



Australian Government
Australian Maritime Safety Authority

Australian Maritime Safety Authority

COST RECOVERY IMPACT STATEMENT

1 July 2011 to 30 June 2012

New and Revised Charges for Marine Services

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GLOSSARY

AMSA	Australian Maritime Safety Authority
CPI	Consumer Price Index for Australia
CRIS	Cost Recovery Impact Statement
CSO	Community Service Obligation payments by Government
GMDSS	Global Marine Distress and Safety System
IMO	International Maritime Organisation – the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine pollution by ships
ISM	International Safety Management Code promulgated by the IMO (quality management systems for ship operators and ships)
RTO	Registered Training Organisation
STCW	Convention on Standards of Training, Certification and Watchkeeping for Seafarers 1978 (as amended)

1 OVERVIEW

1.1 Purpose

This Cost Recovery Impact Statement (CRIS) has been prepared due to material amendments being made to existing arrangements, in accordance with the Australian Government Cost Recovery Guidelines. The Australian Maritime Safety Authority operates on the basis of full recovery of its costs and, in accordance with the Australian Government Cost Recovery Policy, reviews from time to time its cost structure and the consequent charges for providing various types of services to the shipping industry – mostly compulsory services required by the Australian maritime safety regulatory framework for participation in the industry. Changes over time to this safety regulatory framework and the way in which it is administered by AMSA may result in the introduction of new services or modification/cessation of other services. These changes in cost structure and/or regulatory approach can require new and/or revised charges for the services provided by AMSA, warranting amendment to the existing cost recovery arrangements supported by adequate mechanisms of consultations with stakeholders. Consultations on the charges proposed in this CRIS were conducted between 13 April 2011 and 6 May 2011

1.2 Background

1.2.1 AMSA is responsible for the safety regulation of commercial international and interstate maritime industry operations, dealing with ships, ship equipment, cargoes, the safe operation of ships and issuing internationally-recognised qualifications for seafarers, as well as the registration of ships owned or demise chartered by Australian entities. In meeting this responsibility, AMSA provides a range of services to industry participants, usually in the form of approvals, certificates, licences, inspections, determinations and exemptions required by the legislation and related regulations or Marine Orders administered by the Authority.

1.2.2 Full cost recovery is consistent with the approach taken by the Government for the funding of AMSA services to the shipping industry since AMSA was established in 1991. AMSA's safety regulatory role is funded approximately 90% by way of the Maritime Navigation (Regulatory Functions) Levy applied to commercial ships, which covers broader, non-service regulatory activities, but this is supplemented by fee for service charges applied by a Determination under AMSA's enabling legislation to cover the remaining costs of delivery of specific services. This levy raised \$32.5m in 2009-10, with a further \$2.5m in revenues from charges for marine services and \$0.6m from charges by the Australian Shipping Registration Office.

1.2.3 Significant changes to the nature and level of fees and charges for marine services last occurred in 2001. Since that time, AMSA has regularly reviewed the structure and level of these charges to determine whether they continued to bear a reasonable relationship to the costs of service provision. Until recently, AMSA was able to achieve ongoing productivity improvements in its operations that meant that it could absorb cost increases, so the level of its fees and charges has remained unchanged since 2001.

1.2.4 AMSA has again reviewed its cost structure, based on current full accrual operating costs (including indirect and corporate support costs) and found that the average hourly cost rate for its Marine Surveyors for 2011-12 is \$215, compared to the \$185 per hour rate of charge that has been applied since 2000. The proposed new fixed level charges therefore reflect costs of \$215 per hour where the service in question is provided by Marine Surveyors,

with some other fixed level charges reflecting the costs structures of general administrative staff (now \$100 per hour) or that of the staff of the Shipping Registration Office (now \$170 per hour).

1.2.5 AMSA's costs in relation to the provision of safety regulatory and ship registration services are primarily labour-related, with low capital costs. Accordingly, the scope for achieving further productivity gains is now greatly reduced, so charges need to be adjusted to reflect the current costs of service provision.

1.3 New, Revised and Obsolete Services

1.3.1 Routine developments to the maritime safety regulatory framework since 2001 have resulted in the requirement for several new regulatory services while several other services have been abolished or modified due to changes in the manner in which AMSA aims to ensure safe operations in this industry. Full details of these changes are at Attachment 1. A few services are now more complex to undertake than in 2001, for a variety of reasons, while a few others are less complex.

1.3.2 One new set of services flowed from changes to international transport security arrangements, such that ships must now carry a Continuous Synopsis Record, as evidence of the ownership history of a vessel over its lifetime. The proposed AMSA charges Determination will for the first time specify a fixed fee for each of these services, although charges for these services have been applied since this requirement came into force in 2004, based on the hourly rate of charge for generic services applied by the AMSA 2001 Determination of Charges.

1.3.3 Another change in charging approach is that charges be introduced in relation to the accreditation and consequent regular compliance audits of maritime industry organizations in three areas:-

- (a) under the International Safety Management Code;
- (b) for Registered Training Organisations that provide vocational training to seafarers who seek Certificates of Competency issued by AMSA; and
- (c) for providers of coastal Pilotage services.

1.3.4 Charges would be applied for initial accreditation (or reinstatement), renewal of accreditation (typically after 5 years) and regular compliance audits (usually every 12 to 18 months). Applications for a variation of accreditation would also be subject to a charge. As the time taken to complete accreditation and compliance audits can vary significantly from case to case, charges for these services would be on the basis of the hourly rate. Accreditation and performance audits could take between 8 hours and 50 or more hours, plus, where applicable, travel time, expenses and out of pocket travel costs, etc.

1.3.5 New fixed fee charges are proposed for services relating to AMSA approvals of safe manning levels for ships – a service previously provided free of charge.

