |  |  |
| K | Four components :* mine
* rail line
* onshore infrastructure
* offshore dredging.
 | Very high complexity:* Base fee ($25,583) of assessment x 3
 | $76,749 |
| Other legislation |  |  |
| L | Coordination required with two familiar processes: state assessment of mine and rail line and Commonwealth sea dumping permit. | High complexity:* Assessment Officer—16 days
* Assistant Director—8 days
* Director—4 days
 | $16,065 |
| Part B complexity fees | 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):* Assessment Officer—40 days
* Assistant Director—15 days
* Director—5 days
* SES—1.7 days
 | $34,949 |
| 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):* Assessment Officer—40 days
* Assistant Director—15 days
* Director—5 days
* SES—1.7 days
 | $34,949 |
| O | The project scope includes alternative dredging footprints, but these alternatives are clearly defined. | Project scope (moderate complexity):* Assessment officer—10 days
* Assistant Director—6.5 days
* Director—2.5 days
 | $10,982 |
|  | total complexity fees | $231,666 |
|  | base fee (Assessment by environmental impact statement | $25,583 |
|  | total fee | $257,249 |

\* Please refer to complexity matrix at Appendix B

#### Fees for Assessment by bilateral agreement/Accredited process

The total fee for an assessment by bilateral agreement or accredited process includes the base fee for an assessment by bilateral agreement or accredited process and the relevant complexity fees (Table 17).

Table 17. Summary of bilateral agreement / accredited process fees.

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Base fee** | **Complexity fees** | **Total fee****Base + Complexity** |
| Bilateral agreement / Accredited assessments | $18,146 | Determined on a case by case basis | $18,146 + Complexity fees |

These fees are payable across four stages of the assessment process, as outlined in Table 18 below.

Table 18. Proportion of fees payable at each assessment stage for an assessment by bilateral agreement or accredited process

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Base fee** | **Part A complexity fees** | **Part B complexity fees**  |
| Stage 1: Review terms of reference | 22% | 12% |  |
| Stage 2: Review draft assessment documentation | 20% | 19% |  |
| Stage 3: Review final assessment documentation | 12% | 20% | 50% |
| Stage 4: Prepare proposed and final decision | 46% | 49% | 50% |
| **Total** | **100%** | **100%** | **100%** |

\*There may be minor discrepancies between the percentages within this table and the corresponding fees stated within this Statement. This is because the percentages above have been rounded to whole numbers.

In circumstances where the Minister determines a particular stage of the process does not occur under a bilateral agreement (such as where terms of reference have already been prepared), the base and complexity fees for that particular stage may be waived (see section 3.3.8) and this will reduce the total fees payable.

More information on the fees that may be applicable at each stage of the assessment by bilateral agreement or accredited process is outlined in the flowchart at Figure 9 below. Refer to Example 5 on page 53 to see how complexity fees could be applied to a proposed action assessed by bilateral agreement or accredited assessment. Refer to section 3.3.3.2 for more information on reducing complexity fees.

The fees for contingent activities and for evaluation of post-approval action management plans may be applicable during the assessment or for an approval granted following an assessment under a bilateral agreement or accredited process (see sections 3.3.1.2 and 3.3.1.3 for further information).



Figure 9. 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. The port infrastructure is proposed to be constructed over habitat that provides foraging habitat for migratory species. 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.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. Liaison with the state will be required as a normal part of the bilateral assessment process, but no coordination with other legislation is required. |
| **Fee Ref.\*** | **Project characteristics** | **Additional resources required during the assessment process** | **Fee** |
| Part A Complexity Fees | Controlling provisions triggered |  |  |
| A | 8 threatened species and 1 ecological community require assessment; impacts to the 7 species are well defined and understood; impacts to 1 species and the ecological community are not well understood; management options are all well defined and understood. | Threatened species (high complexity):* Assessment Officer—20.59 days
* Assistant Director—6.98 days
* Director—2.25 days
* SES – 0.4 days
* Line area advice - $8,827
 | $25,615 |
| B | 6 migratory species require assessment, 4 of which are also threatened species considered above; impacts to all migratory species are well defined and understood; and all management options are well defined and understood . | Migratory species (moderate complexity):* Assessment Officer—7.93 days
* Assistant Director—2.94 days
* Director—1.25 days
* SES – 0.11 days
 | $6,742 |
| D | The impacts to the marine environment are well defined and understood but the available options for managing these impacts are not well understood. | Commonwealth marine area (high complexity):* Assessment Officer—20.59 days
* Assistant Director—6.98 days
* Director—2.25 days
* SES – 0.4 days
* Line area advice - $8,927
 | $25,615 |
| Project components |  |  |
| K | Four components:* mine
* rail line
* onshore port infrastructure
* offshore dredging.
 | Very high complexity:* Base fee of assessment x 3
 | $54,438 |
| Other legislation |  |  |
| L | Low complexity - no coordination with other legislative processes required | * No additional fee
 | N/A |
| Part B Complexity Fees | 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):* Assessment Officer—40 days
* Assistant Director—15 days
* Director—5 days
* SES—1.7 days
 | $34,949 |
| 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):* Assessment Officer—40 days
* Assistant Director—15 days
* Director—5 days
* SES—1.7 days
 | $34,949 |
| O | The project scope includes alternative dredging footprints, but these alternatives are clearly defined. | Project scope (moderate complexity):* Assessment officer—10 days
* Assistant Director—6.5 days
* Director—2.5 days
 | $10,982 |
|  | total complexity fees | $193,290 |
|  | base fee (assessment by bilateral agreement) | $18,146 |
|  | total fee | $211,436 |

\* Please refer to complexity matrix at Appendix B

### Fees for assessment by Public inquiry

The Minister will determine the fees for 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 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, and to date there have been no assessments using this method. 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 evaluation of post-approval action management plans may be applicable during the assessment or for an approval granted following an assessment by public inquiry (see sections 3.3.1.2 and 3.3.1.3 for further information).

### 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; and
* 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.

For the purposes of the exemptions from EPBC Act cost recovery, a small business has the meaning given by section 328-110 (other than subsection 328-110(4)) of the *Income Tax Assessment Act 1997*.

