

Draft Cost Recovery Implementation Statement

Maritime certificates of proficiency,
handbooks and associated administrative
services, calendar year 2025

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1. Introduction

1.1. Purpose

This Cost Recovery Implementation Statement (CRIS) provides information on how the Australian Maritime College (the AMC) implements cost recovery charging for providing regulatory services relating to:

- marine radio certificates of proficiency
- marine radio operators handbook
- marine VHF radio operators handbook.

Each fee that the AMC cost recovers is checked for consistency with the Australian Government policy objectives and the principles of the Australian Government Charging Framework (Charging Framework). This CRIS reports actual financial and non-financial performance information for the provision of services by the AMC and contains the AMC's financial and demand forecasts for the 2025 calendar year (Table 5) until 31 July 2027. The ACMA will maintain the CRIS until the activities undertaken by the AMC, or cost recovery for those activities, have been discontinued.

1.2. Background and description of the regulatory charging activity

The ACMA is a statutory authority within the Infrastructure, Transport, Regional Development, Communications, Sports and the Arts portfolio of the Australian Government. It is Australia's regulator for broadcasting, radiocommunications, telecommunications and interactive gambling, amongst other functions.

The mandate of the ACMA includes a responsibility to maximise the overall public benefit derived from the radiofrequency spectrum by ensuring efficient allocation and use. The ACMA regulates the use of radiofrequency spectrum in accordance with the [Radiocommunications Act 1992](#) and other applicable legislation.

1.2.1. Marine radio certificates of proficiency

Article 47 of the International Telecommunication Union's (ITU) Radio Regulations requires that the operation of a ship station or ship earth station using the frequencies and techniques for the global maritime distress and safety system (GMDSS) be controlled by an operator holding a certificate issued or recognised by the government to which the station is subject. In Australia, the following rules apply under the Radiocommunications Act and subordinate legislation:

- for stations operating solely on frequencies above 30 MHz, operators of maritime ship stations under an apparatus licence or class licence are required to hold a relevant Australian marine radio operator's certificate of proficiency or an equivalent overseas qualification
- holders of maritime coast licences must hold a relevant Australian marine radio operator's certificate of proficiency or an equivalent overseas qualification
- ship stations that are operating solely on 27 MHz band frequencies do not need a certificate of proficiency
- those operating on (very high frequency) VHF frequencies in Australian territorial seas and inland waters are required to hold an Australian Waters Qualification (AWQ).

1.2.2. Marine radio proficiency examinations

Section 119 of the Radiocommunications Act allows the ACMA to determine the need for qualified operators for any class of transmitter licence. The [Radiocommunications \(Qualified Operators\) Determination 2016](#) sets out that for the purposes of section 119 of the Radiocommunications Act, with some exceptions, a person must be a qualified operator to operate a transmitter under the following classes of licence (known as marine transmitter licences):

- maritime coast licences that authorise a person to operate:
 - a limited coast assigned system station
 - a limited coast marine rescue station
 - a limited coast non assigned station
 - a major coast station
- maritime ship licences that authorise a person to operate a ship station Class B.

A person is only a qualified operator if they hold a certificate of proficiency issued by the ACMA under section 121 of the Radiocommunications Act. Under section 122 of the Radiocommunications Act, the ACMA can only issue certificates of proficiency if the ACMA is satisfied that the applicant has reached the minimum age in relation to that class of certificates and achieved satisfactory results in approved examinations or is satisfied, upon reasonable grounds, that the applicant would probably achieve such results.

1.3. Provision of services relating to marine radio activities

Subsection 122(2) of the Radiocommunications Act allows the ACMA to approve a body or organisation to conduct an examination for the purposes of issuing certificates of proficiency. The ACMA has approved the AMC to conduct examinations.

Section 122A of the Radiocommunications Act allows the ACMA to delegate to a body or organisation approved to conduct examinations the power to issue certificates of proficiency.

In accordance with section 122A of the Radiocommunications Act, the ACMA has delegated the power to issue certificates of proficiency to the AMC.

Section 298A of the Radiocommunications Act provides that the AMCA may determine that a body or organisation approved under subsection 122(2) 'may charge fees for performing its functions under' the Radiocommunications Act. Section 298A also provides that such a fee must not be such as to amount to taxation.

The AMC is part of the University of Tasmania (UTAS). The Commonwealth, represented by the Chair of the ACMA, has entered into a Deed of Agreement (the Deed) with UTAS regarding the conduct of examinations and the issuing of certificates of proficiency. The Deed is in force until 31 July 2027.