1.3.6 Charges for services relating to seafarers' qualifications are applied as fixed level fees. Most of these fees have been increased to reflect the increased hourly cost of the staff providing these services – the average time taken in their delivery is generally unchanged. A few charges have been reduced, to reflect changes since 2000 in the method of their delivery. Several new services are being delivered for seafarers and fixed level fees are proposed for these, while the charge for approval of a medical inspector of seamen is being reduced due to a change in the approach to ensuring the medical fitness of seafarers.

1.3.7 Services relating to inspections and approvals of lifesaving equipment are no longer undertaken by AMSA as this role has been delegated to recognised Classification Societies, so the corresponding charges are to be removed from the Determination.

1.3.8 Assessments of grain loading plans are now undertaken on a sample inspection basis and are therefore no longer compulsory approvals, so the corresponding direct charge will be removed and that activity will become levy funded. Replacing this will be a charge for a shipboard inspection of grain loading where the ship in question has not provided a satisfactory grain loading plan and/or a visit to the ship is necessary to establish that it will be able to sail in a safe operating condition.

1.3.9 Charges under the *Shipping Registration Act 1981* are being revised for the first time since 1991 to replace those charges applied to date by a Regulation under that Act. Charges in relation to the registration of Mortgages on vessels will no longer apply once this function has been transferred to the new Personal Property Securities Register to be introduced by the Commonwealth Attorney-General's Department in the second half of 2011.

1.4 Change in Rates of Charge

1.4.1 The hourly rate of charge for AMSA's Marine Surveyors is now proposed to change from \$185 to \$215, an increase of 16.2%. The \$185 hourly charge rate was introduced in 2000 and the change in the Australian Consumer Price Index (CPI) from then to December 2010 has been about 39%. The proposed hourly rate of charge therefore represents a significant productivity improvement by AMSA over the last 10 years. The proposed new and adjusted fixed fees for certain Marine Services are based on the hourly cost rates for Marine Surveyors or for administrative staff (\$100 per hour) or the staff of the Shipping Registration Office (\$170 per hour), as appropriate.

1.4.2 The proposed new fixed level charges for the services provided by the Shipping Registration Office are based on an increase in hourly cost rate from \$84 to \$170. The charges applied by the Shipping Registration Office have been unchanged since December 1991, with the Australian CPI increasing by around 62% since that time.

1.4.3 As at present, fixed fees will be applied for those services where the range of typical delivery times is not greatly different from the average delivery time. Where there are usually very wide variations of delivery costs for a particular type of service, the relevant charge will reflect the time actually taken in its delivery, calculated at the hourly rate, plus related expenses.

1.4.4 Out-of-pocket expenses (e.g. fares and travel expenses) unavoidably incurred as a part of service delivery will continue to be recovered at cost for each individual service where services are delivered at locations remote from an AMSA Office. Charges for travel time to remote ports and mileage charges for vehicle transport to remote locations will also continue to be applied where appropriate in addition to the relevant fees and charges for services. Mileage charges for travel to remote locations by car have also been unchanged since 2000 and will increase from 60 cents per kilometre to 75 cents per kilometre, which is the current Australian Taxation Office rate specified for the types of vehicles used by AMSA – it is proposed that this rate per kilometre change over time in line with rates approved by the ATO.

1.5 Comparison of Proposed Charges with Other Providers

Although AMSA is the sole Australian provider of the safety regulatory services in question, there are comparable services provided by other countries and by similarly qualified professionals working for shipping industry Recognised Organisations. Current rates of charge by Recognised Organisations typically exceed \$330 per hour in respect of staff equivalent to AMSA's Marine Surveyors. Many other countries also delegate International Safety Management (ISM) accreditation and performance audit services to these Recognised Organisations, which would charge accordingly. Some other Flag State administrations charge up to \$US450 for issuing a Continuous Synopsis Record. State Land Titles Offices in Australia charge up to \$200 per hour for services broadly similar to those provided by the Shipping Registration Office.

1.6 Likely Financial Impacts on Industry

1.6.1 In a 12 month period, AMSA oversees the operations of about 4,300 foreign Flag ships and about 100 Australian Flag vessels, plus the safe handling and stowage of various cargoes, such as grain, livestock and dangerous goods and a wide range of ship operational issues. The vast majority of ship, equipment and cargo inspections aimed at ensuring vessel seaworthiness and safety of operations are of the nature of monitoring of compliance and do therefore not qualify as services. Accordingly, no direct charges are applied for these non-service activities, which are funded by the Marine Navigation (Regulatory Functions) Levy on commercial ships.

1.6.2 The annual volumes of most billable safety regulatory services are relatively low. For example, there are typically less than 100 performance audits each year under the International Safety Management Code and a similar level of shipboard grain inspections. There would be few billable services provided by AMSA with annual volumes exceeding 100, apart from seafarers' qualifications and follow-up inspections of ships to clear safety deficiencies identified at previous inspections. Around 12,000 seafarers hold some form of qualification issued by AMSA, with many of these renewed every 5 years. About 3,500 certificates of various types are issued to seafarers annually, including about 800 Certificates of Competency as Masters, Deck Officers and Engineers.

1.6.3 The proposed new charges, most representing an increase of 16.2% in the hourly rate of charge, are being revised for the first time since 2001. The increases proposed are generally well below the rate of change in the CPI over that time, due to significant efficiency improvements by AMSA. There are a few services which will be subject to a higher rate of increase and this is due to the fact that the processing involved for these activities has become more complex since 2001 due to changes in regulatory requirements and approach. Conversely, a few services are now simpler to provide and the proposed new charges are accordingly reduced from current levels or increased by less than 16%.

1.6.4 As the total revenue from marine services is currently a little over \$2.5 million, the proposed increases of around 16% in rates of charge would increase costs to industry by around \$400,000 per year, which would have a very minor impact on an industry which transports 99% of Australia's trade by volume. Similarly, the proposed increases in Shipping Registration Office charges are expected to add around \$200,000 per year to industry costs, noting that some of that would impact on recreational maritime activities – e.g. yachts which intend to travel overseas and need to be registered to do so. The overall impact on industry of increased charges for marine services is estimated to be minimal in proportion to typical ship operating costs. The impact on seafarers is also estimated to be very low, given the

growth in typical remuneration levels in this industry in recent years and the fact that in many instances employers cover such costs.

