

Impact Analysis Statement

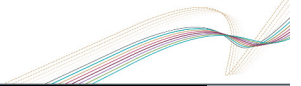
A Summary Impact Analysis Statement (IAS) must be completed for all regulatory proposals. A Full IAS (see Box 1) must also be completed and attached for proposals that have significant impacts. Once completed, the IAS must be published.

Summary IAS

Details

Lead department	Department of Agriculture and Fisheries (DAF)
Name of the proposal	Introduction of fees under the <i>Exhibited Animals Act 2015</i>
Submission type <i>(Summary IAS / Consultation IAS / Decision IAS)</i>	Summary Impact Analysis Statement
Title of related legislative or regulatory instrument	<i>Exhibited Animals (Fees) Amendment Regulation 2024</i>
Date of issue	June 2024

What is the nature, size and scope of the problem? What are the objectives of government action?
<p>The <i>Exhibited Animals Act 2015</i> (EA Act) provides for a licensing system for the exhibition of native and non-native wildlife species and excludes the use of domestic stock species such as cattle, horses, goats or similar. Animal exhibition activities include the public display of animals in zoos, wildlife parks, circuses, and mobile exhibits such as those undertaken at schools, markets and birthday parties held at private residences. The EA Act also provides for the acquisition of a 12 month exhibitors permit and accreditation for interstate exhibitors.</p> <p>There are inherent risks associated with the exhibition of animals e.g. the welfare of an animal, biosecurity, human health and safety and environment (in the event of an animal's escape). The Queensland Government invests in the exhibited animals' industry and broader community through the allocation of resources to ensure these risks can be prevented or minimised through assessment of licence applications, monitoring and compliance functions. A person may be granted a licence provided they can prevent or minimise risks or adverse effects associated with each proposed activity.</p> <p>Animal species are categorised as A, B or C depending on the associated risk:</p> <ul style="list-style-type: none"> • Category A – animals categorised under the <i>Nature Conservation Act 1992</i> as native wildlife (e.g. woma python, carpet python, common bearded dragon) that may be obtained under a Native Animal Keeping Licence. • Category B – all other native wildlife (with the inclusion of dingo and European rabbit) that cannot be obtained under a Native Animal keeping Licence (e.g. kangaroo, koala, crocodile). • Category C – non-indigenous species classified as prohibited matter under the <i>Biosecurity Act 2014</i> (e.g. green iguana, tiger, boa constrictor). <p>Licence holders are primarily commercial entities that charge for their services. Increasing social awareness that relates to acceptable methods of animal exhibiting and expectations for an animal's welfare in captivity continue to increase government service requirements and accountability over the industry.</p>



The EA Act and associated Exhibited Animals Regulation 2016 (Regulation) commenced on 1 July 2016. However, on 17 August 2016, a successful disallowance motion moved by the LNP Opposition resulted in the omission of Schedule 3 of the Regulation which established fees for authorised exhibitors. As a consequence of the disallowance, DAF ceased charging fees and has not implemented a fee schedule associated with administration of the legislation since 17 August 2016. All licensing, monitoring and compliance services have been subsidised by the Queensland Government, estimated to be more than \$500,000. This equates to an annual average government subsidy of over \$70,000 for the past seven years.

Once implemented, fee intake for **all** licence services such as renewals and amendments over the next 10 years is estimated to be \$749,577.79 averaging an estimated \$75,000 annually, excluding indexation. On initial consultation for implementation of the EA Act, the exhibited animals legislation decision RIS predicted annual expenditure for Queensland’s exhibited animal industry to be broadly estimated at \$100 million. Predicted costs associated with fee implementation would equate to less than 1% of estimated annual industry expenditure.

To meet the Queensland Government’s fee-for-service policy and to be in a better position to regulate the industry, fees are required to be introduced for licensing and associated compliance services. These services include the issuing of new licences or renewal of existing licences, amendments to licenses, transferring a licence or for official site visits to conduct official assessments under the EA Act.

Excluding amendment fees, revised as a sliding scale according to animal risk, the remainder of the fees are substantively the same as those introduced in 2016. The proposed fees have been indexed for the 2019 to 2023 financial years and will be recorded in the Regulation as fee units.

In 2020, and in response to impact of COVID-19 on the exhibited animal industry, DAF implemented the \$500,000 Emergency Animal Welfare – COVID-19 Exhibited Animals Assistance Program (Assistance Program). The Assistance Program provided funding to support licensed exhibitors with eligible expenses for the care and management of authorised animals. The one-off administrative grant helped to minimise the risk of immediate animal welfare issues associated with exhibitor financial distress.

During the 2021 consultation period, exhibitors requested a delay to the introduction of revised fees due to business impacts of COVID-19. The direct impacts COVID-19 had on the industry are now resolved and there are no related restrictions on the exhibition or movement of authorised animals. Noting this, it is now appropriate for the introduction of fees to commence.

As part of the 2023-24 Budget outcomes, the Cabinet Budget Review Committee approved licencing and assessment fees to support administrative functions licensing, assessment advisory and inspection services under the EA Act.

What options were considered?