This definition may be updated from time to time as appropriate to meet the policy objectives outlined above.

The following conditions apply to exemptions for environmental impact assessments:

* applicants claiming a small business exemption are required to declare on the appropriate form that they are a small business or an individual. The Department may require proof from an applicant in the form of a tax statement(s) for the relevant income year(s);
* the applicant requesting the exemption must also be the person proposing to take the action. That is, they are not referring the action on another organisation’s behalf;
* if an applicant obtains a fee exemption, but later ceases to be a small business entity while the assessment is still underway, they must advise the Department within 10 business days of the change in their status and are liable for all subsequent fees;
* 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; and
* if an applicant 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.

### 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 (i.e. other applicants do 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.

#### 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 statutory timeframe for considering the referral will not start and 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.

### Refunds

The Department will provide refunds of fees in limited circumstances, for instance, following a reconsideration of a fee. 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. They will be eligible for full refunds where the referral is not accepted by the Department, for example if the Minister determines it is a component of a larger action or the proposed action is covered by a strategic assessment.

# COST RECOVERY MODEL FOR STRATEGIC ASSESSMENTS

Cost recovery applies to strategic assessments conducted under Part 10 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.

## Outputs and business processes – Strategic Assessments

### 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 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 steps of strategic assessment. The strategic assessment process is outlined in Figure 10 below.



Figure 10. Strategic assessments process.

### Funding for strategic assessments

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 action 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 fees payable. Strategic assessments can be funded through budget appropriation or, where considered appropriate, through cost recovery.

#### 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.

#### Cost recovered strategic assessments

The EPBC Act provides 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.

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.

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. Should an applicant decline to take responsibility for meeting the costs of the assessment, the strategic assessment would not proceed.

## Costs of Strategic assessments

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.

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 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 Rules[[12]](#footnote-12).

## Charges for strategic assessments

### Strategic assessment fees

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 fee schedule will set out the fees payable at key milestones throughout the strategic assessment, and each step of the strategic assessment will commence when those milestone fees are paid. The number of steps and payments will vary for each strategic assessment, depending on the individual circumstances.

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 type and quality of information that the applicant will need to provide at each step, and the services that the Department will provide, as well as any procedures for reviewing the fee schedule should the scope of the strategic assessment change during the process.

The following example demonstrates the types of fees that could be applied to each step of a strategic assessment. These steps align with those outlined in Figure 10 above.

Example 6. Strategic assessment

|  |
| --- |
| **Strategic plan description:** 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 plan. 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. No consultancies are required for the assessment. |
| **Step** | **Resources required during the strategic assessment process** | **Fee** |
| Strategic agreement | * Assessment Officer—36 days
* Assistant Director—20 days
* Director—10 days
* SES – 1 day
 | $39,195 |
| Terms of reference | * Assessment Officer—10 days
* Assistant Director—7 days
* Director—3 days
* SES – 1 day
 | $12,755 |
| Draft Biodiversity Plan & Strategic Assessment Report | * Assessment Officer—80 days
* Assistant Director—47 days
* Director—23 days
* SES – 1 day
 | $88,084 |
| Public consultation report | * Assessment Officer—20 days
* Assistant Director—7 days
* Director—3 days
* SES – 1 day
 | $17,743 |
| Final Biodiversity Plan & Strategic Assessment Report | * Assessment Officer—20 days
* Assistant Director—13 days
* Director—7 days
* SES – 1 day
 | $24,479 |
| Endorsed Biodiversity Plan | * Assessment Officer—35 days
* Assistant Director—20 days
* Director—10 days
* SES – 2 days
 | $39,728 |
| Approval decision briefing | * Assessment Officer—20 days
* Assistant Director—13 days
* Director—7 days
* SES – 2 days
 | $25,510 |
| total fees | $247,494 |

### Post approval management plan and contingent activity fees (strategic assessments)

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.

### Exemptions, refunds and waivers (strategic assessments)

There are no exemptions, refunds or fee waivers available for strategic assessments. As detailed in section 4.1.2 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.

### Reconsideration of strategic assessment fees

There are no processes to reconsider fees for strategic assessments as fees are set on a case by case basis. As detailed in section 4.3.1 above, the Department and the applicant will agree the fees for a cost recovered strategic assessment prior to it commencing, which provides the applicant an opportunity to question the way these fees are calculated.

# RISK ASSESSMENT

The most likely risks are:

* 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 amended and complex cost recovery arrangements;
* misunderstanding of how fees are calculated, which could manifest in errors in how these fees are calculated and stakeholder concern; and
* stakeholder concern resulting from limited consultation on the fee changes.

The Department is managing 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;
* providing tools and guidance material to departmental staff and applicants on how the revised fees are calculated; and
* implementing transitional arrangements that ensure no applicants are worse off as a result of the changes to fees.

Impacts on the community are limited to businesses and individuals who undertake actions which require referral under the EPBC Act. The amount of fees payable will vary according to the complexity of the project and small businesses and individuals may be eligible for an exemption from fees. These charges will have a moderate impact on those people affected.

Section 6 below provides detail on the stakeholder consultation that has been carried out. 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.

# STAKEHOLDER ENGAGEMENT

The Department has engaged with stakeholders on cost recovery arrangements at a number of points during its development and implementation. The Department will continue to keep stakeholders informed about the implementation of cost recovery measures.

Implementation of the revised cost recovery arrangements outlined in this document has been focussed on passing on cost reductions and administrative improvements as quickly as possible to proponents. This document is being published ahead of the commencement of the new arrangements, along with relevant communication materials and targeted correspondence, to ensure existing and new applicants are aware of the changes and how they may be affected.

Communication materials can be found on the Department’s website (see [www.environment.gov.au/epbc/cost-recovery](http://www.environment.gov.au/epbc/cost-recovery)), including factsheets and frequently asked questions. The Department has also established a cost recovery mailbox (epbc.costrecovery@environment.gov.au) for ongoing feedback on the cost recovery arrangements.