1.7 Australian Government Cost Recovery Policy

1.7.1 In December 2002 the Australian Government adopted a formal cost recovery policy to improve the consistency, transparency and accountability of its cost recovery arrangements and promote the efficient allocation of resources. The underlying principle of the policy is that entities should set charges to recover all the costs of products or services where it is efficient and effective to do so, where the beneficiaries are a narrow and identifiable group and where charging is consistent with Australian Government policy objectives. Cost recovery policy is administered by the Department of Finance and Deregulation and outlined in the *Australian Government Cost Recovery Guidelines* (Cost Recovery Guidelines).

1.7.2 The policy applies to all *Financial Management and Accountability Act 1997* (FMA Act) agencies and to relevant *Commonwealth Authorities and Companies Act 1997* (CAC Act) bodies that have been notified. In line with the policy, individual portfolio ministers are ultimately responsible for ensuring entities' implementation and compliance with the Cost Recovery Guidelines.

2 POLICY REVIEW – ANALYSIS OF ACTIVITIES

2.1 Why Recover Costs?

2.1.1 Most activities of Governments are funded by Parliamentary appropriations from the proceeds of general taxation revenues, where there is no particular linkage between outlays and sources of revenues. Agencies funded in this manner simply compete for an allocation of funds in annual budget processes and seek to meet their objectives efficiently with the level of funds they can secure in competition with other Government priorities. There are circumstances, however, where it is appropriate to apply specific revenue raising measures that are structured to recover part or all of the costs of certain defined specialised activities of Governments or their agencies.

2.1.2 Such direct recovery of costs is often warranted in cases where the activity or needs of a relatively small section of the community impose costs on the public sector, particularly where those activities or needs are generated by commercial activities and it would be unreasonable to expect general taxpayers to fund costs which they have not caused to occur. Naturally, the recovery of such costs is appropriate only where it is administratively feasible and efficient to take such action and the revenues raised should be such as not to exceed the relevant total costs, so that there is accountability by the agency undertaking the activities in question as to their efficiency and effectiveness.

2.1.3 There could also be circumstances where cost recovery may not be appropriate, such as in the early stages of development of an industry, where participants have not yet reached financial maturity and stability or where Government has decided that explicit assistance for a given industry or activity is appropriate for other policy reasons. If the sum to be recovered is low in aggregate and the industry is relatively large, it may simply not be efficient from an administrative point of view to recover the costs in question, as the amount to be recovered per individual could be very low or costly to collect.

2.1.4 The industries in question can also benefit from explicit cost recovery arrangements where the revenues raised from them are made available in full to directly fund the agency undertaking the relevant activities. This funding approach usually ensures that the respective agencies are resourced to a level sufficient to meet, without undue delay, the industry's needs in terms of approvals and permits, etc. for participants and, in some cases, for the provision of essential infrastructure needed by a particular industry.

2.1.5 With safety regulation, the existence and operations of an industry can create risks to the general community that would otherwise not occur, so it is considered appropriate to recover from specific industries the costs of ensuring that they are operating in a manner that does not represent undue safety risks for their customers, their employees or for the community at large. Cost recovery also serves a role in moderating demand for costly resources by ensuring that outlays by the public sector are genuinely necessary for the operations of an industry or of a given participant within an industry and can also lead to improvements in the efficiency of the agency undertaking the activities in question.

2.2 The Nature of Safety Regulation

Maritime safety regulation is comprised of a range of activities which typically fall under one or more of the following main headings:

- (a) **Development and maintenance of the regulatory framework** of legislation, regulations and applicable international conventions, etc. – i.e. the set of rules and requirements to be followed by the industry;
- (b) **Services to industry participants in the form of certificates, licences, approvals, permits and qualifications, etc.** (in relation to compulsory requirements for participation in the industry);
- (c) **The monitoring of compliance by industry with those regulatory requirements** (e.g. random or risk-based, unscheduled, sample audits/inspections to determine if the relevant rules and requirements are being met on an ongoing basis); and
- (d) **Consequential activities such as information and industry education about regulatory requirements, investigations and coordination of prosecutions** following breaches of these regulatory requirements, etc.

The activities in group (b) - processing applications for the issue of approvals, permits, authorisations, licences, certificates and qualifications - are mostly compulsory requirements for participation in the industry and are typically services to individuals or to individual companies. Most other activities – e.g. the maintenance of the safety regulatory framework, sample inspections to monitor compliance with that regulatory framework, investigations and prosecutions, provision of information and education, occupational health and safety, are not services, but are broader activities within the safety regulatory task.

2.3 Description of Activities

The only activities that are candidates for fee for service charges are the range of approvals, permits, authorisations, determinations, exemptions, licences, certificates and qualifications that are required for participation in the industry and inspections to determine that previously identified deficiencies have been addressed, as they amount to services to individuals or to individual companies. Even so, care must be taken to ensure that the fees and charges for these services bear a reasonable relationship to the costs of delivery. If safety regulatory activities do not amount to a service and/or the charges applied cannot be shown to bear a

clear relationship to costs, then a levy style cost recovery mechanism must be used to recover the costs in question.

2.4 Stakeholders

The primary stakeholders in relation to this initiative are the owners and operators of commercial vessels undertaking operations in international or interstate trades, the seafarers who are licenced to operate these vessels and other industry organizations which are accredited to undertake specific roles in the industry, such as approved training and other service providers.

2.5 Conclusion

Safety regulatory services; i.e. the approvals, permits, certificates, etc. that are requirements for participation in the industry, are clearly candidates for direct fee for service cost recovery, as they convey actual or potential economic gain to the recipients by allowing them to participate in commercial maritime operations once they have demonstrated compliance with the relevant regulatory requirements.

