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South Australian Productivity Commission
GPO Box 2343
Adelaide SA 5001
via email sapc@sa.gov.au

To Whom It May Concern,

Submission re Government Procurement Inquiry

Wildcatch Fisheries South Australia Inc. (WFSA) is the peak industry body representing professional fishers in South Australia.

WFSA has consulted widely with its membership and thus this submission represents the views of over 600 professional fishers in the State.

On the 21st October 2014 WFSA received a letter informing us that Primary Industries & Regions SA (PIRSA) Fisheries & Aquaculture would be engaging the South Australian Research & Development Institute (SARDI) Aquatic Science Centre to provide mandatory stock assessment and monitoring services for all South Australian Fisheries without any competitive tender process and for an undisclosed period.

WFSA recognise the advantages (for Government) associated with this, such as the consolidation of scientific and technical resources for managing fisheries and marine resources in South Australia and the ability to call upon advice with respect to major developments or natural events. The disadvantage of this system, from a user pays perspective, is that there is no competition to manage costs, and inherently with large organisations (Government or otherwise), there are bureaucratic costs and overheads that do not transfer to directly benefit the fishery and are not related to service delivery at the most cost efficient rate.

Managing the aquatic resources of the State to protect them from over exploitation is a fundamental legislative obligation of the Fisheries Management Act 2007 and also the number one priority of every commercial fisher. The fishery dependent data provided by every commercial fisher is critical to ensure sustainable economic and ecological exploitation of the State's fisheries resources and understanding the health of our marine ecosystems.

SARDI has been developing stock assessment reports for well over two decades as PIRSA's preferred provider. Through this time there has been no independent assessment of the value, efficiency and the cost effectiveness of the services provided. The same can be said for the provision of Compliance and Management services provided by PIRSA for the South Australian Fishing and Aquaculture industry.

Given the number of years that both PIRSA and SARDI have continued in this role without competition, we consider it imperative that a process be developed to evaluate efficiency and associated overall costs to ensure that the industry is not subsidising elements of public good.

We refer in particular to:

PIRSA's policy on Cost Recovery:

The core ingredients of valid cost recovery are:

- 1.1 Full transparency of the costs sought to be recovered relating to: who, why, how, where, when and how much is charged and,
- 1.2 Recognition of the public good component – including the recognition that Government agencies have a public face and must be publicly accountable requiring methodology and systems inherently more expensive than private enterprise.
- 1.3 Efficiency in service delivery – if that cost is sought to be recovered.

PIRSA's policy on Co-Management:


This must reflect:

- 2.1 A more transparent and efficient cost structure, and more efficient delivery of services and functions.
- 2.2 The real cost of providing the necessary services to support the funder's obligations;
- 2.3 Potentially.....lower costs of management.

By these policies, Industry should pay no more for the services required other than the proper cost of supplying those equivalent services. If PIRSA provide or elect to use a significantly more expensive service option, it should not be at the cost of industry.

We thank you for the opportunity to respond on this matter.

Kind regards



Franca Romeo
Executive Officer