## Updates to CRIS

This CRIS is a living document, and will be updated as needed. This version of the CRIS was updated following a review of the cost recovery arrangements by the Department in 2016. The review included consideration of:

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

The changes resulting from this review are reflected in this CRIS. These changes include:

* Reductions in base fees for each assessment approach, reductions in set fees for referrals and post approval activities and reductions in set fees for contingent activities, to reflect the reduced costs of providing these services more efficiently;
* Fees for additional contingent activities: variations to proposals, transfers of approvals to new approval holders and extensions to approval expiry dates;
* Updates to the complexity fees and methods of determining complexity, to better reflect the effort required to assess projects with different characteristics;
* Updates to the proportions of base and complexity fees to be paid at each fee stage, to better reflect the effort required to undertake each stage;
* Updates to the definition of some assessment stages, to improve clarity and better align with the assessment process;
* Updates to the definitions for contingent fees for additional information requests, to improve clarity and ensure proponents are not charged when information is requested from a third party (for example a state or territory government);
* Improvements to administrative processes to enable:
	+ incorrect fee schedules to be amended;
	+ referral fees to be refunded in limited circumstances;
	+ the recalculation of complexity fees to occur at the most appropriate stage of the process; and
	+ better clarity around potential claims for fee exemptions; and
* Transitional arrangements for projects currently under assessment to move onto the new fee structures.

## Future amendments to cost recovery arrangements

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.

Consultation on specific issues is planned in 2017, to ensure that the arrangements are well understood by proponents and take account of ongoing streamlining. Specific aspects proposed for consultation include:

* Post approval activities, in particular action management plans. This will include consideration of new fees that could facilitate the procurement of expert advice to inform action management plans, with the agreement of the approval holder;
* Refinements to small business exemption criteria, to ensure these arrangements apply only to businesses where assessment fees would significantly impede business operations; and
* Cost recovery arrangements for strategic assessments.

The schedule of fees will also be updated from time to time to reflect increases to the cost base, such as wage increases.

# FINANCIAL ESTIMATES

## Volume and/or demand assumptions – environmental impact assessments

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 fluctuated significantly; increasing from 309 in 2001-02 to 439 in 2012-13, then reducing to 223 in 2014-15 (see Figure 1 on page 7). In recent years the Department has undertaken significant streamlining initiatives that have reduced referral numbers, such as the strategic assessment of the offshore petroleum regulator, NOPSEMA, which means the Department no longer receives referrals for offshore petroleum actions. Over this time the complexity of referred projects has also increased.

To provide an estimate of the demand for the 2016-17 financial year, the Department assumed that the expected number of referrals, assessments and approvals/post-approvals under the EPBC Act will be broadly similar to the period from 1 October 2014 (the commencement of cost recovery) to 30 September 2015. However, the following adjustments have been made to the historic numbers in determining the estimated demand for the 2016-17 financial year:

* The numbers of referrals and subsequent assessments have been adjusted based on later trends to compensate for lower referral numbers during the first full year of cost recovery.
* The number of cost recoverable referrals and assessments has been adjusted to reflect the forecast number of exemptions from cost recovery for individuals and small businesses.

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 evaluations will increase each year as more projects are approved. This increase is expected to plateau by 2019‑20, as it is assumed all projects under assessment at this time will have been referred under the cost recovery arrangements (i.e. referred after 14 May 2014). The activity represented in Table 19 and Table 20 below forms the basis of the forecast revenue and expenses.

Table 19. Referrals, assessments and post approval management plans – estimated activity volume.

| **Activity** | **Estimated activity volume** |
| --- | --- |
| **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| Referrals |
| Referrals  | 233 | 233 | 233 | 233 |
| Assessment on referral information |
| Stage1  | Prepare and publish draft recommendation report | 0 | 0 | 0 | 0 |
| Stage 2 | Review comments and finalise recommendation report | 0 | 0 | 0 | 0 |
| Stage 3 | Proposed and final decision | 0 | 0 | 0 | 0 |
| Preliminary documentation  |
| Stage 1 | Determine information requirements | 57 | 57 | 57 | 57 |
| Stage 2 | Review draft assessment documentation | 51 | 54 | 55 | 55 |
| Stage 3 | Review final assessment documentation | 45 | 50 | 52 | 52 |
| Stage 4 | Prepare recommendation report, proposed and final decision | 45 | 50 | 52 | 52 |
| Environmental impact statement/Public environment report |
| Stage 1 | Determine information requirements | 8 | 8 | 8 | 8 |
| Stage 2 | Review draft assessment documentation | 6 | 7 | 7 | 7 |
| Stage 3 | Review final assessment documentation | 5 | 5 | 6 | 6 |
| Stage 4 | Prepare recommendation report, proposed and final decision | 2 | 5 | 6 | 6 |
| Bilateral agreement / Accredited assessment |
| Stage 1 | Review terms of reference | 25 | 25 | 25 | 25 |
| Stage 2 | Review draft assessment documentation | 16 | 20 | 22 | 22 |
| Stage 3 | Review final assessment documentation | 6 | 12 | 16 | 18 |
| Stage 4 | Prepare proposed and final decision | 6 | 12 | 16 | 18 |
| Post approval action management plans |
| Evaluation of new action management plan | 35 | 63 | 83 | 115 |

Table 20. Contingent activities – estimated activity volume.

| **Activity** | **Estimated activity volume** |
| --- | --- |
| **2016-17** | **2017-18** | **2018-19** | **2019-20** |
| *Assessment contingent activities* |
| Request additional information for referral or assessment approach decision or approval decision (assessment on referral information, preliminary documentation or bilateral/accredited assessment) | 14 | 15 | 19 | 19 |
| Request additional information for approval decision (environmental impact statement/public environment report) | 1 | 2 | 3 | 4 |
| Reconsideration of the controlled action decision at the applicant’s request | 2 | 2 | 3 | 3 |
| Variation to proposed action | 14 | 16 | 18 | 18 |
| *Post approval contingent activities* |
| Variation of conditions | 12 | 27 | 41 | 62 |
| Variation of an action management plan under conditions of approval | 2 | 10 | 13 | 13 |
| Administrative variation of an action management plan under conditions of approval | 2 | 3 | 4 | 6 |
| Transfer of approval to new approval holder | 2 | 4 | 5 | 7 |
| Extension to approval expiry date | 1 | 2 | 3 | 4 |

## Volume and/or demand assumptions – strategic assessments

Demand for cost recovered strategic assessments under a ‘fee for service’ model is difficult to predict. The Department 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).

