



Australian Government
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
Australian Maritime Safety Authority

COST RECOVERY IMPLEMENTATION STATEMENT

Provision of infrastructure and regulation to support safe ship navigation in Australian waters, environmental marine protection, seafarer and ship safety, and related marine services

2024-25

Charging for regulatory activity involves government entities charging individuals or organisations in the non-government sector some or all of the minimum efficient costs of a specific government activity. The Cost Recovery Policy along with the Australian Government Charging Framework (the Charging Framework) sets out the policy under which government entities design, implement and review charging for regulatory activities. The CRIS is the public document to ensure the transparency and accountability for the level of the charging and to demonstrate that the purpose for charging, as decided by Government, is being achieved.

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1. INTRODUCTION

1.1. Purpose

This Cost Recovery Implementation Statement (CRIS) provides information on how Australian Maritime Safety Authority (AMSA) implements cost recovery charging for the provision of infrastructure, regulation to support safe ship navigation in Australian waters, marine environmental protection, seafarer and ship safety, ship registration, and related marine services under the *Navigation Act 2012*, *Shipping Registration Act 1981*, and *Marine Safety (Domestic Commercial Vessel) National Law Act 2012*.

It reports actual financial and non-financial performance information and contains financial and demand forecasts for 2024-25 and the three forward years. AMSA will maintain the CRIS until an activity output, or an activity has been discontinued.

1.2. Description of regulatory charging activity outputs

AMSA's policy outcome is to 'minimise the risk of shipping incidents and pollution in Australian waters through ship safety and marine environment protection regulation, and to maximise people saved from maritime and aviation incidents through search and rescue coordination'¹.

Detailed descriptions of regulatory charging activities are summarised in Appendix 1, but includes:

- Navigational infrastructure,
- Environmental marine protection,
- Seafarer ship safety under *Navigation Act 2012* and other Acts,
- Marine services under *Navigation Act 2012* and ship registration, and
- Marine services under National Law.

Activity outputs undertaken by AMSA that are not in scope for the CRIS are:

- Search and rescue coordination services for maritime and aviation incidents, funded by government budget appropriations²,
- Funding arrangements of shipping and offshore petroleum industries and the International Oil Pollution Compensation (IOPC) fund³,
- Regulatory functions and activities of the National System for domestic commercial vessels (National Law). This is currently funded by a combination of AMSA's reserves, Australian Government funding, and jurisdiction contributions,
- Commercial charges including the sale of publications (task, record, and logbooks), attachment and tourism licensing to third parties to use aids to navigation sites for specific purposes, and sub-leasing office and storage space, and
- Externally funded programs sponsored by various government departments for the provision of specific maritime related services.

1.3. Appropriateness of cost recovery

It is Australian Government policy that when an individual or organisation creates a demand for a government activity, there should generally be a charge for the provision of these activities. Consistent with this policy, full

¹ AMSA's Chapter of [2024-25 Portfolio Budget Statements](#) of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, page 12.

² The Australian Government reaffirmed its initial policy, upon the establishment of AMSA in 1991, and through the Strategic Review of Search and Rescue Service and pricing study in 2001 that search and rescue activities will remain funded from taxpayer funded budget appropriations.

³ *Protection of the Sea (Oil Pollution Compensation Funds) Bill 1992* essentially established the procedure by which entities are required to provide details of oil receipts to the IOPC fund through AMSA - this is not a cost recovery arrangement.

cost-recovery is considered appropriate as users can be readily identified, there is capacity to pay, costs are integral to the provision of regulatory services, and charging will not adversely affect non-government sector.

Participants in the commercial shipping industry pay the costs attributable to the provision of navigational infrastructure within Australian waters, marine environmental protection, seafarer and ship safety, marine services under the *Navigation Act 2012*, ship registration, and fee-based activities under the National Law.

Current Australian Government policy is not to charge a cost-recovery levy for regulatory functions of the domestic commercial vessel industry until the *Australian Transport Safety and Investigation Bodies Financial Sustainability Review* (Financial Sustainability Review) is complete.

Further, the Australian Government continues to fund search and rescue functions and activities attributable to community service obligations to the broader community through budget appropriations.

1.4. Stakeholders

Principal stakeholders for AMSA's regulatory charging activity outputs are:

- vessel owners and operators, accompanied by associated agents – international and domestic commercial vessels operations,
- seafarers and coastal pilots – international and domestic near coastal qualifications,
- accredited marine surveyors,
- registered training organisations,
- Commonwealth, State and Territory agencies, and
- Australian community.

2. POLICY AND STATUTORY AUTHORITY TO CHARGE (COST RECOVER)

2.1. Government policy approval to charge for regulatory activity outputs

Explanatory Memorandum of the *Australian Maritime Safety Authority Bill 1990* states that the intent of the Australian Government is for AMSA to 'run on a self-funded basis, with services which cannot be provided on a self-funded basis (search and rescue coordination services) to be paid by the Commonwealth'.

AMSA recovers costs from participants in the commercial shipping industry in adherence with *Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017*, which refers to the Charging Framework and Australian Government Cost Recovery Policy.

2.2. Statutory authority to charge

AMSA's regulatory charging activities are authorised by the application of Australian Commonwealth legislative instruments, in particular Part 5, Division 2 of the *Australian Maritime Safety Act 1990*, which provides for the charging of levies and fees with references to the following Acts:

- *Navigation Act 2012*
- *Marine Navigation Levy Act 1989*
- *Protection of the Sea (Shipping Levy) Act 1981*
- *Marine Navigation (Regulatory Functions) Levy Act 1991*
- *Shipping Registration Act 1981*

AMSA also has statutory authority to charge National System fees arising from Section 150, Schedule 1 of the *Marine Safety (Domestic Commercial Vessel) National Law Act 2012*.

A summary by AMSA's activity outputs of government policy approval to cost recover, including date of approval, and statutory authority to charge with legislative references is included in Appendix 2.

3. CHARGING (COST RECOVERY) MODEL

3.1. Outputs and business processes of the activity

AMSA's policy outcome is to deliver on seafarer and ship safety, and marine environmental protection through regulations, as well as provide search and rescue capability. The activity outputs and primary activities for all outputs are itemised in Appendix 1.

Levy-based activities

Levy-based charging activities relate to the provision of statutory regulatory services to a group of individuals or organisations, as opposed to transactional business processes. These regulatory based business processes are carried out as overall activities that aim to minimise risks of shipping and pollution incidents and maximise safety of people involved.

Business processes include provision and maintenance of aids to navigation sites, standard and policy development specifically related to our regulatory functions, managing the National Plan for maritime environmental emergencies, compliance audits, investigations and enforcement, and development and promulgation of educational and advisory material.

Fee-based activities

Driven largely by transactional business processes specifically performed for, at the request of, or on the application of a particular individual or organisation. Fee-based regulatory charging activities support specific regulatory functions to which the fees relate. There is clear and distinct linkage of business processes and costs, to the benefits provided to an individual or organisation.

Generic business processes for AMSA's fee-based activities include:

- receipt, review, and decision on an application, including ongoing consultation with the applicant,
- undertaking technical assessment, with a decision made by a delegate,
- processing and issuing a certificate, license, exemption, determination, or approval, and
- notifying applicant.

In practice, administrative business procedures for the receipt, review and issue are broadly similar across fee-based charging activities. However, time and effort (and associated costs) for technical assessments and decisions vary between types of outputs and the complexity or nature of the application.

3.2. Costs of the regulatory activity

AMSA applies an activity-based costing (ABC) methodology and approach to determine costs for activity outputs and regulatory charging activities as depicted in Appendix 3. This comprehensive approach allocates all AMSA's costs to tasks and activities based on estimated time and effort, and the specific purposes of service contracts, with overheads assigned to direct costs based on associated drivers.

In developing the 2024-25 budget ABC model, an independent external consultant was engaged by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts as part of the Financial Sustainability Review. This consultant enhanced AMSA's ABC model by dissecting activities into distinct tasks and a more thorough granular level. This work was undertaken in late 2023 and has been incorporated into the 2024-25 Budget ABC model.

Estimated costs for providing AMSA's regulatory charging activity outputs, including direct average staffing levels (ASL) are provided in Table 1.