The AMC, as a body approved to conduct examinations and as the ACMA's delegate to issue certificates of proficiency, undertakes all related activities as allowed under the legislation ensuring that services and delivery methods remain relevant to the marine boating community. The AMC is responsible for the administrative activities identified above, including the management of all databases for qualified marine radio operators, issuing letters confirming certification for superseded qualifications, conducting special examinations and processing applications accompanied by a Unit of Competency (UoC).

The Australian Government uses cost recovery arrangements to fund activities that may include the provision of goods, services or regulation or a combination of both. The underlying principle of the policy is to allow entities to set charges to recover all the costs of products or services where it is efficient and effective to do so, where the beneficiaries are a narrow and identified group and where charging is consistent with Australian Government policy objectives. The cost recovery policy is aimed to improve consistency, transparency and accountability of its cost recovery arrangements and to promote the efficient allocation of resources.

The Commonwealth does not reimburse the AMC for the services provided under the Deed. In accordance with the determination made under section 298A of the Radiocommunications Act, the AMC charges fees to members of the public for performing its functions under the Radiocommunications Act. The AMC also independently charges fees for performing services that are not part of its functions under the Radiocommunications Act.

Under the Deed, the AMC has agreed that it will only charge fees (whether or not for performing its functions under the Radiocommunications Act) on a cost recovery basis, and that the fees must be approved in writing by the ACMA.

1.4. Stakeholders

The Marine Radio operators have been identified as the key stakeholders of the services provided by the AMC. These stakeholders self-identify by approaching the AMC for examinations and certificates of proficiency, and/or administrative services, and therefore bear the associated fee. In 2024, the AMC received 6,243 applications related to certificates of proficiency, including UoC. It is forecast by the AMC that a similar number will apply for certificates of proficiency throughout 2025.

2. Policy and statutory authority to charge (cost recovery)

2.1. Government policy approval to charge for this regulatory activity

As an outcome of the former Department of Communications and the Arts' Portfolio Charging Review in the 2019–20 financial year and, more recently, the amendments made to the Radiocommunications Act by the [Radiocommunications Legislation Amendment \(Reform and Modernisation\) Act 2020](#), the Australian Government confirmed the appropriateness of the cost-recovery arrangements for the charging activity detailed in this CRIS.

2.2. Statutory authority to charge

Section 298A of the Radiocommunications Act enables the ACMA to determine that a specified body or organisation, approved by the ACMA to conduct approved examinations, may charge fees for performing its functions under the Radiocommunications Act. The ACMA has determined that the AMC may charge fees for performing functions under the Radiocommunications Act.

2.3. Cost recovery arrangements

Under clauses 6.1 and 6.2 of the Deed, the AMC must charge fees on a cost recovery basis only. The fees must be approved in writing by the ACMA and must be reasonably related to actual expenses incurred (or to be incurred) by the AMC in relation to the matters to which the fee relates.

The AMC sets fees associated with the issue of marine radio certificates of proficiency, which include:

- the conduct of examinations
- the conduct of special examinations
- the issue of certificates of proficiency
- the reissue of certificates of proficiency or letters confirming certification
- the maintenance of a database of all qualified marine radio operators.

To demonstrate that the fees are imposed on a cost recovery basis, the AMC must submit to the ACMA its audited annual financial report each year (paragraph 2.4(d) of the Deed).

The AMC is also required to prepare and provide any information required to fulfil the obligations of the Charging Framework (paragraph 2.4(a) of the Deed). The ACMA conducts annual reviews to ensure appropriateness of costs recovered and to assess the reasonableness of any over or under recovery in line with the Charging Framework and the Deed.

3. Charging (cost recovery) model

3.1. Outputs and business processes of the activity

The functions performed by the AMC under the Radiocommunications Act are:

- issuing Marine Radio Certificates of Proficiency under section 121 of the Radiocommunications Act
- conducting examinations as an approved body or organisation for the purposes of section 122 of the Radiocommunications Act
- referring applications for Marine Radio Certificates of Proficiency to the ACMA under subsection 122A(2) of the Radiocommunications Act where the AMC has decided not to issue the certificate, together with their reasons for that decision.

3.1.1. Marine radio certificates of proficiency

There are 3 types of certificates relating to marine radio operator qualifications:

1. Long Range Operator Certificate of Proficiency - LROCP
2. Short Range Operator Certificate of Proficiency – SROCP
3. Marine Satellite Communications Certificate of Endorsement – MSCCE

Examinations are conducted under the supervision of an invigilator and may be taken either on an independent basis or as part of a course offered by a training provider.

3.1.2. Certificate of Proficiency Re-issue and Letters Confirming Certification

The AMC reissues certificates of proficiency or issues letters confirming certification for people whose certificates are no longer legible or have been misplaced. The letters confirming certification are issued where the same qualification is no longer available.