There are no cost-recovered strategic assessments forecast for 2016-17.

## 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 2016-17 is based on the activity volumes for the year ended 30 September 2015 (i.e. the first full year since the commencement of cost recovery), adjusted to take into account lower than average referral numbers during this first full year and a higher than expected number of exemptions from cost recovery for individuals and small businesses.

The forecast assumes some assessment approaches are likely to include greater amounts of higher complexity projects than other assessment approaches. The proportion of lowest complexity (i.e. only base activities with minimal complexity) and higher complexity (i.e. projects with a number of complexity elements in addition to the base activities) assessments for each assessment approach has been assumed to be as follows:

* Preliminary documentation assessments: 75% lowest complexity, 25% higher complexity
* Environmental Impact Statement (‘EIS’) / Public Environment Report (‘PER’) assessments: 20% lowest complexity, 80% higher complexity
* Bilateral agreement assessments: 60% lowest complexity, 40% higher complexity.

The total costs associated with assessing a project of higher complexity vary with assessment approach. Specifically, the total cost of assessing a higher complexity project by assessment on preliminary documentation is significantly lower than the total cost of assessing a higher complexity project using an EIS, PER or bilateral agreement assessment. Accordingly, the forecast has assumed that the cost of an assessment on preliminary documentation of a higher complexity project will be the same as the cost of assessing a lowest complexity project by an EIS or PER assessment method.

The volumes of post-approval management plans have been estimated based on the historical numbers of post-approval action management plans which were included in approval conditions.

Table 21 and Table 22 below outline forecast expenses and revenue for environmental impact assessments.

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.

Table 21. Referral, assessment and post approval management plan activities (expenses and revenue summary)

| **Activities** | **2016-17****($mil)** | **2017-18****($mil)** | **2018-19****($mil)** | **2019-20****($mil)** |
| --- | --- | --- | --- | --- |
| Referrals  |
| *Referrals* | Expense | 1.532 | 1.532 | 1.532 | 1.532 |
| Revenue | 1.532 | 1.532 | 1.532 | 1.532 |
| Balance +/- | 0 | 0 | 0 | 0 |
| Assessment on referral information  |
| *Stage 1**Prepare and publish draft recommendation report* | Expense | 0 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 0 | 0 |
| Balance +/- | 0 | 0 | 0 | 0 |
| *Stage 2**Review comments and finalise recommendation report* | Expense | 0 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 0 | 0 |
| Balance +/- | 0 | 0 | 0 | 0 |
| *Stage 3* *Proposed and final decision* | Expense | 0 | 0 | 0 | 0 |
| Revenue | 0 | 0 | 0 | 0 |
| Balance +/- | 0 | 0 | 0 | 0 |
| Preliminary documentation  |
| *Stage 1* *Determine information requirements* | Expense | 0.197 | 0.197 | 0.197 | 0.197 |
| Revenue | 0.197 | 0.197 | 0.197 | 0.197 |
| Balance +/- | 0 | 0 | 0 | 0 |
| *Stage 2* *Review draft assessment documentation* | Expense | 0.225 | 0.239 | 0.243 | 0.243 |
| Revenue | 0.225 | 0.239 | 0.243 | 0.243 |
| Balance +/- | 0 | 0 | 0 | 0 |
| *Stage 3 & 4* *Review final assessment documentation; prepare recommendation report, proposed and final decision* | Expense | 0.769 | 0.854 | 0.888 | 0.888 |
| Revenue | 0.769 | 0.854 | 0.888 | 0.888 |
| Balance +/- | 0 | 0 | 0 | 0 |
| Environmental impact statement/Public environment report  |
| *Stage 1* *Determine information requirements* | Expense | 0.100 | 0.100 | 0.100 | 0.100 |
| Revenue | 0.100 | 0.100 | 0.100 | 0.100 |
| Balance +/- | 0 | 0 | 0 | 0 |
| *Stage 2* *Review draft assessment documentation* | Expense | 0.107 | 0.125 | 0.125 | 0.125 |
| Revenue | 0.107 | 0.125 | 0.125 | 0.125 |
| Balance +/- | 0 | 0 | 0 | 0 |
| *Stage 3* *Review final assessment documentation* | Expense | 0.193 | 0.193 | 0.232 | 0.232 |
| Revenue | 0.193 | 0.193 | 0.232 | 0.232 |
| Balance +/- | 0 | 0 | 0 | 0 |
| *Stage 4* *Prepare recommendation report, proposed and final decision* | Expense | 0.118 | 0.295 | 0.354 | 0.354 |
| Revenue | 0.118 | 0.295 | 0.354 | 0.354 |
| Balance +/- | 0 | 0 | 0 | 0 |
| Bilateral agreement / Accredited assessment |
| *Stage 1* *Review terms of reference* | Expense | 0.204 | 0.204 | 0.204 | 0.204 |
| Revenue | 0.204 | 0.204 | 0.204 | 0.204 |
| Balance +/- | 0 | 0 | 0 | 0 |
| *Stages 2, 3 & 4* *Review draft and final assessment documentation; prepare proposed and final decision* | Expense | 0.468 | 0.814 | 1.038 | 1.139 |
| Revenue | 0.468 | 0.814 | 1.038 | 1.139 |
| Balance +/- | 0 | 0 | 0 | 0 |
| Post approval action management plans |
| Evaluation of new action management plan  | Expense | 0.097 | 0.172 | 0.226 | 0.312 |
| Revenue | 0.097 | 0.172 | 0.226 | 0.312 |
| Balance +/- | 0 | 0 | 0 | 0 |