Table 1 – Breakdown of cost estimates for 2024-25

Activity outputs and groups	Direct ASL*	Direct (\$'000)	Corporate overheads (\$'000)	Capital (\$'000)	Total (\$'000)
Navigational infrastructure	18.5	\$ 23,650	\$ 4,369	\$ 8,012	\$ 36,031
Provision and maintenance of aids to navigation	15.8	\$ 19,637	\$ 3,786	\$ 7,965	\$ 31,388
Vessel traffic services (ReefVTS)	0.2	\$ 2,772	\$ 271	\$ 4	\$ 3,047
Provision of under keel clearance management	0.4	\$ 854	\$ 112	\$ 8	\$ 974
Other (i.e., levy management, and standards development)	2.1	\$ 387	\$ 200	\$ 35	\$ 622
Environmental marine protection	23.3	\$ 23,612	\$ 4,699	\$ 5,490	\$ 33,801
National Plan pollution response	21.0	\$ 23,185	\$ 4,484	\$ 5,452	\$ 33,121
Other (i.e., enforcement, engagement, levy management, and standards development)	2.3	\$ 427	\$ 215	\$ 38	\$ 680
Seafarer ship safety under Navigation Act and other Acts	119.4	\$ 35,895	\$ 13,094	\$ 2,530	\$ 51,519
Compliance	23.0	\$ 8,250	\$ 2,682	\$ 753	\$ 11,685
Engagement	22.1	\$ 6,178	\$ 2,314	\$ 379	\$ 8,871
Decision support & intelligence	3.7	\$ 5,138	\$ 764	\$ 65	\$ 5,967
Standards development	19.0	\$ 3,754	\$ 1,827	\$ 289	\$ 5,870
Enforcement	14.8	\$ 3,381	\$ 1,500	\$ 306	\$ 5,187
Integrated operations	13.0	\$ 2,834	\$ 1,278	\$ 207	\$ 4,319
Education	8.7	\$ 1,701	\$ 847	\$ 154	\$ 2,702
Seafarer safety	4.8	\$ 1,916	\$ 541	\$ 100	\$ 2,557
Ship registration	4.0	\$ 1,059	\$ 447	\$ 109	\$ 1,615
Beacons	2.5	\$ 513	\$ 306	\$ 62	\$ 881
Qualifications	1.5	\$ 492	\$ 293	\$ 25	\$ 810
Other (i.e., audit & assurance, certification, exemptions & approvals, and levy management)	2.3	\$ 679	\$ 295	\$ 81	\$ 1,055
Marine services & ship registration	26.3	\$ 6,608	\$ 3,813	\$ 1,004	\$ 11,425
Certification	6.9	\$ 1,894	\$ 1,177	\$ 563	\$ 3,634
Compliance	6.7	\$ 2,174	\$ 749	\$ 188	\$ 3,111
Qualifications	7.0	\$ 1,650	\$ 1,316	\$ 118	\$ 3,084
Ship registration	4.5	\$ 596	\$ 446	\$ 113	\$ 1,155
Audit & assurance	1.2	\$ 294	\$ 125	\$ 22	\$ 441
Marine services under National Law	22.9	\$ 8,086	\$ 3,971	\$ 958	\$ 13,015
Certification	9.3	\$ 3,730	\$ 1,655	\$ 675	\$ 6,060
Qualifications	8.6	\$ 2,656	\$ 1,752	\$ 152	\$ 4,560
Exemptions & approvals	5.0	\$ 1,700	\$ 564	\$ 131	\$ 2,395
Total for regulatory charging	210.4	\$ 97,851	\$ 29,946	\$ 17,994	\$ 145,791

* Direct ASL does not include line manager or corporate support staff, nor staff who conduct non-regulatory charging activities (such as search and rescue, or National Law regulatory functions).

3.3. Design of the regulatory charge

Regulating international and domestic commercial vessels, operators, and seafarers is a complex undertaking, with a wide variety of vessel types, manning levels, competency prerequisites, handling requirements for various cargoes, operational conditions, and jurisdiction and international obligations.

AMSA applies a ‘user pays’ principle for regulatory charging activities. The design of AMSA’s regulatory charging activity outputs considers whether the provision of such regulatory activities is to an individual entity (attributed to that entity), or to a group of entities (provided to commercial shipping industry and broader community); where the former, fees are charged, whereas the latter involves levies.

Levy-based activities

AMSA’s methodology for charging levies is derived from historical predecessors, as well as international standards where banding by tonnage is considered customary practice for the commercial shipping industry. Levy rates within these bands are adjusted periodically to address shortfalls or imbalances, with the last change occurring in 2014-15, with no indexation being applied.

International commercial vessels are liable for levies on either (1) the date of arrival to an Australian gazetted port, or (2) where the vessel is in Australian waters with no corresponding paid levy applicable for the previous three months, the day after the end of that period. For Australian coastal trading vessels, unless the vessel is out-of-service, levies are payable at the start of each quarter.

The average number of port visits during each levy payment period (three months) varies depending on the vessel type and handling of cargoes, with bulk cargo vessels averaging around one to two visits per levy payment period and container ships around five to six.

The commercial shipping industry pays levies on non-exempted vessels⁴ that are twenty-four metres or more in tonnage length, with the rate based on a vessel’s net registered tonnage, with environmental marine protection activity output charged on vessels that also carry ten or more tonnes of oil on board, with a minimum amount payable of \$10. AMSA’s levy ready reckoner is in Table 2.

Table 2 - AMSA’s levy ready reckoner

		Net registered tonnage (NRT)			
		From:	5,001	20,001	50,001
	To:	5,000	20,000	50,000	∞
Levy	Charging structure	Cents per NRT	Cents per NRT	Cents per NRT	Cents per NRT
Marine Navigation Levy	Sliding scale	23.50	12.00	7.00	2.50
Regulatory Functions Levy	Sliding scale	17.00	17.10	17.00	15.50
Protection of the Sea Levy	Linear	11.25	11.25	11.25	11.25
Levy calculation		51.75c for each tonne	\$2,588 plus 40.35c for each tonne over 5,000	\$8,640 plus 35.25c for each tonne over 20,000	\$19,215 plus 29.25c each tonne over 50,000

Most vessel types visiting Australian ports are bulk cargo carriers, with iron ore and coal vessels contributing two-thirds of total net tonnage, indicating a heavy reliance for AMSA’s levy revenue on iron ore and coal exports.

Despite a steady regulatory effort in aids to navigation, demand for inspections, and other regulatory functions, international ships usages and volumes are influenced by externalities that are outside AMSA’s control, which may impact volumes year-on-year. These include the economic climate and disruptions, potential trade disputes, pandemics, and the changing climate.

In relation to environmental marine protection, given the nature and purpose of this activity, it is not possible to ascertain when a marine environmental emergency will occur. When an incident does occur, costs of clean-up operations and financial commitments can be enormous, with legal proceedings often taking years to conclude. While international compensation regimes are generally highly effective, the cost of responding to an incident

⁴ There is a list of exemptions contained in the *Marine Navigation Levy Collection Regulations 2018*, *Marine Navigation (Regulatory functions) Levy Collection Act 1991*, and *Protection of the Sea (Shipping Levy) Regulation 2014*. There will be situations where vessels are exempt from both the Marine Navigation Levy and Regulatory Functions Levy but will be liable for Protection of the Sea Levy – generally, these vessels include fishing, religious charitable, non-for-profit organisations, or research vessels.

can exceed the available liability and compensation limits. From evidence of significant incidents overseas, governments have had to bear any shortfall, which can be many hundreds of millions of dollars. AMSA holds a \$50 million pollution response reserve to enable an immediate response and to fund any pollution incidents that may occur, reducing reliance on the Australian Government which effectively underwrites any potential liability exceeding this reserve.⁵

These factors mean that any projections of expected growth (or reductions) in demand for regulatory charging activities must consider complex relationships within the commercial shipping industry. AMSA is continuing to develop and rollout risk-based models to provide better insights into the linkages between the level of regulatory effort and costs, against the regulatory charging of industry.

Fee-based activities

Fee-based activities include, assessment of applications, exemptions and determinations, inspections and surveys, registration of vessels, conducting examinations, auditing registered training and accreditation of non-government service providers.

AMSA applies fixed fees to regulatory charging fee-based activities where the range of typical delivery times do not vary significantly from the standard average time. Where there are wide variations, indicated by significant divergences from the standard deviation, the basis of the relevant charge is an hourly rate, and any reasonable unavoidable travel costs. These travel costs may be flights and accommodation, where provisions of services are at locations remote from AMSA's regional offices, or motor vehicle travel rates where vehicles are used for the mode of transportation to and from offices.

Marine services and ship registration is tracked using multiple systems, including a Coastal Pilotage System, International Marine Qualifications System, NAVIS (ship registration), MARS (domestic commercial vessels), and AMSA's Financial Management Information System. Volumes are estimated based on inputs provided by business line managers during the budget development process, using largely historical data obtained from these various systems, and adjusted for expected variances.

A schedule of fee-based regulatory charging activities, separated into fees under the *Navigation Act 2012*, *Shipping Registration Act 1981*, and fees under National Law, is included in Appendix 4. Charging rates are published on AMSA's website.

Revenue estimates

Revenue estimates for current, budget, and the three forward year estimates are summarised in Table 3.

Table 3 - Revenue estimates

	Estimates	Budget	Forward year estimates		
Activity output	2023-24 (\$'000)	2024-25 (\$'000)	2025-26 (\$'000)	2026-27 (\$'000)	2027-28 (\$'000)
Levy-based activities					
Navigational infrastructure	\$ 37,631	\$ 38,308	\$ 38,998	\$ 39,700	\$ 40,415
Environmental marine protection	\$ 38,398	\$ 39,089	\$ 39,793	\$ 40,509	\$ 41,238
Seafarer ship safety under Navigation Act and other Acts	\$ 57,508	\$ 58,543	\$ 59,597	\$ 60,670	\$ 61,762
Total levy-based activities	\$ 133,537	\$ 135,940	\$ 138,388	\$ 140,879	\$ 143,415
Fee-based activities					
Marine services under Navigation Act	\$ 2,751	\$ 2,704	\$ 2,450	\$ 2,450	\$ 2,450
Shipping registration	\$ 812	\$ 893	\$ 770	\$ 770	\$ 770
Marine services under National Law*	\$ 4,704	\$ 4,886	\$ 3,290	\$ 3,290	\$ 3,290
Total fee-based activities	\$ 8,267	\$ 8,483	\$ 6,510	\$ 6,510	\$ 6,510

⁵ Refer to *Budget 2024-25, Budget Paper No. 1*, page 320 on further details on the contingent unqualifiable liability from ship-sourced pollution incident costs.