3 DESIGN AND IMPLEMENTATION

3.1 Legal Requirements for the Imposition of Charges

Public sector cost recovery needs to comply with two main legal requirements. Firstly, the method by which the charges are applied (i.e. fee for service charges or a statutory approach such as a levy) must comply with the relevant taxation and financial provisions of the Australian Constitution. Secondly there must be Legislative authority to apply charges.

3.2 Method of Charging – Fee for Service or Statutory Levy

3.2.1 Fee for service charges, where the funds in question are paid directly to AMSA, can only legally be applied in relation to licences or services provided to an individual or to an individual company and where the relevant charge reasonably reflects the costs incurred or to be incurred in providing the service in question. Reasonable averaging of costs across instances of delivery of a given type of service is permissible when meeting this cost-matching requirement, as long as deliberate cross-subsidies are avoided.

3.2.2 This means that a fixed level fee for service can be applied in circumstances where the costs of undertaking the service in question do not vary to a major extent across individual instances of providing that type of service (actual out-of-pocket costs, such as fares and travel expenses, would be added to any such charge). Where costs do vary considerably from case to case for a given type of service, then a fixed fee would amount to an inequitable cross-subsidy and must be replaced by a variable basis of charging, such as an hourly rate of charge in the case of services that primarily use labour resources, or by a suitable charging formula that reasonably reflects the costs typically incurred in provision of a particular type of service.

3.2.3 A statutory charge, such as some form of levy, must be used in cases where the regulatory activity in question does not amount to a service or where a service is being provided but the applicable charge cannot be shown to bear a reasonable relationship to the costs of providing that type of service. Cost recovery by way of a levy is more flexible as to its form and structure than fee for service charges, although such an approach should always

aim to be broadly equitable and to strike a sensible balance between the achievement of equity and administrative complexity, for both the payee and the Commonwealth.

3.3 Legislative Authority to Apply Charges

3.3.1 Sections 46 and 47 of the *Australian Maritime Safety Authority Act 1990* empower the Authority to make determinations in respect of charges for services and facilities delivered in accordance with a range of named pieces of legislation, subject to approval by the Minister and to certain other constraints or conditions.

3.4 AMSA's Current Financial Structure and Cost Recovery Arrangements

3.4.1 AMSA is a Commonwealth statutory authority, where its maritime functions are fully funded by the shipping industry, primarily by three separate levies on interstate and international shipping. Some 90% of its safety regulatory role is funded by the Marine Navigation (Regulatory Functions) Levy, with the balance covered by revenues from fee for service charges, which are aimed at recovering 100% of the full accrual costs of delivery of the relevant services. AMSA's Search and Rescue operations are fully funded by the Commonwealth Government as a Community Service Obligation (CSO).

3.4.2 As a separate legal entity that is organized on a functional basis, AMSA's cost structure is clearly defined. Existing fee for service charges are based on a fully distributed costing of AMSA's activities that is identified down to hourly rates of charge for those staff who deliver services to the industry and who in many cases also undertake a range of other non-service safety regulatory functions. This fully distributed accrual costing ensures that the total costs of providing a service are identified, as it includes direct labour costs, indirect costs such as office accommodation and expenses, related materials/services costs and communications, etc, plus an appropriate share of routine local and corporate support costs for items such as administrative assistance, Human Resources, Finance and Information Services, etc.

3.4.3 The rates applicable to the Marine Navigation (Regulatory Functions) Levy are reviewed regularly to ensure that it raises sufficient revenues to offset the total of all those estimated safety regulatory costs not recovered by way of fee for service charges.

3.4.4 AMSA's three separate levies on commercial ships are applied on a similar basis, employing formulas based on a ship's net tonnage rating with rates of charge that are designed to collect sufficient revenues to match the costs of each of the Authority's main responsibilities; i.e. the provision of aids to navigation, safety regulation of international and interstate shipping and maintaining preparedness to respond to pollution of the sea by oil or other noxious substances. The rates of each of these levies have been adjusted from time to time so that their individual annual revenues match the expected costs of delivery of each of these responsibilities so as to avoid cross-subsidies. This is to ensure that AMSA is accountable to the shipping industry and other stakeholders for its costs, efficiency and effectiveness in each of its main areas of responsibility.

3.4.5 The Australian Government Cost Recovery Guidelines note that the costs of certain activities should not be recovered (i.e. they should be funded from appropriations) where they relate to the administration of Government, such as providing Ministerial briefings and preparing answers to Parliamentary questions, etc. While AMSA does incur such costs, they are minor in total value and would not warrant the administrative effort of identification and

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removal from the cost structure calculations given that such action would not change the proposed level of charges.

3.5 Summary of Proposed Charging Arrangements

A sample of the proposed fees and charges to be applied by AMSA in relation to the safety regulatory services to the maritime shipping industry is as follows (Item no. references relate to the full details listed at Attachment 1):

Marine Services

Item	Activity	Method of Recovery	Volume of Activity	Current Price	Average Delivery Time	New Price	Total Cost Recovered (\$,000)
All variable	Hourly rate of charge	Fee for service	1,200 per year (varying time for each)	Variable at \$185/hour	-	\$215/hr	2300
5.	- New assessment of ship manning levels - Revision of current assessment	Fee for service	30 per year 25 per year	New charges - previously free	4 hours 2 hours	\$860 \$430	26 11
6., 7. & 9.	Accreditation or re-accreditation of Organisation to Provide Services	Fee for service	10 per year	\$variable case to case	-	\$215/hr	50
6., 7. & 9	Periodic Compulsory Compliance Audit	Fee for service	130 per year	\$variable case to case	-	\$215/hr	400
Item	Activity	Method of Recovery	Volume of Activity	Current Price	Average Delivery Time	New Price	Total Cost Recovered (\$,000)
8.2.1	Assessment of Sea Service - new entrant	Fee for service	50 per year	\$185	Surv. 1 hr	\$215	11
8.2.2	- existing AMSA Competency or GMDSS Certificate holder		650 per year	\$185	Admin 2/3 hr Surv. 0.2 hrs	\$110	72
8.2.3	- Oral Examination Unlimited	Fee for service	550 per year	\$370	2 hours	\$430	237
8.2.5	- Computer Based Exam		180	New	System costs	\$78 ^a	14
8.3.8	Compass Adjuster's Licence	Fee for service	5 per year	\$185	1 hour	\$215	1
8.3.9	Application for certificate of safety training	Fee for service	1550 per year	\$93	1hr labour (0.8 admin, 0.2 Surv.) + \$35 materials	\$155	240

(a) Computer based examinations are to be provided on AMSA's behalf by an external company. This company will apply a charge (expected to be \$102 initially, but subject to change) for facilities, equipment and supervision in addition to the proposed charge by AMSA for supporting this service.