Table 22. Contingent activities (expenses and revenue summary)

| **Contingent activities** | **2016-17****($mil)** | **2017-18****($mil)** | **2018-19****($mil)** | **2019-20****($mil)** |
| --- | --- | --- | --- | --- |
| ***Assessment contingent activities*** |
|  Request additional information for referral or assessment approach decision or for approval decision (ARI, PD or bilateral/accredited assessment) | Expense | 0.024 | 0.026 | 0.032 | 0.032 |
| Revenue | 0.024 | 0.026 | 0.032 | 0.032 |
| Balance +/- | 0 | 0 | 0 | 0 |
|  Request additional information for approval decision (EIS or PER) | Expense | 0.007 | 0.015 | 0.022 | 0.030 |
| Revenue | 0.007 | 0.015 | 0.022 | 0.030 |
| Balance +/- | 0 | 0 | 0 | 0 |
|  Reconsideration of the controlled action decision at the applicant’s request  | Expense | 0.013 | 0.013 | 0.020 | 0.020 |
| Revenue | 0.013 | 0.013 | 0.020 | 0.020 |
| Balance +/- | 0 | 0 | 0 | 0 |
| Variation to proposed action | Expense | 0.019 | 0.022 | 0.024 | 0.024 |
| Revenue | 0.019 | 0.022 | 0.024 | 0.024 |
| Balance +/- | 0 | 0 | 0 | 0 |
| ***Post approval contingent activities*** |
|   Variation of conditions | Expense | 0.032 | 0.073 | 0.110 | 0.167 |
| Revenue | 0.032 | 0.073 | 0.110 | 0.167 |
| Balance +/- | 0 | 0 | 0 | 0 |
| Variation of an action management plan under conditions of approval | Expense | 0.005 | 0.027 | 0.035 | 0.035 |
| Revenue | 0.005 | 0.027 | 0.035 | 0.035 |
| Balance +/- | 0 | 0 | 0 | 0 |
| Administrative variation of an action management plan under conditions of approval | Expense | 0.001 | 0.002 | 0.003 | 0.004 |
| Revenue | 0.001 | 0.002 | 0.003 | 0.004 |
| Balance +/- | 0 | 0 | 0 | 0 |
| Transfer of approval to new approval holder | Expense | 0.004 | 0.008 | 0.010 | 0.014 |
| Revenue | 0.004 | 0.008 | 0.010 | 0.014 |
| Balance +/- | 0 | 0 | 0 | 0 |
| Extension to approval expiry date | Expense | 0.003 | 0.005 | 0.008 | 0.011 |
| Revenue | 0.003 | 0.005 | 0.008 | 0.011 |
| Balance +/- | 0 | 0 | 0 | 0 |

Table 23. Total environmental impact assessment activities (expenses and revenue summary)

| **Environmental impact assessments (total) [[13]](#footnote-13)** | **2016-17****($mil)** | **2017-18****($mil)** | **2018-19****($mil)** | **2019-20****($mil)** |
| --- | --- | --- | --- | --- |
| Total projected expenses | 4.119 | 4.915 | 5.403 | 5.662 |
| Total projected revenue | 4.119 | 4.915 | 5.403 | 5.662 |
| Balance +/- | 0 | 0 | 0 | 0 |

# FINANCIAL PERFORMANCE

The financial performance of EPBC Act cost recovery during the 2014-15 and 2015-16 financial years have been provided in Table 24 below. These figures are based on the Department’s annual financial statements audited by the Australian National Audit Office.

Table 24. Financial performance of EPBC Act cost recovery during the 2014-15 and 2015-16 financial years

|  | **2014-15 ($mil)** | **2015-16 ($mil)** |
| --- | --- | --- |
| Total actual expenses | (1.972) | 2.638 |
| Total actual revenue | 2.095 | 2.812 |
| Balance +/- | 0.123 | 0.174 |

# NON- FINANCIAL PERFORMANCE

## 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.

### Compliance with statutory timeframes

The Department reports on compliance with statutory timeframes under the EPBC Act in its annual report. For the purposes of this CRIS the Department uses data on the timing of decisions which affect the timing of an applicant’s approval, that is:

* controlled action determinations (section 75(5)) and issue of notices (section 77(1));
* statements of reasons for controlled action decisions (section 77(4));
* assessment approach decisions (section 88(1)) and issue of notices (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 statements (section 101A(4)) and public environment reports (section 96A(4));
* submission of recommendation reports to the Minister and timing of approval decisions (section 130); and
* decisions on whether to accept a varied proposal (section 156).

An indicator in this CRIS is the percentage of each of the above decisions made within statutory timeframes. Table 25 below sets out the Department’s performance against this indicator for the last three years.

The Department will update this table each year following the publication of annual report statistics. 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 25. Compliance with statutory timeframes under the EPBC Act for specific types of decisions

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial year** | **2013-14** | **2014-15** | **2015-16** |
| **Controlled action determinations (section 75(5)) and issue of notices (section 77(1))** | 79% | 78% | 55% |
| **Statements of reasons for controlled action decisions (section 77(4))** | 52% | 100% | 20% |
| **Assessment approach decisions (section 88(1)) and issue of notices (section 91(1))** | 68% | 64% | 61% |
| **Requests for further information (section 95A(2)) and directions to publish (section 95A(3)) for assessment on preliminary documentation** | 84% | 83% | 50% |
| **Provision of guidelines for environmental impact statements (section 101A(4)) and public environment reports (section 96A(4))** | 33% | 50% | 100% |
| **Submission of recommendation reports to the Minister and timing of approval decisions (section 130)** | 65% | 59% | 53% |
| **Decisions on whether to accept a varied proposal (section 156)** | 86% | 81% | 81% |
| **TOTAL** | **77%** | **75%** | **59%** |

### Time taken to complete an assessment

The Department also monitors the number of calendar days from referral to approval. Figure 11 below sets out the average number of calendar days from referral to approval for projects referred each year from 2008 to 2015**[[14]](#footnote-14)**.