Total regulatory charging revenue	\$ 141,804	\$ 144,423	\$ 144,898	\$ 147,389	\$ 149,925
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* Marine services under National Law have been slightly revised downwards from the 2024-25 Budget in May 2024.

Levy revenue estimates are based on a five-year historical average growth rate of 1.8% with net registered tonnage of vessels visiting Australian ports driving this growth, rather than any changes in charge-out rates. Note that levy revenue has been re-baselined downward by \$4 million from estimates in the 2023-24 CRIS due to a decrease in actual revenue. This is predominately due to a reduction in revenue from iron ore and coal vessels.

4. RISK ASSESSMENT

AMSA has implemented internal controls to ensure costs recovered for regulatory charging activity outputs are measured correctly and are collected on time. In adherence to legislative obligations, an officer of Australian Border Force may detain a vessel at any Australian gazetted port for any unpaid and outstanding levies. The vessel can only be released after payment is received. This process ensures the existence of any unpaid levies are consistently at an extremely very low level.

An assessment of regulatory charging activities was conducted using Department of Finance's Charging Risk Assessment (CRA). AMSA self-assessed, with agreement by Finance, that the risk is low to medium, given there are no anticipated changes (other than indexation) to current activities in 2024-25.

Identified enterprise risks, accompanying mitigation strategies and controls, are provided in Table 4 with additional details to be provided in AMSA's 2024-25 Corporate Plan.

Table 4 - Enterprise risk and mitigation strategies

Enterprise risks identified and mitigation strategy and controls	Residual risk
Risk 1: AMSA is an ineffective regulator	Residual risk: Moderate
Mitigation strategy: <i>Annual regulatory program, annual compliance program, operations audit and review program, integrated management system, DCV regulatory scheme, ship inspection program, navigation services (UKCM, Coastal Pilotage system, VTS), IMO GHG reduction strategy, stakeholder engagement framework</i>	
Risk 2: AMSA does not respond effectively to significant incidents resulting in avoidable loss of life, environmental damage or harm to the community, critical infrastructure, and socio-economic resources	Residual risk: Moderate
Mitigation strategy: <i>National response capability statement, National Plan for Maritime Environmental Emergencies, craft track information systems, internal incident management arrangements, maritime safety, and distress communication services, 24/7 response centre, beacons database, incident response asset management, emergency towage capability, aviation assets</i>	
Risk 3: AMSA does not effectively engage with customers and stakeholders, including those with influences	Residual risk: Moderate
Mitigation strategy: <i>Customer feedback processes, regional presence, AMSA connect, regulatory customer experience feedback, AMSA media and communication presence, stakeholder consultative forums, public and community engagement initiatives</i>	
Risk 4: Ongoing funding arrangements for the National System are not resolved by Government and/or AMSA is not able to demonstrate efficient costs to administer the National System to the satisfaction of government resulting in an ongoing shortfall of funding	Residual risk: High
Mitigation strategy: <i>Activity based costing, internal budgeting and reporting processes, Portfolio Board, P3M arrangements, levy collection and review processes</i>	
Risk 5: Fail to maintain a safe work environment	Residual risk: Low
Mitigation strategy: <i>WHS Management plans, remote working policies, fatigue risk management initiatives, bullying and harassment protections, diversity objectives, HSE Committee and staff representation, integrated management system, AMSA's learning management systems, employee wellbeing programs, pandemic, and other plans.</i>	
Risk 6: Ineffective internal systems of control	Residual risk: Low
Mitigation strategy: <i>Accountable Authority Instructions, policies, and procedures, fraud and corruption control program, HR and Payroll processing, governance, compliance and assurance reporting framework, financial</i>	

Enterprise risks identified and mitigation strategy and controls	Residual risk
<i>delegations, integrated management system, systems of risk and oversight, document control and assurance processes, review of non-financial performance measures, and training and awareness programs.</i>	
Risk 7: AMSA fails to have the right capability to respond appropriately to the changing environment.	Residual risk: Moderate
Mitigation strategy: <i>Strategic Workforce Plan, Strategy 2030, Digital Plan, enterprise asset management, lessons management processes, data and business intelligence teams, and new technology.</i>	
Risk 8: Ineffective cyber security controls and protocols results in AMSA’s critical, sensitive, or personal data sets being compromised.	Residual risk: Moderate
Mitigation strategy: <i>Strategic information roadmap, Information Technology Security advisor, procurement and contract management requirements, Change Advisory Board, privacy officer and privacy action plan requirements, ID verification frameworks, records management.</i>	
Risk 9: Unintended consequences of the disapplication of the Navigation Act 2012 (offshore industry units)	Residual risk: Moderate
Mitigation strategy: <i>Monitoring of risk and continue advocacy, continued engagement with other interested parties and stakeholders</i>	

5. STAKEHOLDER ENGAGEMENT

Stakeholder engagement is integral to AMSA’s ability to promote safe operations, implement and enforce regulations, and deliver sound regulatory decisions that support maritime safety, innovation, and viability, and protect the environment.

In adherence to its [Statement for Regulatory Approach](#) AMSA engages with a range of stakeholders across the domestic and international maritime industry, providing information and inviting feedback. The range of networks and channels, including:

- Engagement with industry committees, such as National Safety Committee and Shipping Consultative Forum, to discuss regulation, compliance, the environment, and to provide insights into emerging trends, challenges, and future technologies.
- Targeted campaigns and engagement with specific entities and bodies (e.g., consultation and requesting feedback on design changes to Marine Orders).
- Use of AMSA Connect to coordinate enquiries and provide responses to industry.
- Keeping stakeholders informed through accurate, timely and relevant information using multiple one-way communication channels, such as websites, social media, direct emails, newsletters, publications, and industry events and conferences.

During the 2023-24 Budget, the Australian Government announced the *Australian Transport Safety and Investigation Bodies Financial Sustainability Review* (the Review) to consider operations, potential efficiencies, and options for future regulatory charging arrangements for Australia’s transportation agencies, which included AMSA. This Review has taken consideration of the matters from *Independent Review of Domestic Commercial Vessel Safety Legislation and Costs and Charging Arrangements* (National Law Review) on delivery costs of National System and future funding options that commenced in 2022. Both reviews engaged extensively with AMSA’s regulated industry groups and participants on its cost recovery arrangements up until early 2024.

Given that AMSA is not proposing any change to regulatory charging rates other than legislative indexation for National Law fees (which has been communicated to external stakeholders), and the scale of engagement with industry that occurred during both reviews, no specific consultation on the 2024-25 CRIS has been undertaken.

6. FINANCIAL PERFORMANCE

6.1. Financial Estimates

Financial estimates for AMSA’s regulatory charging activity outputs for current, budget and the three forward year estimates are summarised in Table 5 below.

Table 5 - Financial estimates of AMSA's regulatory charging activity outputs

	Estimates	Budget	Forward year estimates		
	2023-24 (\$'000)	2024-25 (\$'000)	2025-26 (\$'000)	2026-27 (\$'000)	2027-28 (\$'000)
Navigational infrastructure					
Revenue (X)	\$ 37,631	\$ 38,308	\$ 38,998	\$ 39,700	\$ 40,415
Expenses (Y)	\$ 35,976	\$ 36,028	\$ 35,819	\$ 36,362	\$ 36,969
Balance (X - Y)	\$ 1,655	\$ 2,280	\$ 3,179	\$ 3,338	\$ 3,446
Environmental marine protection					
Revenue (X)	\$ 38,398	\$ 39,089	\$ 39,793	\$ 40,509	\$ 41,238
Expenses (Y)	\$ 33,754	\$ 33,802	\$ 33,606	\$ 34,116	\$ 34,685
Balance (X - Y)	\$ 4,644	\$ 5,287	\$ 6,187	\$ 6,393	\$ 6,553
Seafarer ship safety under National Act and other Acts					
Revenue (X)	\$ 57,508	\$ 58,543	\$ 59,597	\$ 60,670	\$ 61,762
Expenses (Y)	\$ 51,443	\$ 51,517	\$ 51,217	\$ 51,994	\$ 52,862
Balance (X - Y)	\$ 6,065	\$ 7,026	\$ 8,380	\$ 8,676	\$ 8,900
Marine services & ship registration					
Revenue (X)	\$ 3,563	\$ 3,597	\$ 3,220	\$ 3,220	\$ 3,220
Expenses (Y)	\$ 11,408	\$ 11,425	\$ 11,358	\$ 11,531	\$ 11,723
Balance (X - Y)	(\$ 7,845)	(\$ 7,828)	(\$ 8,138)	(\$ 8,311)	(\$ 8,503)
Marine services under National Law					
Revenue (X)	\$ 4,704	\$ 4,886	\$ 3,290	\$ 3,290	\$ 3,290
Expenses (Y)	\$ 12,993	\$ 13,012	\$ 12,936	\$ 13,132	\$ 13,351
Balance (X - Y)	(\$ 8,289)	(\$ 8,125)	(\$ 9,646)	(\$ 9,842)	(\$ 10,061)
Total estimates					
Total revenue	\$ 141,804	\$ 144,423	\$ 144,898	\$ 147,389	\$ 149,925
Total expenses	\$ 145,575	\$ 145,783	\$ 144,936	\$ 147,135	\$ 149,590
Balance	(\$ 3,771)	(\$ 1,360)	(\$ 38)	\$ 254	\$ 335

6.2. Financial Outcomes

Historical financial performance of AMSA's regulatory functions from 2018-19 to 2022-23 are included in Table 6, incorporating a summarisation of regulatory charging activity by outputs, total actuals compared to estimates, and explanations of material variations.