Services provided by the Shipping Registration Office

The charges for processing mortgage related services by the Shipping Registration Office are unchanged, as that role is due to move to the Personal Properties Securities Register being introduced by the Attorney-General's Department later in 2011. Charges for other services by the Shipping Registration Office are to be increased to reflect cost increases since the current charges were set late in 1991, as follows:-

Item	Activity	Method of Recovery	Volume of Activity	Current Price	Average Delivery Time	New Price	Total Cost Recovered for Activity
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							(\$,000)
10.1	Lodging application for registration or re-registration of: (a) ship required to be registered (b) ship permitted to be registered other than ship referred to in (c) (c) ship on demise charter to an Australian based operator other than an Australian owned ship	Fee for service	30 per year 280 per year 1 per year	\$1195 \$799 \$1953	12 hours 7 hours 18 hours	\$2040 \$1190 \$3060	61 333 3
10.2	Lodging documents for registration of transfer, transmission of ownership in relation to: (a) ship required to be registered (b) ship permitted to be registered other than ship referred to in (c) (c) ship on demise charter to an Australian based operator other than an Australian owned ship	Fee for service	15 per year 430 per year 1 per year	\$416 \$250 \$686	3.5 hours 2 hours 6 hours	\$595 \$340 \$1020	9 146 1
10.3.1	Lodging application for grant of provisional registration certificate or new registration certificate under section 21 of the Shipping Registration Act (replacement certificate)	Fee for service	25 per year	\$95	1 hour	\$170	4
10.3.2	Lodging application for grant of provisional registration certificate under section 22 or 22A of the Shipping Registration Act	Fee for service	120 per year	\$155	1.5 hours	\$255	31
Item	Activity	Method of Recovery	Volume of Activity	Current Price	Average Delivery Time	New Price	Total Cost Recovered for Activity (\$,000)
10.3.3	Lodging application for extension of period of currency of provisional certificate	Fee for service	20 per year	\$82	1 hour	\$170	3
10.3.4	Lodging application for grant of temporary pass	Fee for service	10 per year	\$155	1.5 hours	\$255	3
10.3.5	Lodging application for issue of certificate of entitlement to fly Australian national flag or red ensign	Fee for service	1 per year	\$82	0.75 hours	\$127.50	less than 1
10.3.6	Supply of deletion certificate	Fee for service	55 per year	\$50	0.5 hours	\$85	5
10.4.1	Lodging application for exemption from registration	Fee for service	5 per year	\$308	3 hours	\$510	3
10.4.2	Lodging request for approval of change of name of registered ship	Fee for service	75 per year	\$82	1 hour	\$170	13

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10.4.3	Lodging request for change of home port of registered ship	Fee for service	75 per year	\$82	1 hour	\$170	13
10.4.4	Lodging request for extension of time for lodging documents	Fee for service	20 per year	\$82	0.75 hours	\$127.50	3
10.5.1	Inspection of register in relation to a registered ship	Fee for service	600 <i>Likely to decline with cessation of mortgage records</i>	\$21 per 15 minutes or part thereof	-	\$42.50 per 15 minutes or part thereof	8
10.6.5	Lodging a caveat	Fee for service	10 per year	\$153	1 hour	\$170	2
10.7.1	Application for a Continuous Synopsis Record	Fee for service	10 per year	\$280	2.5 hours	\$425	4
10.7.2	Reissue of a Continuous Synopsis Record	Fee for service	2 per year	New	0.75 hours	\$127.50	less than 1
10.7.3	Amendments to a Continuous Synopsis Record	Fee for service	50 per year	\$185	1.75 hours	\$297.50	15
8.3.11 & 10.4.5	Supply of documents other than by normal mail	Fee for service	variable	\$15 or \$21	Labour + materials	\$25	less than 1
	Other Services relating to ship registration not elsewhere specified	Fee for service	Provision for future requirements	New	-	\$170 per hour	-

It is intended that these new charges would come into force early in the 2011-12 financial year soon after approval by the Minister of the proposed AMSA Determination of Charges. Cost structures for these activities and services are likely to change in 2012-13 and these charges will be reviewed to determine whether further adjustments will be needed to ensure full recovery of relevant costs.

The estimated overall costs and revenues for these groups of services for 2011-12 are as follows:-

	<i>Marine Services</i> (\$,000)	<i>Shipping Registration</i> (\$,000)	<i>Total</i> (\$,000)
Revenues	3,362	660	4,022
Marine Surveyor Expenses	2,872	-	2,872
Administrative Staff Expenses	490	660	1,150

4 ONGOING MONITORING

4.1 Monitoring and Review Mechanisms

AMSA regularly monitors its cost recovery position to ensure costs are fully recovered as well as undertaking periodic major reviews of its overall approach to cost recovery. The

associated revenues are reported in accordance with the Minister for Finance's Orders for financial reporting.

