

QUESTION ON NOTICE

Question No. 25 of 2025

Legislative Council

ASKED BY: Hon Meg Webb MLC, Member for Nelson

ANSWERED BY: Hon Leonie Hiscutt MLC, Leader of the Government in the Legislative Council

QUESTION:

In relation to the commitments made to ensure the salmon industry operating in Tasmanian waters provides an appropriate return to the Tasmanian community:

- (1) *Can the Government please provide a copy of the 2023/24 Cost Recovery Report, and also detail the following:*
 - (a) *Were administrative and management costs fully recovered?*
 - (b) *Noting the criteria for 'cost recovery' are very narrow, why are other costs – such as State Government contributions to IMAS salmonid research and development, and costs of independent monitoring by the EPA (including lab analyses) – not included as part of cost recovery?*
- (2) *What progress has been made to evaluate a broader 'return to community', and what consultation has been undertaken to seek community views on this?*
- (3) *Of the three major foreign owned salmon aquaculture companies operating in Tasmanian waters, can you confirm profits flow to foreign shareholders, and that two of the three companies pay no company tax, as reported by the Australian Taxation Office?*
- (4) *Given all three major salmon aquaculture companies operating in Tasmanian are beneficiaries of significant research subsidies, can you:*
 - (a) *Confirm IMAS completed a report in 2022 providing alternative strategies to tax economic rents made by the industry; and*
 - (b) *Confirm whether any of these measures will be implemented? If not, what alternative strategies are planned to ensure an appropriate return to the Tasmanian Community?*

(Question asked on 11 March 2025)

ANSWER:

- (1) The financial costings for 2023-24 (i.e. budget) are on the Department of Natural Resources and Environment Tasmania (NRE Tas)'s website at [Cost Recovery | Department of Natural Resources and Environment Tasmania](#). The actuals report for 2023-24 is not yet finalised but will be published on the Cost Recovery website before the end of this financial year.

The cost recovery levy for 2024-25 is \$3,310 per hectare. The expected levy revenue is \$9.61 million.

The cost recovery program follows existing Government guidelines relating to cost recovery, as set out in the Department of Treasury and Finance's *Costing Fees and Charges Guidelines*. The Guidelines have been in place since 2006.

Cost recovery covers both direct and indirect costs across NRE Tas, the Environment Protection Authority Tasmania and the Inland Fisheries Service. It also includes the cost of research undertaken by the Institute for Marine and Antarctic Studies (IMAS) that is funded by these agencies for planning and regulation of the industry.

Some services provided by Government are outside the scope of the cost recovery program as they are more general services. Some services are also provided under their own cost recovery model, such as testing undertaken by Analytical Services Tasmania.

- (2) In addition to full cost recovery, there is a direct economic return to the Crown of more than \$1.2 million generated from annual lease fees for marine farming leases.

Under our *Strong Plan Backing our World-Class Salmon Industry*, we have committed to no new 'salmon taxes'. Consistent with this policy, and as communicated to the House of Assembly Budget Estimates Committee A last year, the Government is not progressing with a further 'return to community' cost to industry.

The *Tasmanian Fisheries and Aquaculture Industry 2020-21: Economic Contributions* study and *Tasmanian Fisheries and Aquaculture Industry 2020/21: Economic Contributions Technical Report*, undertaken by IMAS, were published in December 2023. That study estimates that in 2020-21 the Tasmanian Salmonid aquaculture contributed \$639 million (total gross value added) to the Tasmanian economy.

- (3) Questions relating to company operations are not within my responsibilities as Minister and should be referred directly to the companies.

Questions relating to the payment of company tax should be referred to the Australian Taxation Office as the responsible entity.

- (4) Costs incurred by NRE Tas for research for planning or regulatory purposes relating to the salmon industry are recovered through the cost recovery program.

NRE Tas engaged IMAS to undertake a Tasmanian Salmonid Marine Farming Socio-Economic Assessment. Under the *Right to Information Act 2009* the terms of reference and correspondence regarding the project have been released. The project report was completed in 2022.

Subsequent to the project, a model for full cost recovery has been applied to the Tasmanian salmon industry. The move to full cost recovery means that annual lease fees for salmon marine farming leases generate a direct economic return to the Crown of more than \$1.2 million. This is a return over and above the cost recovery of services provided to the industry.

APPROVED/NOT APPROVED

Hon Eric Abetz MP
Minister for Business, Industry and Resources

Date: April 2025