Table 6 - Historical performance of AMSA's regulatory charging activity outputs

	2018-19 (\$'000)	2019-20 (\$'000)	2020-21 (\$'000)	2021-22 (\$'000)	2022-23 (\$'000)
Navigational infrastructure					
Revenue (X)*	\$ 36,539	\$ 36,281	\$ 38,146	\$ 43,556	\$ 37,539
Expenses (Y)	\$ 35,567	\$ 37,164	\$ 41,294	\$ 36,996	\$ 33,528
Balance (X - Y)	\$ 972	(\$ 883)	(\$ 3,148)	\$ 6,560	\$ 4,011
Environmental marine protection					
Revenue (X)*	\$ 39,234	\$ 48,156	\$ 49,773	\$ 38,501	\$ 38,673
Expenses (Y)	\$ 62,707	\$ 29,686	\$ 25,311	\$ 26,719	\$ 27,302
Balance (X - Y)	(\$ 23,473)	\$ 18,470	\$ 24,462	\$ 11,782	\$ 11,371
Seafarer ship safety under National Act and other Acts					
Revenue (X)	\$ 53,470	\$ 54,949	\$ 56,724	\$ 57,835	\$ 57,193
Expenses (Y)	\$ 35,507	\$ 50,433	\$ 47,343	\$ 49,675	\$ 55,571
Balance (X - Y)	\$ 17,963	\$ 4,516	\$ 9,381	\$ 8,160	\$ 1,622

	2018-19 (\$'000)	2019-20 (\$'000)	2020-21 (\$'000)	2021-22 (\$'000)	2022-23 (\$'000)
Marine services & ship registration					
Revenue (X)	\$ 3,813	\$ 2,959	\$ 2,930	\$ 2,853	\$ 3,642
Expenses (Y)	\$ 5,995	\$ 10,897	\$ 9,000	\$ 9,134	\$ 9,410
Balance (X - Y)	(\$ 2,182)	(\$ 7,938)	(\$ 6,070)	(\$ 6,281)	(\$ 5,768)
Marine services under National Law					
Revenue (X)	\$ 3,360	\$ 2,988	\$ 3,098	\$ 3,325	\$ 3,687
Expenses (Y)	\$ 6,359	\$ 7,256	\$ 7,772	\$ 7,849	\$ 8,467
Balance (X - Y)	(\$ 2,999)	(\$ 4,268)	(\$ 4,674)	(\$ 4,524)	(\$ 4,780)

Actuals					
Total revenue*	\$ 136,416	\$ 145,333	\$ 150,671	\$ 146,070	\$ 140,734
Total expenses	\$ 146,135	\$ 135,436	\$ 130,720	\$ 130,373	\$ 134,278
Balance	(\$ 9,719)	\$ 9,897	\$ 19,951	\$ 15,697	\$ 6,456
Previous estimates in budget CRIS					
Total revenue	\$ 127,366	\$ 134,859	\$ 134,300	\$ 134,890	\$ 140,838
Total expenses	\$ 121,869	\$ 120,468	\$ 130,064	\$ 130,386	\$ 133,552
Balance	\$ 5,497	\$ 14,391	\$ 4,236	\$ 4,504	\$ 7,286
Variances**					
Total revenue	\$ 9,050	\$ 10,474	\$ 16,371	\$ 11,180	(\$ 104)
Total expenses	(\$ 24,266)	(\$ 14,968)	(\$ 656)	\$ 13	(\$ 726)
Balance	(\$ 15,216)	(\$ 4,494)	\$ 15,715	\$ 11,193	(\$ 830)

Explanation of material variations:

AMSA has an obligation to meet clean-up costs from ship-sourced marine pollution. There is timing variance associated with outflows of clean-up operation costs incurred immediately following an incident, with any inflows from insurance recoveries or legal settlements typically received up to four years later.

In 2018-19, AMSA recognised a \$27.1 million provision associated with an incident that occurred in June 2018. This clean-up operation finished in June 2020 with actual expenditure of \$15.7 million. The remaining provision of \$11.4 million was reversed and recognised as revenue in 2019-20.

For 2019-20 and 2020-21 AMSA received insurance recoveries and legal settlements for prior year pollution incidents. Further, for these financial years, and in 2021-22, levy revenue was higher than expected driven by a rise in the number of international vessels (and associated tonnage) visiting Australian ports.

In 2021-22, a reversed of \$3.6 million from the provision for lead paint and asbestos remediation works on aids to navigation sites was recognised as revenue. Previously in 2019-20 and 2020-21 \$4.9 million and \$6.3 million respectively was booked as a provision as evidence of its existence became known.

For 2017-18 and 2018-19, there was a redirection of resources towards National Law regulatory functions due to an unexpected level of transitional workloads associated with taking on full-service delivery, with 2019-20 resourcing back to regulating the international owners and operators.

* Revenue includes insurance recoveries and legal settlements for aids to navigation assets and environmental emergency pollution responses. In relation to environmental emergencies, there is typically up to a four delay in the incurring expenditure associated with clean-up operations which occur immediately following an incident, and any eventually insurance recovery or legal settlement when the polluter is identified - where pollution is from an unknown ship source, AMSA will bear all the costs associated with clean-up.

** Variances are: +ve = favourable (more revenue or less expenses); -ve = unfavourable (less revenue or more expenses)

7. NON-FINANCIAL PERFORMANCE

AMSA reports its non-financial performance measures targets in Portfolio Budget Statements and Corporate Plans and reports actual results against these targets in annual reports. The measures specifically for regulatory charging activities are summarised in Table 7, broken down by activity output accompanying the set target.

Table 7 - Non-financial performance measures

Activity output / summarised non-financial performance measure ^(a)	Actual					Estimate	Budget	
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
Environmental marine protection								
Reducing trend in the number of significant pollution incidents ^(b)	Target	< 0.7%	Trending to zero	Trending to zero	Trending to zero	Trending to zero	Trending to zero	Trending to zero
	Actual	0%	0	0	2	0	0	
	Result	✓	✓	✓	x	✓		
Environmental marine protection								
Timeliness of response to significant oil spill incidents ^(c)	Target			Within 4 hours	Within 4 hours	Within 4 hours	Within 4 hours	Within 4 hours
	Actual			Achieved	Achieved	Achieved		
	Result			✓	✓	✓		
Seafarer ship safety under National Act and other Acts								
Proportion of serious incidents to total port arrivals in Australian waters under <i>Navigation Act 2012</i> ^(d)	Target	≤ 0.5%	≤ 0.5%	≤ 0.5%	≤ 0.5%	≤ 1.5%	≤ 1.5%	≤ 1.5%
	Actual	0.42%	0.19%	1.16%	0.81%	0.79%	0.81%	
	Result	✓	✓	x	x	✓		
Seafarer ship safety under National Act and other Acts								
Port State control risk-based inspection targets are met ^(e)	Target	100%	100%	100%	100%	100%	100%	100%
	Actual	100%	100%	100%	100%	100%	99%	
	Result	✓	✓	✓	✓	✓		

(a) In response to the release in January 2020 of the Department of Finance's Resource Management Guide No. 131 – Developing Good Performance Information an extensive review of non-financial performance measures was undertaken with a decision to only retain measures that demonstrate AMSA's outcomes and key outputs. Accordingly, non-financial performance measures were removed from Corporate Plans and PBS reporting, with only those included in 2023-24 Corporate Plan and 2024-25 PBS included in the table.

(b) Reducing trend in number of significant pollution incidents as an indicator of the success of AMSA's preventative measures across its operations which all contribute to preventing marine pollution. A significant pollution incident is defined as a Level 2 (or higher) in accordance with National Plan. Actual results are the number of Level 2 pollution incidents that have occurred. Target up to 2018-19 was a proportion of total number of ship arrivals.

(c) New measure created from 2020-21 onwards.

(d) More accurate reporting and coding of severity of incident data since 2017 has identified that this performance measure tracks above the ≤0.5% target, with the four-year rolling average showing a similar trend. Additionally, there has been a significant increase (45%) in reporting between 2015-16 and 2020-21. To ensure that the target is effective, and realistically reflects current trends and improvement in data reporting and noting the result of this performance measure in the last three years, the target was changed to <1.5% from 2022-23 onwards.

(e) Port State control inspections are focused on a risk-based approach to ensure resources are concentrated on those ships that pose the greatest threat to safety and the environment. AMSA applies a risk-profile with inspection regime targets for each priority level (P1 = high, P4 = low).

8. KEY FORWARD DATES AND EVENTS

Indicative dates for updating tasks throughout the 2024-25 budget year are documented in Table 8.