Figure 11. Average of calendar days from referral to approval: 2008 - 2015

## 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.

# KEY FORWARD DATES AND EVENTS

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

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

# CRIS APPROVAL AND CHANGE REGISTER

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Description** | **Approved by** | **Comments** |
| 10 June 2014 | Certification of the CRIS | Secretary |  |
| 23 June 2014 | Agreement to the CRIS | Minister for the Environment |  |
| 9 September 2014 | Update of provisional CRIS to Final CRIS | Department of Environment | CRIS updated to reflect the revised Cost Recovery Guidelines (July 2014) and to insert dates of legislative authority for cost recovery under the EPBC Act. |
| 30 June 2015 | Update of CRIS to include financial estimates for 2015-16 | Department of Environment | Section 7 of CRIS updated to include financial estimates for 2015-16. |
| 24 August 2016 | Certification of the updated CRIS to include changes resulting from review of arrangements and update to financial estimates for 2016-17 | Secretary | All sections updated to reflect revised arrangements and estimates. |
| 25 August 2016 | Agreement to the CRIS | Minister for the Environment and Energy |  |

# Appendix A: SCHEDULE OF FEES

Fee schedule 2016-17

## Set fees

|  |  |
| --- | --- |
| **Activity** | **Fee** |
| **Referrals** |
| Consideration of Referral  | $6,577 |
| **Post approvals** |
| Evaluation of new Action Management Plan (per management plan) | $2,690 |
| **Contingent activities** |
| Request additional information for referral or assessment approach decision | $1,701 |
| Variation to proposed action | $1,353 |
| Reconsideration of the controlled action decision at the applicant’s request | $6,577 |
| Request additional information for approval decision (assessment on referral information, preliminary documentation or bilateral/accredited assessment) | $1,701 |
| Request additional information for approval decision (assessment by environmental impact statement or public environment report) | $7,476 |
| Variation of conditions | $2,690 |
| Variation of an action management plan under conditions of approval | $2,690 |
| Administrative variation of an action management plan under conditions of approval | $710 |
| Transfer of approval to new approval holder | $1,967 |
| Extension to approval expiry date | $2,690 |

Fee schedule 2016-17(continued)

## Assessment fees\*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Assessment Approach** | **Base Fee** | **Part A Complexity Fees** | **Part B Complexity Fees** | **Total Fees** |
| **Assessment on Referral Information** |
| **Stage 1** | $4,561 | 51% |  | $4,561 + Complexity fees |
| **Stage 2** | $2,739 | 30% |  | $2,739 + Complexity fees |
| **Stage 3** | $1,664 | 19% |  | $1,664 + Complexity fees |
| **TOTAL** | **$8,964** | **100%** |  | **$8,964 + Complexity fees** |
| **Assessment on Preliminary Documentation** |
| **Stage 1** | $2,074 | 12% |  | $2,074 + Complexity fees |
| **Stage 2** | $2,289 | 19% |  | $2,289 + Complexity fees |
| **Stage 3** | $852 | 20% | 50% | $852 + Complexity fees |
| **Stage 4** | $2,795 | 49% | 50% | $2,795 + Complexity fees |
| **TOTAL** | **$8,010** | **100%** | **100%** | **$8,010 + Complexity fees** |
| **Assessment by Public Environment Report or Environmental Impact Statement** |
| **Stage 1** | $4,715 | 12% |  | $4,715 + Complexity fees |
| **Stage 2** | $5,394 | 19% |  | $5,394 + Complexity fees |
| **Stage 3** | $7,119 | 20% | 50% | $7,119 + Complexity fees |
| **Stage 4** | $8,355 | 49% | 50% | $8,355 + Complexity fees |
| **TOTAL** | **$25,583** | **100%** | **100%** | **$25,583 + Complexity fees** |
| **Assessment by Bilateral Agreement or Accredited process** |
| **Stage 1** | $3,961 | 12% |  | $3,961 + Complexity fees |
| **Stage 2** | $3,655 | 19% |  | $3,655 + Complexity fees |
| **Stage 3** | $2,175 | 20% | 50% | $2,175 + Complexity fees |
| **Stage 4** | $8,355 | 49% | 50% | $8,355 + Complexity fees |
| **TOTAL** | **$18,146** | **100%** | **100%** | **$18,146 + Complexity fees** |
| **Assessment by Public inquiry**  | Fees determined on a case-by-case basis |
| **Strategic Assessment** | Fees determined on a case-by-case basis |

\*There were minor typographical errors within this Schedule in the proposed Statement released on 5 September 2016. The above table includes amended information (1 October 2016).

***ASL costs for 2016-17 financial year (includes all overheads)***

|  |  |  |
| --- | --- | --- |
| Assessment officer / Project manager | Average APS 5/6 | $129,705 |
| Assistant Director / Team manager | EL1 | $163,084 |
| Director / Section manager | EL2 | $199,249 |
| Senior Executive Staff (SES) / Assistant Secretary | SES-1 | $268,189 |