4.2 Stakeholder Consultation

4.2.1 Changes to the level of charges will be applied in accordance with the provisions of AMSA's enabling legislation. This CRIS was posted on AMSA's web site on 13 April 2011 for the purposes of consultation with stakeholders. More than 30 industry stakeholders - representative associations, unions, pilotage providers, registered training organisations and representatives of yachting - were advised directly that the CRIS was available to serve as the basis for consultation about the proposed changes to AMSA's fee for service charges, with discussions open until 6 May 2011. On April 19, AMSA also made a presentation about the proposed changes to charges to the members of the AMSA Advisory Committee, who cover the full range of industry stakeholders. AMSA also offered the opportunity for bilateral discussions with individual stakeholders, although none elected to take such action.

4.2.2 There were 5 substantive comments received from stakeholders about the proposals detailed in this CRIS. The representatives of Australian and international ship owners, operators and agency companies, advised that they had no substantial objections to the proposed structure and level of charges, noting that AMSA had realised productivity gains which had kept the rate of increase of charges to below the CPI in most cases and that AMSA's changes in regulatory approach meant that some former compulsory services had been replaced by alternative regulatory oversight methods, which are funded indirectly by the Regulatory Functions Levy, rather than by direct charges. They did, however, seek ongoing transparency of AMSA's cost structures by more regular reviews of the actual costs and adjustment to AMSA's charges as confirmation that AMSA's charges are reasonable and do not represent cross-subsidisation. One of the maritime unions also did not oppose the proposed charges but also sought transparency of the cost structures which determine AMSA's charges, as well as periodic comparisons with charges applied by other ship Registers internationally.

4.2.3 Two of the twenty four Registered Training Organisations approved by AMSA raised concerns about the possible impact of the proposed new charges for accreditation and periodic compliance audits of their organisations, in terms of their ability to afford these charges and the flow-on of these additional costs to students. AMSA considers that the cost impact on students of the new charges for accreditation and compliance audits of RTOs should be minimal in either dollar or percentage terms, especially as all 24 RTOs have had their existing courses accredited without charge and would only face a compliance audit every 2 years or so unless they sought approval for new courses, which would attract higher accreditation costs. AMSA has also advised the two RTOs who provided comments that compliance audits will be undertaken in an efficient manner so as to minimise charges.

4.3 Periodic Review

4.3.1 The cost structure of AMSA, delivery mechanisms and the resources required for service delivery and other safety regulatory activities are normally monitored every one to two years, with AMSA conducting a formal review of its cost recovery approach every five years, as required by the Australian Government, with the next major review of all cost recovery arrangements due by 2012-13.

4.3.2 Changes in the range or nature of activities and services over time will be reflected by corresponding appropriate changes in the method, structure and level of cost recovery. The

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proposed charges outlined in this CRIS are expected to apply for at least one year, to June 2012.

4.3.3. The cost structures underlying these charges are expected to change somewhat in the 2012-13 financial year and a review will be conducted early in 2012 to determine whether a new Determination of Charges will be needed to ensure that the costs of service delivery will continue to be recovered in full.

5 CERTIFICATION

I certify that this CRIS complies with the Australian Government Cost Recovery Guidelines.



.....
Chief Executive Officer / Board
Australian Maritime Safety Authority

Date: ...26/5/2011.....

6 COST RECOVERY LINKS

- The Australian Government Cost Recovery Guidelines and the accompanying Finance Circular can be found at;
<http://www.finance.gov.au/financial-framework/financial-management-policy-guidance/cost-recovery.html>

Service	Current Charge	New Charge	Comments
1. SHIP DESIGN AND PERFORMANCE			
1.1 Tonnage Measurements and Loadline			
1.1.1 Provision of copies of tonnage measurement calculations	The Hourly Rate	The Hourly Rate	
1.1.2 Inspections and certification in relation to tonnage measurements and loadline	The Hourly Rate	The Hourly Rate	Minor re-definition of service
2. INSPECTIONS OF SHIPS AND EQUIPMENT			
2.1 Life Saving Equipment			
2.1.1 Inspection for approval of life-raft servicing depot	\$740	Deleted	Service delegated to Recognised Organisations
2.1.2 Re-issue of certificate of approval	\$370	Deleted	Service delegated to Recognised Organisations
2.1.3 Inspection of inflatable life raft during or after servicing, when not carried out as part of the annual survey of a ship.	The Hourly Rate	Deleted	Service delegated to Recognised Organisations
2.2 Loading and Unloading Equipment			
Approvals and exemptions in relation to a ship, materials handling equipment or loading or unloading arrangements in relation to a ship, and, for second and subsequent visits, inspections of ships, equipment or arrangements in relation to these matters.	The Hourly Rate	The Hourly Rate	Minor re-definition of service
2.3 Ship Survey and Certification			
Survey for the initial issue or reissue of a certificate	The Hourly Rate	The Hourly Rate	Broader definition of service type
2.4 Port State Control and Flag State Control Inspections			
Follow-up visits to re-inspect deficiencies identified at initial inspections	The Hourly Rate	The Hourly Rate	Minor re-definition of service
2.5 Other Surveys or Inspections of Ships and Equipment			

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Services or inspections of ships and equipment not listed above	The Hourly Rate	The Hourly Rate	Attachment 1
Service	Current Charge	New Charge	Comments
3. OTHER INSPECTIONS			
3.1 Grain Loading			
3.1.1 Assessment of proposed grain loading	\$185	Deleted	Changed to sample compliance inspections
3.1.2 Visits to ships or loading facilities for inspections to ensure safe loading and stowage of grain	The Hourly Rate	The Hourly Rate	Minor re-definition of service
3.2 Solid Bulk Cargoes			
Inspections, determinations, approvals and exemptions in relation to solid bulk cargoes.	The Hourly Rate	The Hourly Rate	Minor re-definition of service
3.3 Dangerous Goods			
Inspections, determinations, approvals and exemptions in relation to dangerous goods.	The Hourly Rate	The Hourly Rate	Minor re-definition of service
3.4 Livestock			
Inspections, certificates, approvals and exemptions in relation to the transportation of livestock, including inspections and services in relation to the issue or endorsement of an Australian Certificate for the Carriage of Livestock.	The Hourly Rate	The Hourly Rate	Minor re-definition of service
3.5 Containers			
Inspections and approvals of containers for authorisation to load or unload where container is unsafe or overloaded or lacking a valid safety certificate plate or after expiry of the examination date.	The Hourly Rate	The Hourly Rate	Minor re-definition of service
3.6 Miscellaneous Inspections			