Table 8 - Key indicative forward dates and events

Key forward events schedule	Indicative next scheduled update
Continued enhancement of ABC model	July 2024 to March 2025
Update financial estimates for 2024-25 Budget	June 2025
Update financial estimates for 2025-26 Budget	June 2026
Portfolio Charging Review	December 2026
Update financial estimates for 2026-27 Budget	June 2027
Engagement with industry on design and development of New Policy Proposal to secure future funding and regulatory charging arrangements	September 2027 to May 2028

9. CRIS APPROVAL AND CHANGE REGISTER

History of changes made to the CRIS and approvals from 2016-17 to 2023-24 are provided in Table 9.

Table 9 - CRIS approval and change register

Date of change	CRIS change	Approver	Basis for change
15/09/2016	Approval for CRIS release	Responsible Minister	New charges – introductory fees of National System
29/06/2017	Certification of CRIS - update of financial estimates	Chief Financial Officer	CRIS for non-National System activities for 2016-17 Budget
27/06/2018	New approval for the CRIS release	Responsible Minister	New charges – National System full-service delivery fee-based activities
21/12/2018	Certification of CRIS - update of financial estimates	Chief Executive Officer	Consolidated CRIS for 2018-19 Budget and 2017-18 year-end results
20/12/2019	Certification of CRIS - update of financial estimates	Chief Executive Officer	Consolidated CRIS for 2019-20 Budget and 2018-19 year-end results
23/07/2020	Certification of CRIS - update of financial estimates	Chief Executive Officer	Consolidated CRIS for 2020-21 Budget
4/12/2020	Certification of CRIS - update of financial estimates	Chief Executive Officer	Consolidated CRIS for updated estimates for 2020-21 Budget and 2019-20 year-end results
9/07/2021	Certification of CRIS - update of financial estimates	Chief Executive Officer	Consolidated CRIS for 2021-22 Budget
6/12/2021	Certification of CRIS - update of financial estimates	Chief Executive Officer	Consolidated CRIS for updated estimates for 2021-22 Budget and 2020-21 year-end results
28/06/2022	Certification of CRIS - update of financial estimates	Chief Executive Officer	Consolidated CRIS for 2022-23 Budget
11/11/2022	Amend certificates of competency (near coastal)	Responsible Minister	Changes in Marine Order 505 - certificates of competency - National Law
26/06/2023	Certification of CRIS - update of financial estimates	Chief Executive Officer	Consolidated CRIS for 2023-24 Budget
28/06/2024	Certification of CRIS - update of financial estimates	Chief Executive Officer	Consolidated CRIS for 2024-25 Budget

APPENDIX 1: ACTIVITY OUTPUTS & DESCRIPTIONS

Summary of AMSA's activity outputs, funding mechanisms, descriptions of primary activities, whether the output is a regulatory charging activity, and identification of key stakeholders is provided in the table below.

Activity output	Funding mechanism	Descriptions of primary activities	Regulatory charging	Key stakeholders
Search and rescue functions	Australian Government departmental appropriations	<p>Search and rescue coordination services for persons in maritime or civil aviation distress or involved in an incident within Australia's internationally designated search and rescue region (53 million square kilometres which is over one-tenth of the earth's surface).</p> <p>The <i>Intergovernmental Agreement on National Search and Rescue Response Arrangements</i> delineates responsibilities and cooperative arrangements between States/Territories agencies and AMSA. It specifies that resources (assistance or facilities as may reasonably be requested) are to be shared without charges, unless otherwise agreed.</p> <p>Search and rescue coordination functions include:</p> <ul style="list-style-type: none"> contracted dedicated fixed-wing aircraft capabilities with professional crew, maintaining maritime distress and communication services utilising <i>Corpas-Sarsat</i> satellite-aided systems, and operating AMSA Response Centre and provision of capabilities. 	No, community services obligation	<p>Intragovernmental departments</p> <p>International governments and entities</p> <p>Commonwealth, State and Territory agencies</p> <p>Cooperative entities</p> <p>People in distress</p> <p>Australian community</p>
Search and rescue activities (live SAR)	Departmental appropriations (demand-driven)	<p>Search and rescue responses (live SAR or demand-driven SAR responses to incidents). Baseline funding is provided with any over/(under)spend in a financial year resulting in an increase/(reduction) in appropriations in the following financial year.</p>	No, community services obligation	<p>People in distress</p> <p>Australian community</p>
Navigational infrastructure	Marine Navigation Levy	<p>Maintain a national network of integrated aids to navigation (AtoN) and traffic management measures in Australian waters to ensure safe and efficient coastal navigation of the commercial shipping industry. This includes the provision of technical maintenance and engineering project management services.</p> <p>Other activities include shaping and ensuring appropriate international maritime standard setting at:</p> <ul style="list-style-type: none"> International Maritime Organization (IMO), such as Australia's obligations under International Convention for the Safety of Life at Sea (SOLAS), and International Association of marine aids to navigation and Lighthouse Authorities (IALA). 	Yes	<p>International and coastal trading ship owners and operators</p> <p>International and intragovernmental organisations</p> <p>Commonwealth, State and Territory agencies</p> <p>Australian community</p>
Environmental marine protection	Protection of the Sea Levy	<p>Resources the <i>National Plan for Maritime Environmental Emergencies</i> (National Plan) – currently under review – which is a cooperative arrangement between the Commonwealth, States and Northern Territory governments, and commercial shipping industry.</p> <p>The National Plan details processes about responses to pollution incidents including AMSA's responsibility for:</p> <ul style="list-style-type: none"> funding arrangements for clean-up operation costs relating to ship sourced pollution, and pollution that cannot be attributed to any specific vessel or cannot be wholly recovered from insurance providers. 	Yes	<p>International and coastal trading ship owners and operators</p> <p>Commonwealth, State and Territory agencies</p> <p>Australian community</p>

Activity output	Funding mechanism	Descriptions of primary activities	Regulatory charging	Key stakeholders
		<p>Other primary functions are funding the National Maritime Emergency Response Arrangements, as well as the maintenance of preparedness to combat pollution by ensuring there is adequate capability to respond to incidents through:</p> <ul style="list-style-type: none"> • training of personnel in response techniques, • acquisition, maintenance, and stockpiling of relevant equipment and supplies at key sites around Australia, and • provision of emergency towage capability. 		
Seafarer and ship safety under <i>Navigation Act 2012</i> and other Acts	Marine Navigation (Regulatory Functions) Levy	<p>Conduct a range of maritime safety and regulatory activities on international and national commercial shipping operations. This consists of compliance inspections and audits undertaken on a risk-based sample approach.</p> <p>A fundamental component of the activity is port State control inspections, which are inspections to ensure vessels and their owners or operators comply with regulations relating to vessels, crew, and the marine environment.</p> <p>Other inspections and audits include:</p> <ul style="list-style-type: none"> • flag State control inspections, • marine surveys, • cargo and handling related inspections, • marine qualification duties and accreditations, and • audits of registered training organisations. <p>Promoting a culture of safety in the maritime industry through development of policies, guidelines, and technical requirements (Marine Orders) relating to legislative functions, is an integral component of this activity output.</p> <p>Seafarer and ship safety also includes the development of Australia’s maritime regulations and participation in international and regional maritime forums. It involves developing international standards on seafarer and ship safety and environmental protection, including harmonisation to international standards, mainly promulgated by the International Maritime Organization (IMO), International Labour Organization, and members of the Tokyo and Indian Ocean Memoranda of Understandings for port State control.</p>	Yes	<p>International and coastal trading ship owners and operators</p> <p>Internationally qualified seafarers</p> <p>Registered training organisations</p> <p>Industry groups</p> <p>Unions</p> <p>International and intragovernmental organisations</p>
Marine services under <i>Navigation Act 2012</i> and ship registration under <i>Shipping Registration Act 1981</i>	Fees for services under <i>AMSA Fee Determination 2015</i>	<p>Provides a range of fee-based activities:</p> <ul style="list-style-type: none"> • services to seafarers and coastal pilots (mainly qualifications), including approvals, issuing permits, authorisations, certifications, conducting examinations, and licensing for domestic and internationally recognised marine qualifications, • ensuring vessels are maintained and crewed to a suitable standard. • inspections and surveys requested by ship owners (or agents), • other services, including determinations and exemptions, and • shipping registration of Australian flagged vessels 	Yes	<p>International and coastal trading ship owners and operators</p> <p>Internationally qualified seafarers and pilots</p> <p>Registered training organisations</p> <p>Australian flagged owners and operators</p> <p>Unions</p>