3.1.3. Unit of Competency (UoC)

The AMC is not required to conduct any examinations for applicants requiring a marine radio certificate of proficiency who have already received a statement of attainment (that is, UoC) from a registered training organisation as a result of undertaking related training. However, the AMC does need to verify and process their application and issue a certificate of proficiency if the requirements are met.

3.1.4. Marine radio operator's handbook (MRO handbooks) and marine radio operator's VHF handbook (MV handbooks)

Under the Deed, the AMC is required to:

- produce and distribute the marine radio operators handbooks which encompass the syllabi for the respective certificates of proficiency
- undertake promotional activities to ensure the handbooks are widely known, promoted and accessible within the marine boating community
- consult with the marine industry and marine education stakeholders to ensure that the syllabi remains relevant and consistent with the marine radio regulatory framework.

3.1.5. Administrative services

Administrative services that are provided under the Deed are:

- development and maintenance of ACMA approved application forms accessible both in hard copy and online
- development of appropriate syllabi that is compliant with the relevant legislation
- development and management of the examination and assessment process including determining assessment methods, examination questions, distribution methods of examinations or access to competency-based assessment methods
- provision and management of special examinations
- source, approve and manage examination invigilators
- produce, issue and maintain records of certificates of proficiency that meet regulatory requirements including ITU guidelines
- produce and maintain, including the revision of handbooks relevant to each certificate of proficiency, ensuring consistency with regulatory requirements
- promote and distribute handbooks in hard copy and electronic form
- develop and maintain relevant databases including:
 - a complete record of holders of marine radio certificates of proficiency
 - a database of authorised examiners, if applicable
- manage enquiries and complaints matters pertaining to marine radio certificates of proficiency
- undertake promotional activities relating to marine radio certificates of proficiency, the requirement for qualification, the examination process and handbooks
- maintain all records in accordance with the requirements of relevant legislation and the Deed
- engage with key marine and educational organisations to ensure external views are considered on relevant matters including syllabi, examination processes and handbook content and format
- provide accurate and timely reports as required by the ACMA, in formats agreed with the ACMA
- develop and manage a pricing regime consistent with the Charging Framework
- maintain business rules
- undertake continuous quality and process improvement review
- making recommendations to the ACMA on the approval of examinations and
- making recommendations to the ACMA on the approval by the ACMA of bodies and organisations to conduct examinations.

3.2. Costs of the regulatory activity

Consistent with the principles of cost recovery, the fees charged by the AMC are based on the AMC's costs of the services, including all relevant direct costs, staff costs and overheads (support costs) applicable to these services.

Direct costs are those costs that can be directly attributed to the service provision and can include:

- cost of sales
- direct staff salaries
- applications made
- handbooks sold and postage costs for the dispatch of handbooks
- costs associated with investigation and preparation of online examinations
- application forms.

Support costs include rent, systems development and maintenance, finance and human resources support, and other costs which cannot be directly attributed to each of the services provided, therefore, proportions of the indirect costs are allocated across services. The allocation is calculated using the number of services provided and the percentage of employee time spent on related administrative tasks.

The overhead contribution is set by UTAS and includes overheads such as rent, systems development and maintenance, finance and human resources, marketing, legal costs and other senior management support incurred by the AMC in relation to the delivery of services.

3.3. Design of the regulatory charge

Table 1 shows the current fee structure approved by the ACMA, which has been in place since 2018.

Table 1: Current fee structure

Services	Current fee (ex GST)
Examinations	\$80.91
Re-issue	\$31.82
RPL	\$44.55
SROCP Handbook	\$15.00
LROCP Handbook	\$40.91

3.4. Proposed changes to existing charges

The AMC and the ACMA have been closely monitoring costs and revenue associated with the AMC's activities and are now forecasting an increase in the AMC's expenses. Over the past few years, the AMC has experienced significant increases in operational costs, including facility maintenance, staffing, software licences and service provision. Despite efforts to manage these expenses efficiently, the rising costs have made it clear that an adjustment in fees is essential to maintain the financial stability of their services to marine radio operators. The onset of Covid from 2020 also resulted in a larger number of examinations being online,

which involved payment to a secure service provider for each exam, resulting in increased IT costs. Additional effort is also required by AMC staff to incorporate changes required by ITU's Radio Regulations in 2025 and 2026, especially in MSCCE.

A fee increase is required to support a cumulative neutral position at the end of the Deed in July 2027. Further details are provided in section 6 of this CRIS.