# Appendix B: COMPLEXITY MATRIX - FEES

|  |  |  |  |
| --- | --- | --- | --- |
| **COMPLEXITY FEE MATRIX** | **MODERATE COMPLEXITY** | **HIGH COMPLEXITY** | **VERY HIGH COMPLEXITY** |
| DESCRIPTION | Fee | DESCRIPTION | Fee | DESCRIPTION | Fee |
| **CONTROLLING PROVISIONS** |
| **Part A Fees** | **A** | Listed threatened species and ecological communities | • 1-5 species or ecological communities require assessment; **AND**• Impacts to all species and ecological communities are well understood; **AND**• Available options to manage impacts to all species and ecological communities are well understood. | $6,742 | • Up to 14 species or ecological communities require assessment; **AND**• Impacts to most species and ecological communities are well understood; **AND**• Available options to manage impacts to most species and ecological communities are well understood. | $25,615 | • ≥15 species or ecological communities require assessment; **OR**• Impacts to >7 species or ecological communities are not well understood; **OR**• Available options to manage impacts to >7 species or ecological communities are not well understood | $48,931 |
| **B** | Listed migratory species | • 1-5 migratory species require assessment; **AND** • Impacts to all migratory species are well understood; **AND**• Available options to manage impacts to all migratory species are well understood. | $6,742 | • Up to 14 migratory species require assessment; **AND**• Impacts to most species are well understood; **AND**• Available options to manage impacts to most migratory species are well understood. | $25,615 | • ≥15 migratory species require assessment; **OR**• Impacts to >7 migratory species are not well understood; **OR**• Available options to manage impacts to >7 migratory species are not well understood. | $48,931 |
| *NOTE: If a listed migratory species is also a listed threatened species, it is not counted in the 'tally' of species for this component.* |
| **C** | Wetlands of international importance | • Impacts on the ecological character of the wetland are well understood; **AND**• Available options to manage impacts are well understood. | $6,742 | • Impacts to the ecological character of the wetland are not well understood; **OR**• Available options to manage impacts are not well understood | $25,615 | • Impacts to the ecological character of the wetland are not well understood; **AND**• Available options to manage impacts are not well understood | $48,931 |
| **D** | Environment of the Commonwealth marine area | • Impacts on the environment of the Commonwealth marine area and its conservation values are well understood; **AND**• Available options to manage impacts are well understood. | $6,742 | • Impacts to the environment of the Commonwealth marine area and its conservation values are not well understood; **OR**• Available options to manage impacts are not well understood | $25,615 | • Impacts to the environment of the Commonwealth marine area and its conservation values are not well understood; **AND**• Available options to manage impacts are not well understood | $48,931 |
| **E** | World heritage properties | • Impacts on the World Heritage values are well understood; **AND**• Available options to manage impacts are well understood. | $6,742 | • Impacts to the World Heritage values are not well understood; **OR**• Available options to manage impacts are not well understood | $25,615 | • Impacts to the World Heritage values are not well understood; **AND**• Available options to manage impacts are not well understood | $48,931 |
| **F** | National heritage places | • Impacts on the National Heritage values are well understood; **AND**• Available options to manage impacts are well understood. | $6,742 | • Impacts to the National Heritage values are not well understood; **OR**• Available options to manage impacts are not well understood | $25,615 | • Impacts to the National Heritage values are not well understood; **AND**• Available options to manage impacts are not well understood | $48,931 |
|  | *NOTE: If the listed national heritage place is also a listed world heritage property, this component does not apply* |
| **G** | Nuclear actions | • The technology is well understood; **AND**• The impacts are well understood; **AND**• Available options to manage impacts are well understood. | $6,742 | • The technology is well understood; **AND**• Impacts are not well understood; **OR**• Available options to manage impacts are not well understood | $25,615 | • Technology proposed is new and unproven; **OR**• Impacts are not well understood; **AND**• Available options to manage impacts are not well understood. | $48,931 |
| **H** | Great Barrier Reef Marine Park | • Impacts to the environment of the Great Barrier Reef Marine Park are well understood; **AND**• Available options to manage impacts are well understood. | $6,742 | • Impacts to the environment of the Great Barrier Reef Marine Park are not well understood; **OR**• Available options to manage impacts are not well understood | $25,615 | • Impacts to the environment of the Great Barrier Reef Marine Park are not well understood; **AND**• Available options to manage impacts are not well understood | $48,931 |
| $3,371 | $12,808 | $24,465 |
|  | *NOTE: If the action also triggers the World Heritage controlling provision and/or the National Heritage controlling provision, the lower fee is charged.* |
| **I** | Water Resources | • Impacts to water resources are well understood; **AND**• Available options to manage impacts are well understood. | $6,742 | • Impacts to water resources are not well understood; **OR**• Available options to manage impacts are not well understood | $25,615 | • Impacts to water resources are not well understood; **AND**• Available options to manage impacts are not well understood | $48,931 |
| **J** | Commonwealth Land/ Agency/ Heritage Places Overseas | • Impacts to the environment are well understood; **AND**• Available options to manage impacts are well understood. | $6,742 | • Impacts to the environment are not well understood; **OR**• Available options to manage impacts are not well understood | $25,615 | • Impacts to the environment are not well understood; **AND**• Available options to manage impacts are not well understood | $48,931 |
| **NUMBER OF PROJECT COMPONENTS** |
| **Part A Fee** | **K** | Project components | • Two project components | Base fee x 1 | • Three project components | Base fee x 2 | • (Y) number of project components | Base fee x(Y-1) |
| **COORDINATION WITH OTHER LEGISLATION** |
| **Part A Fee** | **L** | Coordination with other legislation | • Requires coordination with two known legislative processes; **OR**• Requires coordination with one legislative process of some other type.  | $8,033 | • Requires coordination with one known legislative process; **AND**• Requires coordination with one legislative process of some other type. | $16,065 | • Requires coordination with three or more legislative processes, at least one of which is a known legislative process; **OR**• Requires coordination with two or more legislative processes of some other type. | $33,162 |
| **ADEQUACY OF INFORMATION AND CLARITY OF PROJECT SCOPE** |
| **Part B Fees** | **M** | Site surveys/ knowledge of environment | • Site surveys partially complete for all project components. | $10,982 | • Site surveys not complete for a least one of the project components. | $34,949 | • Site surveys not complete for multiple project components | $84,311 |
| **N** | Management measures (including mitigation and offsets) | • Management measures proposed, but clarification is required. | $10,982 | • Management measures poorly defined, with a high degree of uncertainty about the effectiveness of the measures and/or the way in which they will be implemented. Technical review of information likely to be required. | $34,949 | • Management measures not proposed or untested. Technical review of information likely to be required. | $95,311 |
| **O** | Project scope | • Project scope includes alternatives, but each alternative clearly defined. | $10,982 | • Project scope includes alternatives, with further clarification required. | $34,949 | • Project scope is unclear; **OR** • Alternative options poorly defined. | $62,399 |
|  **EXCEPTIONAL CIRCUMSTANCES** |
| **Part A fee** | **P** | Exceptional circumstances | N/A | - | N/A | - | • Novel scope of work/ action/ process or location, and potential impacts are unclear; **OR**• Action is understood, but environmental consequences are very high and carry the potential for severe/ irreversible/ long-term impacts. | $592,086 |
| *Note – in the context of this complexity matrix:** *‘require assessment’ means work needs to be done during the assessment to understand the impacts to a particular species or ecological community (see Table 9 on page 30);*
* *‘well understood’ means the information necessary to understand the impacts to the matter and the available measures to manage the impacts are readily available to the department and/or provided in the referral documentation (see Table 9 on page 30);*
* *‘available options’ means one or more proven strategies to avoid, mitigate, manage and/or offset impacts (see Table 9 on page 30); and*
* *‘known legislative processes’ means legislative processes that are covered by a bilateral agreement or section 160 of the EPBC Act (see Table 9 on page 30).*
 |