Activity output	Funding mechanism	Descriptions of primary activities	Regulatory charging	Key stakeholders
Seafarer and ship safety under the National Law	Combination of AMSA's reserves, departmental appropriation, and States and Northern Territory jurisdiction contributions	Monitoring compliance of operational standards for domestic seafarers and commercial ships to ensure seaworthiness, safety, and pollution prevention (regulatory activities delivered to industry, compliance and enforcement activities, representation as the regulator in courts and tribunals, and data entry, migration, and verification tasks). Providing public access to domestic seafarer and ship safety standards and policies (industry consultation and forums to shape and ensure appropriate maritime standards setting, and regulation development activities, while instilling a safety culture through education and publications).	No, currently there is no Australian Government policy to adopt cost recovery arrangements	Domestic commercial vessel owners and operators Domestic (near-coastal) seafarers Accredited marine surveyors Commonwealth, State and Territory agencies Industry groups Unions
Marine services under National System for domestic commercial vessels	Fees for services under <u>Marine Safety (Domestic Commercial Vessel) National Law Regulation 2013</u> , indexed annually	Provides a range of fee-based activities to the domestic commercial vessel industry: <ul style="list-style-type: none"> certificates of operation, including assessment of application and issuing approvals for vessels to operate within certain defined areas and purposes, certificates of survey, including assessment of applications, and issuing approvals and certificates, to operate as a commercial vessel ensuring vessels comply with Australian law and standards, seafarer certificates of competency – near coastal, including approvals, assessing revalidations, issuing certifications, and conducting examinations for recognised marine qualifications, marine surveyor accreditation scheme to monitor and maintain competency of the network of accredited surveyors in the non-government sector, and assessment of applications requesting exemptions from standards and regulation of the National System or equivalent means of competency. 	Yes	Domestic commercial vessel owners and operators Domestic (near-coastal) seafarers Accredited marine surveyors Commonwealth, State and Territory agencies Industry groups Unions
Externally funded programs	Memorandum of Understanding arrangements	Externally funded programs sponsored by various Australian Government Departments for provision of specific maritime related services, predominately in relation to search and rescue capabilities in the Indo-Pacific region.	No	Intragovernmental Departments and Agencies
Commercial arrangements	Contractual arrangements	Commercial arrangements include the sale of publications (task, record, and logbooks), attachment and tourism licensing to third parties to use aids to navigation sites for specific purposes, and sub-leasing office and storage.	No	Internationally qualified seafarers Telecommunications companies Tourism operators Intragovernmental Departments Cooperative entities

APPENDIX 2: GOVERNMENT POLICY APPROVAL & STATUTORY AUTHORITY

Summary of government policy approval to cost recover, including date of decisions and statutory authority to charge by activity output, is provided below.

Activity output	Date of decision	Government policy approval	Statutory authority to charge
Navigational infrastructure	11/09/1990, reaffirmed on 17/09/2018	Implied in second reading of <u><i>Australian Maritime Safety Authority Bill 1990</i></u> and Explanatory Statement of <u><i>Marine Navigation Levy Collection Regulations 2018</i></u>	Part 5, Division 2 of <u><i>Australian Maritime Safety Authority Act 1990</i></u> and Explanatory Statement of <u><i>Marine Navigation Levy Collection Regulations 2018</i></u>
Environmental marine protection	28/11/1989	Implied in second reading of <u><i>Australian Maritime Safety Authority Bill 1990</i></u> and second reading of <u><i>Protection of the Sea (Shipping Levy) Bill 1981</i></u>	Part 5, Division 2 of <u><i>Australian Maritime Safety Act 1990</i></u> , Section 5 of <u><i>Protection of the Sea (Shipping Levy) Act 1981</i></u> , and <u><i>National Plan</i></u>
Seafarer and ship safety under <i>Navigation Act 2012</i> and other Acts	June 1989	Implied in second reading of <u><i>Australian Maritime Safety Authority Bill 1990</i></u> and second reading of <u><i>Marine Navigation (Regulatory Functions) Levy Bill 1991</i></u>	Part 5, Division 2 of <u><i>Australian Maritime Safety Act 1990</i></u> and Section 6 of <u><i>Marine Navigation (Regulatory Functions) Levy Act 1991</i></u>
Marine services <i>Navigation Act 2012</i>	11/09/1990	Implied in second reading of <u><i>Australian Maritime Safety Authority Bill 1990</i></u>	Part 5, Division 2 of <u><i>Australian Maritime Safety Act 1990</i></u> and <u><i>AMSA Fees Determination 2015</i></u>
Ship registration under <i>Shipping Registration Act 1981</i>	21/06/2012	Explanatory statement of <u><i>Shipping Registration Regulations (Amendment) 1991</i></u>	Part 5, Division 2 of <u><i>Australian Maritime Safety Act 1990</i></u> , <u><i>Shipping Registration Act 1981</i></u> , and <u><i>AMSA Fees Determination 2015</i></u>
Marine services under National System for domestic commercial vessels – introductory and full-service delivery fees	2/03/2016 and 4/12/2017	Explanatory statements of <u><i>Marine Safety (Domestic Commercial Vessel) National Law Amendment (Cost Recovery) Regulation 2016</i></u> and <u><i>Marine Safety (Domestic Commercial Vessel) National Law Amendment (Cost Recovery) Regulations 2018</i></u>	<u><i>Marine Safety (Domestic Commercial Vessel) National Law 2012</i></u> and <u><i>Marine Safety (Domestic Commercial Vessel) National Law Regulation 2013</i></u>

APPENDIX 3: DEVELOPMENT OF ACTIVITY-BASED COSTING MODEL

Changes in costing model techniques

In developing the 2024-25 Budget costing model, an external consultant was engaged as part of the Financial Sustainability Review to enhance AMSA's activity-based costing (ABC) model. This involved an assessment of AMSA's activity catalogue with a dissection of activities into distinct tasks at a more granular level, and alignment of fee-based activities to legislative references. Business line managers provided inputs on the estimated time for each task of a specific activity, with estimated volumetric data applied to build-up costs using a bottom-up approach.

For certain activities, such as search and rescue functions, navigational infrastructure, and environmental marine protection, a bottom-up costing approach is not considered a viable method as it is extremely difficult to apply specific time to tasks such as triage type activities and those outsourced to service contracts, volumes are also not an ideal driver for these activities. Accordingly, a top-down approach was applied to these activities.

This work was undertaken in late 2023 and has been incorporated into the 2024-25 Budget ABC model and CRIS.

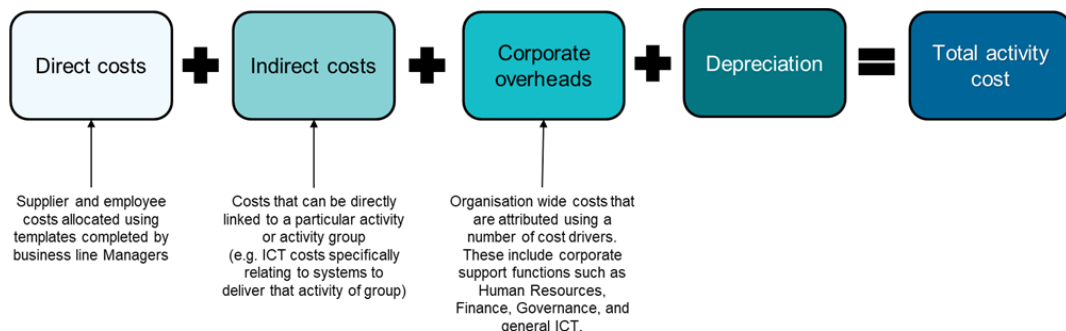
AMSA will continue its commitment of continuously improving its ABC models with thorough analysing of costs, implementing timesheets across outward facing activities, measuring efficiency through benchmarking direct and overhead activities, and aim to reduce administrative burden and costs to regulated entities without compromising on safety.

Cost categories

As part of the costing process, tasks and activities are assigned to one of the following four cost categories to ensure appropriate identification for overheads allocations:

- (1) **Direct:** representing direct processes (or tasks) relevant to service delivery
- (2) **Indirect:** exists to support the delivery of a direct activity. Examples include divisional support activities such as general management, specific ICT costs relating to systems to enable service delivery, and supporting property operating expenditure, ICT networking, and communication. Indirect processes are allocated to direct activities based on a cost object using an appropriate driver.
- (3) **Corporate overheads:** enabling tasks and activities to support service delivery of AMSA's activity outputs through provision of standard corporate and executive functions. Corporate overheads include executive, human resources, finance, governance, and general ICT support, accompanying their respective share of property operating expenditure, ICT networking, and communication. Like indirect, corporate overheads allocated to direct activities based on cost drivers.
- (4) **Depreciation:** representing capital costs, asset register assessed on an asset-by-asset basis. Where there is a specific direct link to an activity, depreciation is assigned to an activity group, where corporate support related, depreciation is assigned to the appropriate overhead classification.

Below is an illustration of the composition of a direct activity cost:



Data collection and collation

The typical approach to develop an ABC model is to use data collection systems, such as timesheets, and to gather information about drivers for use in the allocation of costs to activities. AMSA currently only collects detailed and robust timesheets on specific activities. Accordingly, the approach applied in 2024-25 was to use data collection templates with direct input from each business line manager. Managers provided inputs on the estimated time by AMSA grade for each task of a specific activity, with supplier costs reviewed and allocated to activities and activity groups based on the nature of the transactions. Estimated volumetric data was applied to certain activities to build-up costs using a bottom-up approach, with other activities applying a top-down approach.

Overhead allocations

Collation of data collection templates determined direct costs for each activity output. To calculate fully absorbed costs of an activity output, an attribution of indirect and corporate support costs to each direct activity based on drivers is required. The overhead model applies several cost drivers.