Based on the current and estimated financial positions, the ACMA is proposing to approve a fee increase of 10% in 2025. The AMC's financial position for the 2025 calendar year will be reviewed in early 2026 along with updated forecast revenue and expenses, and another fee increase will be applied if required. Stakeholder consultation will occur before implementing any additional fee increases.

Table 2: Proposed fee structure

Services	Current fee (ex GST)	Proposed fee (ex GST) September 2025 (10% increase)
Examinations	\$80.91	\$89.00
Re-issue	\$31.82	\$35.00
RPL	\$44.55	\$49.01
SROCP Handbook	\$15.00	\$16.50
LROCP Handbook	\$40.91	\$45.00

4. Risk assessment

We have carried out a risk assessment for this cost-recovery arrangement during the review process, based on the assessment of the criteria in the Department of Finance Charging Risk Assessment. The overall rating given to this cost-recovery arrangement is **medium**.

Table 3: Risk assessment

Assessment component	Implementation risk	Risk rating
What is the expected percentage change in total annual revenue after the proposed changes?	There is a 3% expected change in total annual revenue after the proposed change in 2025	Low
What is the expected change in total annual revenue after the proposed changes?	There is an expected change in total annual revenue of \$0.02 million at the end of 2025	Low
What is the highest percentage increase in price a payer [†] may experience?	The proposed fee increase is 10% in 2025	Medium
What type of charges are changing?	Fees only	Low
What does the revised proposal involve?	Change in the amount of existing regulatory charges only	Low
Does the revision require legislative changes? Primary legislation (enabling Act or taxation Act) Subordinate legislation (Regulations, Determinations)	Existing legislative mechanisms are in place. There is no need for subordinate legislation to be amended	Low
What will the impact on payers [†] be?	Increase in fees by 10% would impact approximately 6,000 future applicants to the AMC for certificates of proficiency or related services	High/Unknown
Does the proposal involve working with other Commonwealth, State/Territory and/or local government entities?	No	Low
What consultation has occurred with payers and other stakeholders about the proposed charges?	Public consultation is occurring through this draft CRIS process. It is anticipated that any issues raised can be addressed	Medium
Overall CRA rating		Medium

[†] Payer defined as 'a person or organisation that gives someone money that is due for work done, goods received, or a debt incurred'.

5. Stakeholder engagement

Stakeholders are invited to provide feedback on the proposed fee increase as outlined in this CRIS from 10 to 31 July. Following this consultation, the CRIS will be updated, and approval sought from the Minister for Communications before being published on the ACMA's website.

5.1. Ongoing stakeholder engagement

The existing charges will be reviewed annually. We will consult with industry before implementing any changes to existing charges or applying any new charges.

6. Financial performance

The financial reporting of revenue and expenses in Table 4 below is based on a calendar year. AMC have provided audited financial statements as outlined in Table 4 for the periods 2021 to 2024.

Table 4: Revenue and expenses 2021–24

Financial item (actuals)	2021 (\$m)	2022 (\$m)	2023 (\$m)	2024 (\$m)
Examinations and postage	0.34	0.32	0.33	0.33
Units of Competency	0.05	0.07	0.06	0.08
Reissue	0.01	0.01	0.01	0.01
MRO Handbooks	0.03	0.03	0.03	0.03
MV Handbooks	0.07	0.07	0.06	0.06
Total revenue	0.49	0.50	0.50	0.51
Direct labour	0.20	0.22	0.21	0.28
Direct materials	0.05	0.05	0.08	0.08
Department overhead contribution	0.25	0.23	0.23	0.23
Other overheads	0.01	0.01	0.01	
Total expenses	0.51	0.51	0.52	0.59
Balance = revenue – expenses	-0.02	-0.01	-0.02	-0.08
Cumulative balance	0.15	0.14	0.12	0.03

Note: Sums may not add due to rounding.

6.1. Financial estimates

The AMC has provided forecast revenue and expenditure (before proposed fee increases) in Table 5. Revenue reflects the forecast increase in volumes. Expenses reflect costs to support outputs and include other forecast expenses (as discussed in section 3.4).

Table 5: Estimated financial position with no changes to current fees

Financial item	2025 (\$m)	2026 (\$m)	2027 (\$m)
Examinations and postage	0.34	0.34	0.20
Units of Competency	0.08	0.08	0.05
Reissue	0.01	0.02	0.01
MRO Handbooks	0.02	0.02	0.02
MV Handbooks	0.05	0.05	0.03
Total revenue	0.51	0.52	0.30
Direct labour	0.30	0.31	0.19
Direct materials	0.08	0.09	0.05
Department overhead contribution	0.23	0.23	0.13
Total expenses	0.61	0.63	0.37
Balance = revenue – expenses	-0.11	-0.11	-0.07
Cumulative balance	-0.07	-0.18	-0.25

Note 1: The figures show a part-year financial position until the end of Deed on 31 July 2027.