An Exhibited Animals Legislation Consultation Regulatory Impact Statement (RIS) was developed in 2013 to support the Exhibited Animals Bill 2014. The RIS provided the costing methodology and evidence on which the original fee schedule was developed.

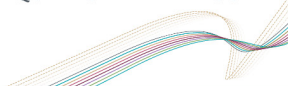
DAF previously conducted extensive consultation, including release of the RIS, during the introduction of the Exhibited Animals Bill 2014. The RIS made it clear that the fees would reflect the cost of assessing applications and licence conditions, granting licences, and checking accreditation reports submitted with renewal applications. It was also made clear that site visits could be required on licence application and/or renewal, and for major amendments to licences.

The RIS structured fees around the number of full-time equivalent staff employed by a facility and the complexity of an operation, with larger organisations paying more in fees as they would have more complex operations and applications would generally take longer to assess.

On commencement of the EA Act, licence holders under repealed legislation were required to reapply for a licence once the existing license expired. This led to a transitional period spanning several years. By 2021, all licence holders had transitioned to the new licensing system, without incurring a fee and DAF commenced another fee consultation process (18 May to 15 June 2021).

Recognising concerns raised during the disallowance, DAF amended the fee unit structure to the following sliding scale.

- Minor amendment fee (Type 1) 37.53
- For each Category A species (Type 2) 69.51



- For each Category B species (Type 3) 104.24
 - For each Category C species (Type 4) 156.36
- The amendment fees are delineated according to the type of species, relevant risks and adverse effects they pose. Multiple species may be applied for under the one amendment fee provided that associated risks are the same or similar for each species within a category.

What are the impacts?

Other than administrative requirements set by the Queensland Governments taxation laws for income earners, the industry will not incur any additional administrative burden. The application process and all associated functions that will be accompanied by a fee on implementation, are existing requirements. All authority holders under repealed legislation have now transitioned to the Act's licensing system.

Inspections derived from applications

On the granting or renewal of an exhibition licence application, DAF may choose to conduct an official site visit to ensure compliance with the EA Act. Official assessment charges proposed under Regulation are:

- a travel fee of 214.18 fee units;
- inspection of no more than 1 hour or for each hour, 185.25 fee units; and
- each additional 15 minutes over 1 hour period, 46.32 fee units.

In the event that noncompliance has occurred during an official assessment, a random inspection or an inspection to investigate a complaint may be conducted within 12 months. Initial site visits to conduct a random inspection or an inspection to investigate a complaint will not be charged, however any follow-up action will be charged in accordance with inspection service charges.

Amendments

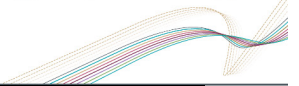
DAF has developed tools to support the exhibited animal industry's understanding of information required during the application process. An applicant may apply to amend a licence by submitting an application for amendment that is accompanied by a management plan. The amendment fee schedule created after the disallowance delineates the fees in accordance with the species risk category and associated assessment process. Subject to approval of fees, amendments to a licence will be charged at the fee unit rate relevant to one of the four types of fee units identified in table 1 (below) and subject to yearly indexation in accordance with the *Acts Interpretation Act 1954*.

Table 1: Amendment Fee Schedule **Fee Unit Rate**

Amendment type 1: Amendment to an authority that requests a change to an existing management plan that poses no additional risks: Application must state how the change poses no additional risk.	37.53
Amendment type 2: <i>Amendments to category A species:</i> Changes to an existing management plan (category A) or submission of a new management plan for category A species. <i>Includes changes to an existing management plan or submission of a new management plan where category A venomous snakes are exhibited outside the regular enclosure site (previously a Type 3 amendment).</i>	69.51
Amendment type 3: <i>Amendments to category B species:</i> Changes to an existing management plan or submission of a new management plan for category B species.	104.24
Amendment type 4: <i>Amendments to category C species:</i> Changes to an existing management plan or submission of a new management plan for category C (C1 & C2) species, including special exhibition approval.	156.36

Table 1 shows the four types of amendment fees by animal category risk.

Amendment application data derived from FY2022-23 indicates that if the current fee rate were to apply to the number and type of amendment applications received during the stated financial year period, total fee



intake would equate to around \$15,434.28. DAF has used the FY2022-23 amendment application data to estimate industry costs over the next 10 years. It is estimated that total costs to industry over a 10 year period would be approximately \$39,414.40.

New licence and renewal applications

As of January 2024, there are 149 Queensland based licence holders under the EA Act. The three primary sectors of the industry are those who exhibit European Rabbits (37), operate mainly by exhibiting animals via mobile displays (57), and keep and exhibit their animals primarily at a fixed location (55). There has been minimal reduction or growth throughout the different industry sectors since commencement of the Act and authority holder numbers are generally consistent.

Mobile operators keep animals at their residence. Council requirements and limited available space in residential premises results in a smaller percentage of animals held in comparison to fixed exhibitor facilities. Generally, the smaller number of staff engaged under a mobile operator's licence reflects the size, scale and complexity of the business and the resources required by the department to conduct application assessments. Tiering the fee to the number of full-time staff engaged under the licence reflects the size, scale and complexity of the operation and prevents smaller operators subsidising larger operators.