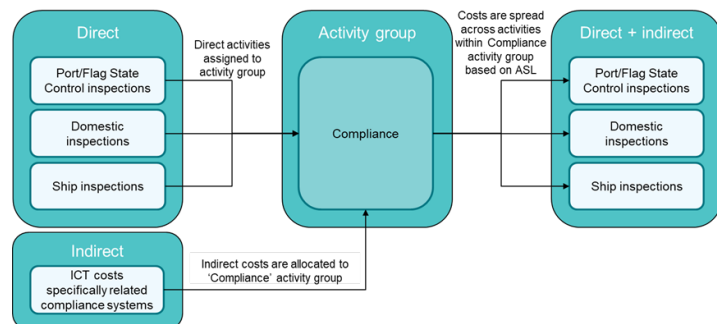
Allocation of indirect support costs

Activity groups are used to assemble similar activities for the purposes of reporting and to allocate indirect support costs to direct activities.

There are two levels of activity groups to provide options in accurately assigning costs:

- Activity group 1 – set at the highest level at which common activities can be identified.
- Activity group 2 – sets a lower level to allow for a more targeted approach to overhead allocation. It also allows for activities to be split between international and domestic industries.

Currently, indirect support costs are assigned to direct activities using direct staffing levels of that respective activity group as a cost-driver. AMSA's ABC model has the flexibility to assign specific costs to individual activity groups. However, at this stage, staffing levels are deemed the most appropriate as costs are influenced by the number of staff.



Where costs are incurred solely to support a specific group of activities, the activity group is used to assign these costs. An example is illustrated that shows ICT hosting and support of software relating to compliance activities is assigned to the activity group. This is typically a one-to-one relationship.

The following indirect costs have been allocated in the model utilising activity groups:

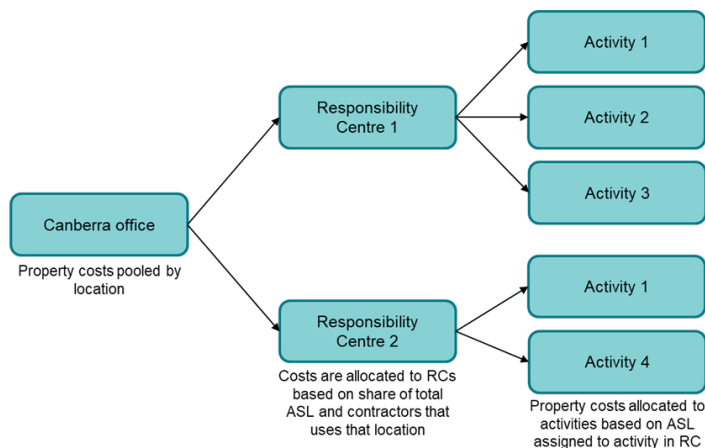
- Support activities (excluding corporate overhead functions) required for the delivery of a group of activities, such as divisional management and administrative costs,
- Depreciation costs for assets that directly support a group of activities, and
- ICT operating expenditure on projects and systems that directly support a group of activities.

Property operating expenditure

Given its role, AMSA operates at numerous locations throughout Australia. This involves leasing offices and storage facilities, as well as owning eight remote residential properties and one regional office. This corresponds to a sizeable property footprint and associated operational expenditure.

Property operating expenditure for office leases and residential properties are allocated by aggregating costs by location, and then directly allocating these costs to each business line area in proportion of the respective number of staff and contractors utilising that location – refer to illustration summarising this process.

Property operating expenditure for direct activities, such as aids to navigation sites or leasing space for National Plan stockpiles, are allocated directly to their respective activity outputs.



Corporate overheads

Corporate overheads are allocated to direct activities using several cost drivers, depending on the nature of the expenditure. The drivers are summarised in the table below.

Overhead category	Allocation method	Rationale
Executive functions	Direct + indirect costs	Appears the most reasonable given executive functions focus on strategic and risk, which is usually dictated by expenditure.
Finance	Direct + indirect costs	Primarily focused on areas of higher spend and risk. A higher cost requires ongoing financial management arrangements.
Governance & risk	Direct + indirect costs	Focuses effort on organisational priorities and risk, with corporate planning an integral output. Strategically important activities receive additional management and analysis compared to lower risk (and generally lower cost) activities.
Human resources	Staffing levels	Cost and resourcing of human resource functions are heavily influenced by quantity of staff that are supported (e.g., payroll, recruitment, training, and performance management).
ICT & communications (excl. directly attributed)	Staffing levels	Driven by the volume of staff and contractors supported by information technology services (e.g., issuance of computers, help-desk requests, telephony, and communications costs).

Attribution of costs to non-regulatory charging activities

AMSA provides services for non-regulatory charging activities, such as search and rescue coordination services, regulatory functions of the National System, enterally funded programs, and commercial arrangements.

Costs for non-regulatory charging activities are identified during the collection and collation phase by direct input from business unit managers, with indirect and corporate overheads treated in the exact same manner as regulatory charging activities. This holistic approach ensures a comprehensive model fulfilling multiple demands for costing, with no risk of omitting or inflating any costs for activity outputs.

Sensitivities

Cost drivers and assumptions underlying the model are developed to limit and constrain any significant sensitivities from changes in demands of regulatory charging activities. Nevertheless, it is recognised that costs are sticky in the short-to-medium timeframe, predominately consisting of contracted suppliers and staff.

Supplier costs are largely longer-term contracts where expenditure relates to service requirements or deliverables. These are generally not dynamic or responsive to short-term changes in demand of regulatory charging activities. Staff costs have a similar constraint for short-term movements and are based on long-term expected time and effort requirements to meet policy outcomes to an acceptable standard, as identified by business unit managers and agreed with industry.

In determining staff and supplier cost levels, AMSA forecasts the expected level of demand for regulatory charging activities as part of its annual budgeting processes. This process is based on historical data and trends, consultation advice, understanding known economic factors, and thorough communication with principal stakeholders. Although, externalities such as pandemic disruptions, trade disputes, or austerity measures, may impact resourcing and service delivery.

APPENDIX 4: SCHEDULE OF FEES-BASED CHARGES

Fees under *Navigation Act 2012* and *Shipping Registration Act 1981*

A schedule of the fee-based regulatory charging activities is listed below, with reference to *Australian Maritime Safety Authority Fees Determination 2015*.

Charge	Type	2023-24	2024-25	
Services to seafarers and pilots				
Examination and assessments				
Approvals and exemptions for a vessel, material handling equipment or loading/unloading arrangements for a vessel, and for second and subsequent visits, inspections of vessels, equipment, or arrangements for these matters	Fixed fee	\$ 168	\$ 168	
Oral examinations for certificate of competency	Fixed fee	\$ 544	\$ 544	
Computer based examination for certificate of competency	Fixed fee	\$ 220	\$ 220	
Assessment of marine qualifications for immigration	Fixed fee	\$ 472	\$ 472	
Undertaking a psychometric assessment	Variable	External provider cost		
Written examination of theory or charts for coastal pilot's licence - standard examination	Fixed fee	\$ 544	\$ 544	
Written examination of theory or charts for coastal pilot's licence - Whitsundays	Fixed fee	\$ 816	\$ 816	
Oral examinations for check pilot licence	Fixed fee	\$ 272	\$ 272	
Certificates for seafarers and pilots				
Initial issue of certificate of competency or proficiency	Fixed fee	\$ 190	\$ 190	
Initial issue of certificate of recognition, or competency, or proficiency, or certificate of equivalence	Fixed fee	\$ 190	\$ 190	
Revalidation of certificate of competency or certificate of recognition, or proficiency, or certificate of equivalence	Fixed fee	\$ 136	\$ 136	
Endorsements to active certificate of competency	Fixed fee	\$ 112	\$ 112	
Initial issue of, or revalidation of, Global Maritime Distress and Safety Systems (GMDSS) competency certificate, or certificate of recognition of GMDSS certificate	Fixed fee	\$ 112	\$ 112	
Issue of initial coastal pilot's licence or reissue of coastal pilot's licence	Fixed fee	\$ 150	\$ 150	
Issue of compass adjuster licence	Fixed fee	\$ 190	\$ 190	
Issue of certificate of safety training	Fixed fee	\$ 190	\$ 190	
Issue of certificate of proficiency as Marine Cook	Fixed fee	\$ 190	\$ 190	
Additional charge for transmission of documents other than by regular mail, such as fax, email, or registered mail:	Fixed fee			
		(a) within Australia	\$ 40	\$ 40
		(b) outside Australia	\$ 80	\$ 80
Inspections and surveys				
Vessel design and performance - tonnage measurement and loadline				
Provision of copies of tonnage calculations	Hourly rate	\$ 272	\$ 272	
Inspections and certification for tonnage measures and loadline	Hourly rate	\$ 272	\$ 272	
Inspections of vessels and equipment				
Approvals and exemptions for a vessel, material handling equipment or loading/unloading arrangements for a vessel, and for second and subsequent visits, inspections of vessels, equipment, or arrangements for these matters	Hourly rate	\$ 272	\$ 272	
Survey for initial issue or reissue of a certificate	Hourly rate	\$ 272	\$ 272	
Follow-up visits to re-inspect deficiencies identified at initial inspections	Hourly rate	\$ 272	\$ 272	
Other services and inspections of vessels and equipment	Hourly rate	\$ 272	\$ 272	