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All inspections not listed above that are compulsory, or are requested by the recipient, or are follow-up inspections to confirm corrective action.	The Hourly Rate	The Hourly Rate	Minor re-definition of service
			Attachment 1
Service	Current Charge	New Charge	Comments
<u>4. DETERMINATIONS, EXEMPTIONS AND APPROVALS</u>			
Processing applications for Determinations, Exemptions and Approvals under the <i>Navigation Act 1912</i>	The Hourly Rate	The Hourly Rate	Newly defined
<u>5. SERVICES RELATING TO SHIP MANNING LEVELS</u>			
5.1 Processing of an application for approval of ship manning levels	\$0	\$860	Previously provided without charge
5.2 Processing of an application for review of existing approved manning levels	\$0	\$430	Previously provided without charge
<u>6. SERVICES RELATING TO THE INTERNATIONAL SAFETY MANAGEMENT CODE</u>			
6.1 Processing of application for a Document of Compliance or a Safety Management Certificate, including conduct of initial audit or for the reinstatement of those Certificates.	\$0	The Hourly Rate	Previously provided without charge
6.2 Conduct of scheduled periodic compliance audit relating to the continuation of a Document of Compliance or a Safety Management Certificate	The Hourly Rate	The Hourly Rate	
<u>7. SERVICES TO PILOTAGE PROVIDERS</u>			
7.1 Processing of an application for a licence as a provider of coastal pilotage services or for reinstatement of a licence as a provider of coastal pilotage services	\$0	The Hourly Rate	Previously provided without charge
7.2 Conduct of scheduled compliance audit of accredited provider of coastal pilotage services	\$0	The Hourly	Previously provided without charge

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		Rate	
8. SERVICES TO SEAFARERS			
8.2 Examinations and Assessments			
8.2.1 Assessment of Sea Service for holders of an AMSA Certificate of Competency or recognition of a Certificate of Competency as a Master, Deck Officer or Engineer or holders of an AMSA GMDSS Certificate	\$185	\$110	Sea Service Assessments split into two types to reflect different complexity Attachment 1
Service	Current Charge	New Charge	Comments
8.2.2 Assessment of Sea Service for persons not holding an AMSA Certificate of Competency or recognition of a Certificate of Competency as a Master, Deck Officer or Engineer or an AMSA GMDSS Certificate	\$185	\$215	Sea Service Assessments split into two types to reflect different complexity
8.2.3 Oral Examination for Certificate of Competency – STCW 78 (as amended) unlimited	\$370	\$430	Minor re-definition of service
8.2.4 Oral Examination for Certificate of Competency – STCW 78 (as amended) Near Coastal and STCW(F) compliant	-	\$320	New Service
8.2.5 Computer-based examination for Certificate of Competency	-	\$78	New Service
<i>(in addition to this charge, the external provider of this service will apply their own charges for the conduct of this exam to cover their costs for premises, equipment and supervision – these additional charges may vary from time to time and may be payable direct to the provider or may be collected by AMSA on behalf of the provider)</i>			
8.2.6 Assessment of marine qualifications for immigration purposes	\$185	\$240	
8.2.7 Undertaking a Psychometric Assessment	-	\$144	New Service
8.3 Certificates for Seafarers			
8.3.1 Processing of application for the initial issue of a	\$127 or \$93	\$155	Minor re-definition of service

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Certificate of Competency or Proficiency			
8.3.2 Processing of application for the initial issue of a Certificate of Recognition of Competency or Proficiency	\$127	\$155	Minor re-definition of service
8.3.3 Processing of application for the revalidation of a Certificate of Competency or Certificate of Recognition or Proficiency	\$93	\$155	Minor re-definition of service
			Attachment 1
Service	Current Charge	New Charge	Comments
8.3.4 Processing of application for endorsements to an active Certificate of Competency	\$93	\$105	Minor re-definition of service
8.3.5 Processing of application for the initial issue of, or revalidation of, a GMDSS Competency Certificate or Certificate of Recognition of GMDSS	\$93	\$155	Minor re-definition of service
8.3.6 Processing of application for the issue of an initial coastal pilot's licence	\$185	\$360	Minor re-definition of service – additional complexity
8.3.7 Processing of application for the reissue of a coastal pilot's licence	\$93	\$105	Minor re-definition of service
8.3.8 Processing of application for the issue of a Compass Adjusters Licence	\$93	\$215	Newly defined service - has been provided for some years – additional complexity
8.3.9 Processing of application for the issue of a Certificate of Safety Training	\$93	\$155	Newly defined service - has been provided for some years
8.3.10 Processing application for approval as a Medical Inspector of Seamen	\$185	\$105	Revised approval process

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8.3.11 Additional charge for transmission of documents other than by regular mail, such as fax, email or registered mail	\$15	\$25	Minor re-definition of service
<u>9. SERVICES TO REGISTERED TRAINING ORGANISATIONS</u>			
9.1 Processing of an application by a training organisation for approval of a training course	\$0	The Hourly Rate	Previously provided without charge
9.2 Scheduled periodic compliance audit of approved courses provided by a registered training organisation	\$0	The Hourly Rate	Previously provided without charge Attachment 1
Service	Current Charge	New Charge	Comments
<u>10. REGISTRATION OF SHIPS (Shipping Registration Act 1981)</u>			
10.1 Applications for Registration or Re-registration			
10.1.1 Processing application for registration of a ship required to be registered by the <i>Shipping Registration Act 1981</i>	\$1,195	\$2,040	
10.1.2 Processing application for registration of a ship, other than an Australian owned ship, on demise charter to an Australian Based Operator	\$1,953	\$3,060	
10.1.3 Processing application for registration of a ship permitted to be registered by <i>Shipping Registration Act 1981</i> , other than a foreign-owned ship on demise charter to an Australian-based operator	\$799	\$1,190	
10.2 Transfer or Transmission of Ownership			
10.2.1 Processing documents for registration of transfer, transmission of ownership, in relation to a ship required by the Shipping Registration Act 1981 to be registered	\$416	\$595	Re-defined service