Similarly, government resources required to assess the various scale of operations such as those that solely keep European rabbits, are lower than other sectors that apply for multiple species of varied risks. These factors are reflected in European rabbit application fees which are not subject to a fee scale in accordance with full-time staff numbers. Fee units for European rabbit applications are set at 311.71 fee units for a new applicant and 156.36 for a renewal with a licence term of three years.

New applicants that are Queensland based and applying for a licence that is not solely for European rabbits are issued a licence for a term of three years. As stated, the allocated fee scale is depicted by the number of full-time equivalent staff engaged under the licence. This also provides opportunity for members entering the industry to start on a smaller scale and grow their business over time. The following identifies new applicant fee unit rates for a three year licence

- up to three full-time staff 3,279.42 (new applicant) and 1,639.76 (renewal);
- four to fifteen full-time staff 5,154.77 (new applicant) and 2,576.87 (renewal); and
- sixteen or more full-time staff 7,809.85 (new applicant) and 3,904.92 (renewal).

Since commencement of the EA Act, based exhibition licence holders and the number of licence holders within each sector of the industry have predominantly been the same. Industry costs for Queensland based licence holders renewing over the next 10 year period are estimated to be \$709,551.40. This figure is based on each industry member applying with the same number of full-time staff.

Interstate Exhibitor Permits

Visits to Queensland from interstate licence holders are infrequent. If an interstate licence holder would like to enter Queensland for the purpose of exhibiting animals, they may apply for a Permit that has a maximum term of one year. There is no renewal process, and a new application must be submitted to DAF for assessment. Until 2023, where an additional two Permits were granted, there has only been one Permit holder that regularly applies. If the three interstate permit holders were to reapply yearly for the next 10 years, at the proposed fee unit rate of 469.14, the total for the period would equate to an estimated \$14,918.70.

Accreditation

An accreditation may be granted to applicants with relevant skills, knowledge and experience for the purpose of reviewing licence holder facilities on renewal of their exhibition licence and generating a report to accompany a renewal application. Although accredited assessors do not conduct exhibits, they have been considered as there is an associated fee unit rate for new applicants of 1,324.13, renewal 1,172.70 and amendment 72.97. Since commencement of the EA Act, there have been two accredited assessors who consistently renew their accreditation with no amendment applications recorded. In the event that both accreditors continue to renew for the next 10 years, the total fees charged at the proposed fee unit rate would equate to an estimated \$9,944.48.

Figures identified within the Cabinet Budget Review Committee Submission (CBRC) differ slightly from the stated predicted figures. The stated figures, although estimates and subject to change due to varied future indexation rates and industry behaviour, have been estimated using current industry data held by the department.



Whilst there will be an increase in regulatory burden, this increase is a result of no fees associated with EA Act licensing services since 2016. The implementation of fees supports DAF's intention to provide a licensing system that promotes best practice for exhibiting animals and mitigates relevant risks posed to animal welfare, human health and safety, the economy and the environment. The introduction of fees will align with the Queensland Government's fee-for-service delivery model and fees are estimated to be less than 1% of industry total expenditure. This is unlikely to result in significant adverse impacts to the exhibited animals industry.

Who was consulted?

DAF consulted directly with the exhibited animal's industry, relevant stakeholders and the wider community during development of the legislation and during further fee consultation which ran from 18 May to 15 June 2021. The former 2016 amendment fee structure was tiered at a minor (\$151.10) or major (\$453.35) amendment rate and was noted to be of the highest concern during the disallowance motion.

Prior to the 2021 consultation, DAF amended the two-tier fee structure by delineating the amendment fees in accordance with the level of risks posed by the species applied for, which reflected the level of assessment required, and created a four-tier fee structure as seen in table 1. In addition, an administrative fee (Type 1) for changes to the licence that did not pose relevant risks was included.

A review of the 2021 industry consultation feedback resulted in an amendment that differs from the original four tier amendment fee structure. The amendment relates to a reduction in the fee type associated with the exhibition of native venomous snake (Category A) species off the licensed premises. The industry request to move the activity and associated fee type from a Type 3 to a reduced Type 2 amendment fee has been completed.

What is the recommended option and why?

The recommended option is to implement the proposed fee structure identified in the RIS (inclusive of indexation for the 2019 to 2023 financial year period) with the stated changes to amendment fee structure included during the 2021 consultation.

Impact assessment

All proposals – complete [do not delete]:

	First full year	First 10 years**
Direct costs – Compliance costs*	\$23,896.24	\$773,828.98
Direct costs – Government costs	Managed within existing department resources.	Managed within existing department resources.

* The *direct costs calculator tool* (available at www.treasury.qld.gov.au/betterregulation) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero.

**Agency to note where a longer or different timeframe may be more appropriate.

Signed

Director-General
Department of Agriculture and Fisheries

Date: 14/6/24

Minister for Agricultural Industry Development
and Fisheries and
Minister for Rural Communities

Date: 14/6/24