



2022 Consultation Document on the Distribution between Oyster Growers of Fees and Levies

This consultation document delivers on a commitment given by Oysters Tasmania to Natural Resources and Environment Tasmania (the Department), under the ShellMAP Industry Development Grant, to prepare a document on the distribution between oyster growers of fees and levies, to be prepared with consultation from government and to be used for consultations with growers.

Oysters Tasmania prepared a presentation on how levies are divided up, shared this with the Department on 22 August 2022, and presented this at the Shellfish Futures Conference in St Helens on 2 September 2022. The presentation is on pages 2 to 7.

The presentation includes an Oysters Tasmania proposal. Growers in attendance at Shellfish Futures were invited to anonymously write down their feedback on the proposal and the issue more broadly. This feedback is reported at Appendix A.

All growers are invited to provide feedback by Wednesday 30 November 2022 on both the specific and the broad issue of how fees and levies on oyster growers are divided up. Feedback can be provided by contacting Duncan Spender at Oysters Tasmania at ceo@oysterstasmania.org or on 0401 065 131.

All feedback will be summarised in a further document to be circulated to growers. This further document will be the basis for any detailed discussions with the Department. Any change to the distribution among oysters growers of any fees or levies would require both broad grower support and support from the Department.



How levies are divided up

Context



- OT's 1st priority: cost and value for money for oyster industry as a whole.
- Changing the mix between oyster growers would need broad support.
- Increasing the number of oyster growers would reduce levy per grower.
Otherwise, any change involves winners and losers.

Options to base levy on:

- Licences
- Hectares
- Spat
- Reported production
- Reported employment
- Oyster farming taxable income



OT suggestion



- To base your ShellMAP levy on the lesser of:
 - your share of state-wide hectares
 - your share of state-wide employees
- Hectares and employees are more closely related to production than licences
- Using the lesser of two measures avoids dropping of low-productivity hectares
- Dropping the per-licence basis removes a barrier to amalgamation and expansion



OT suggestion

Your levy = The Department's total levy requirement

×

the lesser of:

- your share of state-wide hectares
- your share of state-wide employees (full-time equivalent, on-farm)

×

a small uplift factor so the total levy requirement is collected
(i.e. the total levy requirement divided by the sum of the initial levy assessments)

Additional OT suggestion



If a lease was unlicensed for at least a year, no ShellMAP levy charged in first year back as a licensed lease.



Appendix A — Summary of anonymous grower feedback gathered at Shellfish Futures

1.

Proposal: “Maybe”.

“Some farms have fewer employees due to mechanisation.

What if you had two growing areas with expansive different management plans (ShellMAP)?
SED machine used rather than employ someone.”

2.

“More information please to compare status quo versus this proposition.”

3.

Proposal and status quo: Both ticked.

“Very worthwhile considering.”

4.

“We believe this proposal has merits and should really be investigated further.”

5.

Proposal: ticked.

“Seems fair.”

6.

Proposal: ticked.

“Interested in doing an individual comparison to that of set up at present.”

7.

“There is no Nash equilibrium that you can achieve.”

8.

Alternative proposed: “Per entity fee plus per hectare fee.”

9.

“Broadly agree.”

10.

“Not worth changing unless or until the other industries are contributing.”