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10.2.2 Processing documents for registration of transfer, transmission of ownership, in relation to a ship on demise charter to an Australian based operator other than an Australian-owned Ship.	\$686	\$1020	Re-defined service
10.2.3 Processing documents for registration of transfer, transmission of ownership, in relation to a ship permitted by the Shipping Registration Act 1981 to be registered, other than a foreign-owned ship on demise charter to an Australian-based operator	\$250	\$340	Re-defined service
			Attachment 1
Service	Current Charge	New Charge	Comments
10.3 Grant of Certificates			
10.3.1 Processing of application for grant of provisional registration certificate or new registration certificate under section 21 of the <i>Shipping Registration Act 1981</i>	\$95	\$170	
10.3.2 Processing of application for grant of provisional registration certificate under sections 22 or 22A of the <i>Shipping Registration Act 1981</i>	\$155	\$255	
10.3.3 Processing of Application for extension of period of currency of a provisional certificate	\$82	\$170	
10.3.4 Processing of application for grant of temporary pass	\$155	\$255	
10.3.5 Processing of application for grant of certificate of entitlement to fly the Australian National flag or red ensign	\$82	\$170	
10.3.6 Supply of deletion certificate	\$50	\$85	
10.4 Administrative Services			
10.4.1 Processing of application for exemption from	\$308	\$510	

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registration			
10.4.2 Processing request for change of name of registered ship	\$82	\$82	
10.4.3 Processing request for change of home port of registered ship	\$82	\$82	
10.4.4 Processing of request for extension of time for lodging documents	\$82	\$128	
10.4.5 Additional charge for transmission of documents other than by regular mail, such as fax, email or registered mail	\$21	\$25	Attachment 1
Service	Current Charge	New Charge	Comments
10.5 Inspections and Searches			
10.5.1 Inspection of Register of ships	\$21	\$28	
10.5.2 Search by staff of Australian Shipping Registration Office of register – for each period of 15 minutes or part thereof	\$21	\$42.50	
10.5.3 Supply of certified extract of the Register or of a document forming part of or associated with the Register	\$41	\$50	
10.5.4 Supply of a certified copy of Register entry	\$21	\$30	
10.5.5 Supply of certified copy of documents forming part of or associated with the Register, for each page	\$21	\$21	
10.6 Mortgages and Related Matters			

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Note that these charges for services relating to mortgages will no longer apply once the Commonwealth Attorney-General's Department has commenced operation of its Personal Property Securities Register as this Register will take over the registration of mortgages and other financial instruments in relation to vessels.			
10.6.1 Processing documents for registration of mortgage, transfer of mortgage or transmission of mortgage in relation to a ship required by the <i>Shipping Registration Act 1981</i> to be registered	\$416	\$416	Applicable only until commencement of the Personal Property Securities Register
10.6.2 Processing documents for registration of mortgage, transfer of mortgage or transmission of mortgage in relation to a ship on demise charter to an Australian based operator other than an Australian-owned Ship.	\$686	\$686	Applicable only until commencement of the Personal Property Securities Register
10.6.3 Processing documents for registration of mortgage, transfer of mortgage or transmission of mortgage in relation to a ship permitted by the <i>Shipping Registration Act 1981</i> to be registered, other than a foreign-owned ship on demise charter to an Australian-based operator	\$250	\$250	Applicable only until commencement of the Personal Property Securities Register Attachment 1
Service	Current Charge	New Charge	Comments
10.6.4 Processing of documents for the registration of a discharge of mortgage	\$82	\$82	Applicable only until commencement of the Personal Property Securities Register
10.6.5 Processing of the lodgement of a caveat	\$153	\$170	To continue as an AMSA service
10.7 Services Relating to a Continuous Synopsis Record			
10.7.1 Application for a Continuous Synopsis Record	\$280	\$425	Newly defined service (requirement introduced in 2004)
10.7.2 Reissue of a Continuous Synopsis Record	\$0	\$130	Newly defined service (requirement introduced in 2004)
10.7.3 Amendments to a Continuous Synopsis Record	\$185	\$300	Newly defined service (requirement introduced in 2004)
11. OTHER SERVICES			
Section 8A or Section 8AA Declarations			

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Issue of a declaration under Section 8A or Section 8AA of the <i>Navigation Act 1912</i>	\$100	\$215	More extensive review of ship's history is now undertaken
12. MISCELLANEOUS SERVICES			
Any service not elsewhere listed in this determination	The Hourly Rate	The Hourly Rate	
Fee payable in respect of a service which is cancelled by the recipient prior to completion, in addition to payment for time already applied to the task, at the hourly rate, and other expenses incurred in relation to the service in question.	\$185	-	To be covered in a different manner

Note: Application of the Goods and Services Tax

The Treasurer has exempted from the Goods and Services Tax (GST):

- charges for approvals and inspections of cargoes, containers, ships and related equipment, as required by safety standards;
- charges for examinations, licences, certificates and approvals relating to seafarers, as required by safety standards;
- charges for other approvals, licences, certificates, exemptions and declarations required by safety standards, and
- charges in relation to the registration of ships.

Accordingly, the Charges for specific services listed in this Determination exclude the GST. Some miscellaneous services will fall outside the exemption and will therefore be subject to GST. In such cases GST will be added to any Charges calculated in accordance with this Determination, taking the GST-inclusive hourly rate of charge to \$236.50