

July 28th 2010, Adelaide, South Australia.

SAOGA Finalises Lease & Licence Costs.

Late last year a cost recovery working group was established by PIRSA to enable the oyster industry to work through issues related to cost recovery under the *Aquaculture Act 2001*.

The Working Group comprised the following members, an Independent Chair, Mr Maurie Vast, two members from PIRSA, including the Executive Director, PIRSA Aquaculture Professor Mehdi Doroudi and the Director, Finance and Business Services, Mr Tony Brumfield from PIRSA Corporate and three (3) members from the oyster industry, Mr Steve Bowley Chairman of SAORC and a member of the SAOGA executive, Mr Bruce Zippel President of SAOGA and Ms Jill Coates SAOGA executive member and SAORC Coffin Bay representative.

A total of 6 Meeting occurred throughout 2009 and 2010 and after the review of a number of documents and much deliberation SAOGA & PIRSA could not reach an agreed position. The difference between the two positions was approximately \$80,000. A further meeting was then held to negotiate a compromised position with Bruce Zippel, President SAOGA, Trudy McGowan, Executive Officer SAOGA & SAORC, Geoff Knights (PIRSA CEO), Mehdi Doroudi, Peter Lauer (PIRSA) and Minister O'Brien's Chief Advisor.

After much discussion the Governments offer of meeting them half way was accepted in good faith by SAOGA on behalf of the oyster industry, **but** it was made very clear by SAOGA that it viewed this extra \$40K commitment as **an investment in a better process for the future**. This new process will include the introduction of time sheets for PIRSA aquaculture staff from the 1st of August to ensure accurate and detailed information is available for the next round of cost recovery.

As part of the cost recovery process it was identified the majority of the work carried out by PIRSA staff in the leasing and licensing program is the area of transactions which means that most transaction costs will increase from the date of the new fees being gazetted. Until gazettal the current fees remain in place.

As a consequence of SAOGA and the Government agreeing to a compromise position, Geoff Knight will not charge the full transactional costs for lease upgrades and lease renewals.

The breakups shown below between per site and per ha charges were determined independently by Julian Morrison from Econsearch, similar to what Catherine Barnett did for us two years ago. For those that may suffer hardship due to multiple site transfers there is the ability to negotiate with PIRSA.

Licences:

340 Licences for \$108830 = \$320 per licence

981.55 Ha for \$146809 = \$150 per Ha

Leases:

297 Leases for \$102231 = \$344 per lease

981.55 Ha for \$73101 = \$74 per Ha

Further information will be provided at the South Australian Oyster Growers Seminar to be held on the 16th & 17th of September in Stansbury.

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