Note 2: Sums may not add due to rounding.

Note 3: From 2025 costs of other overheads have been included under direct materials.

As indicated above, if fees are not increased, there is a forecast deficit of \$0.07 million at the end of the 2025 calendar year and a forecast deficit of \$0.25 million at the end of the Deed in July 2027.

The forecast calculations are based on the following:

- A 5% increase every year for SROCP examinations and a 3% drop in LROCP examinations as Marine Rescue groups shift to SROCP instead of LROCP. See section 6 (Revenue) for more information.
- A 5% increase in Units of Competency each year. Recognised Training Operators including TAFEs are conducting their own examinations and issuing a Vocational Education Training certificate. The AMC conducts the appropriate checks and charges the customer before issuing the certificate.
- A 3% increase for re-issue of certifications.
- A 5% increase in MRO handbooks and 5% decrease in MV handbooks due to the decrease in demand for LROCP

- The labour costs for staff have used increments outlined in current UTAS staff Award Agreements.
- Direct materials are those costs that can be directly attributable to the service being provided (that is, applications made and handbooks sold). A 5% increase in printing and photocopying costs and sundry items is included for each year.
- A 3% increase in costs for IT software and licences for online examinations each year. The 2017 pricing did not take into account costs of online examinations, which involves payment to a secure service provider for each exam, resulting in increased IT costs.
- The departmental overhead contribution is set by UTAS accounts, representing indirect costs incurred by the AMC for the delivery of services under the Deed. Rent, systems development and maintenance, and finance and human resource support are the main components of this contribution amount.
- Other overheads are those costs that cannot be directly attributed to each of the services provided. Therefore, indirect costs are allocated between services mainly on the basis of the number of services provided. They include items such as administration, telephones, bank fees, audits, travel and promotion.

Table 6 shows the estimated financial position with the proposed 10% fee increase in 2025.

Table 6: Estimated financial position with the proposed 10% increase to current fees from September 2025

Financial item	2025* (\$m)	2026 (\$m)	2027** (\$m)
Examinations and postage	0.35	0.38	0.22
Units of Competency	0.08	0.09	0.06
Reissue	0.02	0.02	0.01
MRO Handbooks	0.02	0.03	0.02
MV Handbooks	0.05	0.06	0.03
Total revenue	0.52	0.57	0.34
Direct labour	0.30	0.31	0.19
Direct materials	0.08	0.09	0.05
Department overhead contribution	0.23	0.23	0.13
Total expenses	0.61	0.63	0.37
Balance	-0.09	-0.06	-0.04
Cumulative balance	-0.05	-0.11	-0.15

* Includes current fees until 31 August 2025 and part year impact of 10% increase from September 2025.

** AMC Deed ends 31 July 2027.

The AMC's 2025 financials and updated forecast revenue and expenses will be reviewed early next year. This will inform whether any additional fee increases may be required.

7. Non-financial performance

In the 2024 calendar year, the AMC delivered 4,111 examinations with an average pass rate of 98%. The AMC issued a total of 4,023 certificates for 2024 and sold 2,862 handbooks.

The AMC did not receive any complaints during 2024 for the performance of its functions under the Deed.

The AMC has reported that the introduction of online assessments since August 2022 has been well received by stakeholders, and both invigilators and candidates have provided positive feedback.

In comparison to the 2023 calendar year, there was a 2% uptick in total applications received. Additionally, there was also an increase of 0.5% of the number of examinations undertaken. The pass rate has also improved by 1% and the number of certificates issued increased by 1.6%.

There has been a continual decrease in the number of handbooks sold by the AMC (approximately -15% in 2024 compared to -5% in 2023). It is likely this decline can be attributed to the change in the AMC's examination process as well as the continual evolution of technology – the move to online exams and the digital availability of the handbook means less physical copies are sought by stakeholders.

8. Key forward dates and events

The key forward events and dates for this CRIS update are set out in Table 7.

Table 7: Key forward dates and events

Key events	Indicative date
Next scheduled update of financial outcomes	July 2026
Next scheduled portfolio charging review	2025–26
Expiry of Deed with AMC	31 July 2027

9. CRIS approval and change register

Date of change	CRIS change	Approver	Basis for change
	Approval of the CRIS for the 2025 calendar year	Minister for Communications	CRIS update
	Certification of the CRIS for the 2025 calendar year	Chair and Agency Head	CRIS update
10 to 31 July 2025	Consultation on the draft CRIS	Chair and Agency Head	CRIS update