Cargo inspections and approvals			
Visits to vessels or loading facilities for inspections to ensure safe loading and stowage of grain	Hourly rate	\$ 272	\$ 272
Inspections, determinations, approvals, and exemptions for solid bulk cargoes	Hourly rate	\$ 272	\$ 272
Inspections, determinations, approvals, and exemptions for dangerous goods	Hourly rate	\$ 272	\$ 272
Inspections, certifications, approvals, and exemptions for transportation of livestock, including inspections and services for issue or endorsement of an Australian Certification for the Carriage of Livestock	Hourly rate	\$ 272	\$ 272
Inspections and approvals of containers for authorisations to load or unload where container is unsafe, or overloaded, or lacking a valid safety certificate plate, or after expiry of the examination date	Hourly rate	\$ 272	\$ 272
Miscellaneous inspections that are compulsory, requested by the recipient, or follow-up inspections to confirm corrective action	Hourly rate	\$ 272	\$ 272
Other marine services			
Determinations, declarations, exemptions, and approvals			
Determinations (other than manning level determinations), declarations, exemptions, or approvals	Hourly rate	\$ 272	\$ 272
Services relating to manning levels			
Determination of manning levels	Fixed fee	\$ 1,088	\$ 1,088
Review existing approved manning levels	Fixed fee	\$ 544	\$ 544
Services relating to international safety management code			
Document compliance or safety management certificate, including conduct initial audit or for reinstatement	Hourly rate	\$ 272	\$ 272
Scheduled periodic compliance audit relating to continuation of document of compliance or safety management system	Hourly rate	\$ 272	\$ 272
Services to pilotage providers and coastal pilotage exemptions			
Licence as provider of coastal pilotage services or for reinstatement	Hourly rate	\$ 272	\$ 272
Scheduled compliance audit of accredited provider of coastal pilotage services	Hourly rate	\$ 272	\$ 272
Exemption of vessel from coastal pilotage requirements	Hourly rate	\$ 272	\$ 272
Exemption of seafarer from coastal pilotage requirements for exempt vessels	Fixed fee	\$ 136	\$ 136
Services to registered training organisations			
Approval of training course	Hourly rate	\$ 272	\$ 272
Schedule periodic compliance audit of approved courses provided by registered training organisation	Hourly rate	\$ 272	\$ 272
Services to providers of vessel traffic services			
Authorisation to provide vessel traffic services	Hourly rate	\$ 272	\$ 272
Conduct scheduled periodic compliance audit of provider of authorised vessel traffic services	Hourly rate	\$ 272	\$ 272
Shipping registration			
Applications for registration			
Registration of ship required to be registered	Fixed fee	\$ 2,664	\$ 2,664
Registration of ship, other than Australian owned ship, on demise charter to an Australian based operator	Fixed fee	\$ 3,996	\$ 3,996
Registration of ship permitted to be registered, other than foreign owned ship on demise charter to an Australian based operator	Fixed fee	\$ 1,554	\$ 1,554
Transfer or transmission of ownership			
Registration of transfer, transmission of ownership, for ship required by to be registered	Fixed fee	\$ 777	\$ 777

Registration of ship permitted to be registered, other than foreign owned ship on demise charter to an Australian based operator	Fixed fee	\$ 1,332	\$ 1,332
Registration of transfer, transmission of ownership, for ship permitted to be registered, other than foreign owned ship on demise charter to an Australian based operator	Fixed fee	\$ 444	\$ 444
Grant of certificate			
New registered certificate	Fixed fee	\$ 222	\$ 222
Provisional registration certificate	Fixed fee	\$ 333	\$ 333
Extension of period of currency of provisional certificate	Fixed fee	\$ 222	\$ 222
Grant of temporary pass	Fixed fee	\$ 333	\$ 333
Certificate of entitlement to fly Australian national flag or red ensign	Fixed fee	\$ 222	\$ 222
Supply deletion certificate	Fixed fee	\$ 111	\$ 111
Administrative services			
Exemption from registration	Fixed fee	\$ 666	\$ 666
Request for change of name of registered ship	Fixed fee	\$ 111	\$ 111
Request for change of home port of registered ship	Fixed fee	\$ 111	\$ 111
Request for extension of time for lodging documents	Fixed fee	\$ 167	\$ 167
Additional charge for transmission of documents other than by regular mail, such as fax, email, or registered mail:	Fixed fee		
(a) within Australia		\$ 40	\$ 40
(b) outside Australia		\$ 80	\$ 80
Inspections and searches			
Search by staff of Australian Shipping Registration Office of register - for each 15 minutes or remaining part	Fixed fee	\$ 55.5	\$ 55.5
Certified extract of register or of document forming part of or associated with Register	Fixed fee	\$ 75	\$ 75
Certified copy of register entry	Fixed fee	\$ 40	\$ 40
Certified copy of documents forming part of or associate with register - for each page	Fixed fee	\$ 21	\$ 21
Caveats			
Lodgement of caveat	Fixed fee	\$ 222	\$ 222
Services relating to a continuous synopsis record			
New continuous synopsis record	Fixed fee	\$ 555	\$ 555
Reissue of continuous synopsis record	Fixed fee	\$ 170	\$ 170
Amendments to existing continuous synopsis record	Fixed fee	\$ 390	\$ 390
Other services			
Any services not listed elsewhere	Hourly rate	\$ 272	\$ 272
Any services for which AMSA bears a direct expense	Variable	Direct expense	

Fees under National Law

In accordance with Clause 52 of the *Marine Safety (Domestic Commercial Vessel) National Law Regulation 2013*, annual indexation shall apply to specified fees contained within the provisions. This is a mandatory legislative requirement.

The indexation factor applied for 2024-25 is 3.6% (2023-24: 7.0%), based on the March quarterly CPI rate, with an effective date of an increase in fees being 1 July 2024.

Charge	Type	2023-24	2024-25
Certificate of survey			
New certificate of survey	Fixed fee	\$ 429	\$ 444
Renew an existing certificate of survey	Fixed fee	\$ 239	\$ 247
Vary an existing certificate of survey	Fixed fee	\$ 222	\$ 229
Voluntarily suspend a certificate of survey	Fixed fee	\$ 242	\$ 250
Replace a certificate of survey	Fixed fee	\$ 40	\$ 41
Unique vessel identifier			
Unique vessel identifier	Fixed fee	\$ 185	\$ 191
Certificate of operation			
New certificate of operation	Fixed fee	\$ 226	\$ 234
Renew an existing certificate of operation	Fixed fee	\$ 226	\$ 234
Vary an existing certificate of operation	Fixed fee	\$ 211	\$ 218
Voluntarily suspend a certificate of operation	Fixed fee	\$ 242	\$ 250
Replace a certificate of operation	Fixed fee	\$ 40	\$ 41
Certificate of competency (near-coastal)			
Conduct an oral examination	Fixed fee	\$ 398	\$ 412
New certificate of competency (near-coastal): - Coxswain grade 1 - Coxswain grade 2 - Coxswain grade 3 - General purpose hand - Sailing master offshore - Sailing master offshore - Marine engine driver grade 2 - Marine engine driver grade 3 - Master inland waters - Master less than 24 metres	Fixed fee	\$ 174	\$ 180
New certificate for of competency (near-coastal): - Engineer class 3 - Marine engine driver grade 1 - Master less than 45 metres - Master less than 100 metres	Fixed fee	\$ 301	\$ 311
Renew an existing certificate of competency (near-coastal): - Coxswain grade 1 - Coxswain grade 2 - Coxswain grade 3 - General purpose hand - Sailing master offshore - Sailing master offshore - Marine engine driver grade 2 - Marine engine driver grade 3 - Master inland waters - Master less than 24 metres	Fixed fee	\$ 160	\$ 165
Renew an existing certificate of competency (near-coastal): - Engineer class 3 - Marine engine driver grade 1	Fixed fee	\$ 254	\$ 263

Charge	Type	2023-24	2024-25
- Master less than 45 metres - Master less than 100 metres			
Vary an existing certificate of competency (near-coastal) (e.g., remove restriction, add an endorsement, change of name)	Fixed fee	\$ 160	\$ 165
Replace a lost, stolen or destroyed certificate of competency	Fixed fee	\$ 160	\$ 165
Accreditation application fees			
1 to 5 categories of surveying	Fixed fee	\$ 1,699	\$ 1,760
6 to 10 categories of surveying	Fixed fee	\$ 2,605	\$ 2,698
11 to 16 categories of surveying	Fixed fee	\$ 3,510	\$ 3,636
Renew existing marine surveyor accreditation	Fixed fee	\$ 306	\$ 317
Replace lost, stolen or destroyed accreditation card	Fixed fee	\$ 54	\$ 55
Vary an existing accreditation	Fixed fee	\$ 317	\$ 328
National Law exemptions			
Scheme non-survey (Exemption 2)	Fixed fee	\$ 214	\$ 221
Operation beyond survey time (Exemption 6)	Fixed fee	\$ 260	\$ 269
Temporary operations permit (Exemption 7)	Fixed fee	\$ 338	\$ 350
Class C restricted operations (Exemption 40)	Fixed fee	\$ 369	\$ 382
Exemption from application of the National Law or specified provisions of the National Law	Hourly rate	\$ 278	\$ 288
Approval under a Marine Order or an equivalent means of compliance	Hourly rate	\$ 278	\$ 288