# Appendix C: COMPLEXITY MATRIX - COSTS

|  |  |  |  |
| --- | --- | --- | --- |
| **COMPLEXITY MATRIX - COSTS** | **LOW/MODERATE COMPLEXITY** | **HIGH COMPLEXITY** | **VERY HIGH COMPLEXITY** |
| DESCRIPTION | Cost | DESCRIPTION | Cost | DESCRIPTION | Cost |
| **Part A** | CONTROLLING PROVISION  |
| A | Listed threatened species and ecological communities |   | $6,742 |   | $25,615 |   | $48,931 |
| B | Listed migratory species | Assessment officer - 7.93 days | $6,742 | Assessment officer - 20.59 days | $25,615 | Assessment officer - 27.87 days | $48,931 |
| C | Wetlands of international importance | Assistant Director - 2.94 days | $6,742 | Assistant Director - 6.98 days | $25,615 | Assistant Director - 18.20 days | $48,931 |
| D | Environment of the Commonwealth marine area | Director - 1.25 days | $6,742 | Director - 2.25 days | $25,615 | Director - 4.51 | $48,931 |
| E | World heritage properties | SES - 0.11 days | $6,742 | SES - 0.4 days | $25,615 | SES - 0.82 | $48,931 |
| F | National heritage places |   | $6,742 | Line area advice – 13.73 days | $25,615 | Line area advice – 29.13 days | $48,931 |
| G | Nuclear actions |   | $6,742 |   | $25,615 |   | $48,931 |
| H | Great Barrier Reef Marine Park*Note: Effort reduced by 50% if action also triggers World Heritage and/or National Heritage.* |   | $6,742 |   | $25,615 |   | $48,931 |
| *\*\* 50% reduction* | $3,371 | *\*\* 50% reduction* | $12,808 | *\*\* 50% reduction* | $24,465 |
| I | Water Resources |   | $6,742 |   | $25,615 |   | $48,931 |
| J | Commonwealth Land/Commonwealth Agency/Commonwealth Heritage Places Overseas |   | $6,742 |   | $25,615 |   | $48,931 |
| NUMBER OF PROJECT COMPONENTS |
| K |   | Two project components | Base cost x 1 | Three project components | Base cost x 2 | (Y) number of project components | Base cost x (Y-1) |
| COORDINATION WITH OTHER LEGISLATION |
| L | Coordination with other legislation | Assessment officer - 8 daysAssistant Director - 4 daysDirector - 2 days | $8,033 | Assessment officer - 16 daysAssistant Director - 8 daysDirector - 4 days | $16,065 | Assessment officer - 32 daysAssistant Director - 16 daysDirector - 8 daysSES - 1 day | $33,162 |
|
|
|
|
| **Part B** | ADEQUACY OF INFORMATION AND CLARITY OF PROJECT SCOPE |   |   |   |   |   |   |
| M | Site surveys/Knowledge of environment |   | $10,982 |   | $34,949 | Assessment officer - 70 days | $84,311 |
| Assistant Director - 26 days |
| Director - 10 days |
| SES - 3.4 days |
| External advice $21,912) |
| N | Management measures (including mitigation and offsets) | $10,982 | $34,949 | Assessment officer - 70 days | $95,311 |
| Assessment officer - 10 days | Assessment officer - 40 days | Assistant Director - 26 days |
|   | Assistant Director - 6.5 days | Assistant Director - 15 days | Director - 10 days |
|   | Director - 2.5 days | Director - 5 days | SES - 3.4 days |
|   |   | SES - 1.7 days | External advice $32,912) |
| O | Project scope | $10,982 |   | $34,949 | Assessment officer - 70 days | $62,399 |
| Assistant Director - 26 days |
| Director - 10 days |
| SES - 3.4 days |
| **Part A** | EXCEPTIONAL CIRCUMSTANCES |
| P | Exceptional circumstances | N/A | - | N/A | - | *Note: These are estimates.* Assessment officer - 350 daysAssistant Director - 290 daysDirector - 150 daysSES - 20 daysExternal experts - $100,000 | $592,086 |

1. Australian Government Cost Recovery Guidelines - http://www.finance.gov.au/resource-management/charging-framework/charging-for-regulatory-activities/ [↑](#footnote-ref-1)
2. Australian Government Charging Framework - http://www.finance.gov.au/resource-management/charging-framework/ [↑](#footnote-ref-2)
3. The Australian Government Cost Recovery Guidelines, http://www.finance.gov.au/resource-management/charging-framework/charging-for-regulatory-activities/ [↑](#footnote-ref-3)
4. 2012-13 Budget Paper 2, pages 268-269 [↑](#footnote-ref-4)
5. Portfolio Budget Statements 2013-14, Budget Related Paper No. 1.17 [↑](#footnote-ref-5)
6. The controlling provisions for an action are the categories of matters protected under the EPBC Act that may be significantly impacted by the proposal, such as ‘listed threatened species and ecological communities’ or ‘World Heritage properties’. Within each controlling provision, multiple protected matters, such as individual species or particular heritage properties, may be impacted or require assessment. [↑](#footnote-ref-6)
7. For an assessment by preliminary documentation $8,010 is the maximum base fee payable, as Stage 1 fees may not be applicable. See section 3.3.5.2 of this CRIS for further details. [↑](#footnote-ref-7)
8. For an assessment by public environment report or environmental impact statement $25,583 is the maximum base fee payable, as Stage 1 fees may not be applicable. See section 3.3.5.3 of this CRIS for further details. [↑](#footnote-ref-8)
9. For an assessment under a bilateral agreement / accredited process $18,146 is the maximum base fee 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 3.3.5.4 of this CRIS for further details. [↑](#footnote-ref-9)
10. Refer to Table 9 on page 30 and the complexity fee matrix at Appendix B for more information. [↑](#footnote-ref-10)
11. Refer Figure 3 on page 14 for overview of the environmental impact assessments process [↑](#footnote-ref-11)
12. http://www.finance.gov.au/procurement/procurement-policy-and-guidance/commonwealth-procurement-rules/ [↑](#footnote-ref-12)
13. Total expenses and revenue do not include assessments by Public Inquiry or strategic assessments as expenses and revenue for these assessments will be determined on a case-by-case basis. [↑](#footnote-ref-13)
14. Note that the average calendar days from referral to approval will increase over time as current projects referred in earlier years are finalised (e.g. approved) and able to be counted. [↑](#footnote-ref-14)