

## **EXPLANATORY STATEMENT**

Issued by Authority of the Assistant Minister for Agriculture and Water Resources  
Parliamentary Secretary to the Minister for Agriculture and Water Resources

*Fishing Levy Act 1991*

*Fishing Levy Regulations 2018*

### **Legislative Authority**

The *Fishing Levy Act 1991* (the Levy Act) imposes a levy in respect of fishing concessions.

Section 8 of the Levy Act provides that the Governor-General may make regulations for the purposes of section 6 of the Levy Act. Section 5 of the Levy Act imposes a levy in respect of a fishing concession. Section 6 of the Levy Act provides that the amount of levy imposed on the fishing concession is the amount prescribed by the regulations.

‘Fishing concession’ is defined in the Levy Act with reference to the definition of ‘fishing concession’ in the *Fisheries Management Act 1991* (the Management Act) and relevantly includes a ‘statutory fishing right’ (SFR) and a ‘fishing permit’.

Under the Management Act:

- a fishing permit is a permit granted to a person under section 32 of the Management Act, authorising that person (or a person acting on that person’s behalf) to use an Australian boat for fishing in a specified area of the Australian Fishing Zone, or in a specified fishery; and
- an SFR is a right set out in subsection 21(1) of the Management Act, which relevantly includes a right to take a particular quantity of fish, or a right to a particular proportion of the fishing capacity that is permitted by or under a plan of management for a fishery.

### **Purpose**

The purpose of the *Fishing Levy Regulations 2018* (the Regulations) is to:

- repeal the *Fishing Levy Regulations 2017* and replace it with updated provisions;
- set the amounts of levy payable in respect of fishing concessions for the purpose of section 6 of the Levy Act; and
- set the levy amounts for the 15 fisheries that are described in regulation 4B of the *Fisheries Management Regulations 1992* (Management Regulations) and in fisheries management plans that have been determined in accordance with section 17 of the Management Act.

### **Background**

Each financial year AFMA, in accordance with the Australian Government cost recovery policy and guidelines, prepares a cost recovery budget to cover the costs, through the imposition of levies, of Commonwealth fisheries management (excluding fisheries managed under the *Torres Strait Fisheries Act 1984* (the Torres Strait Act) from concession holders.

This includes the costs of developing and implementing management arrangements, data collection and the costs of running the management advisory committees (MACs). The 2018-19 cost recovered budget was calculated to be \$14,763,000, which is a decrease of 0.14 per cent on the previous year.

The amount of levy to be recovered from fishing concession holders for the 2018-19 financial year has decreased by 2.79 per cent on the previous year to \$13,675,000. This levy comprises the cost recovered budget for 2018-19 which is then adjusted for the acquittal from the previous financial year. In addition, AFMA will collect a research component that is paid to the Fisheries Research and Development Corporation, which for 2018-19 is approximately \$1,050,000. Levy amounts for Commonwealth fisheries and the Torres Strait Prawn Fishery are prescribed in separate regulations.

The Regulations will prescribe the amount to be paid by fishing concession holders, which is estimated to total approximately \$13,675,000 for the 2018-19 financial year. This amount comprises the cost recovery amount budgeted by the Australian Fisheries Management Authority (AFMA), incorporating the acquittal from the previous financial year. This amount also includes a research component that is paid to the Fisheries Research and Development Corporation (FRDC), which for 2018-19 is approximately \$1,050,000. This research amount is also subject to adjustment for any acquittal from the previous financial year. This can arise as calculations of this research amount are based on the previous year's gross value of production (GVP) prior to the determined GVP figure for the current year becoming available. AFMA collects this research component as part of its annual levy processes.

## **Consultation**

The levy rates are calculated based on the approved cost recovered budget which is adjusted by the acquittal of any over or under collection of levies from the previous financial year and implemented through the proposed Regulations. The cost recovered budget for each fishery was prepared in consultation with either the relevant fishery MAC, established under section 54 of the *Fisheries Administration Act 1991*, or the relevant consultative body for fisheries without a MAC.

On 14 March 2018, AFMA distributed a draft of the 2018-19 cost recovered budget for comment to MAC members and industry representatives. Relatively minor changes were made to the draft budget based on feedback received during the industry consultation period and involved revisions to the budgeted amounts against certain fisheries management and policy support activities. A copy of the final cost recovered budget for 2018-19 budget was forwarded to the Commonwealth Fisheries Association (CFA), which is the peak industry body, on 14 May 2018. The CFA did not object to the final budget.

Consistent with the carve-out agreement made with the Office of Best Practice Regulation on 30 June 2014, AFMA is not required to complete a Regulation Impact Statement in relation to this instrument. Under this agreement the annual setting of cost recovery levies is considered machinery in nature (ID 14421).

## **Impact and Effect**

The impact of the Regulations is that it requires fishing concession owners to pay levy amounts to the Commonwealth government. The amount of levy payable depends on the quantity and types of fishing concessions held which, in turn, reflect the level of activity

AFMA needs to undertake to manage the relevant fishery and/or fish stock. The effect of the Regulations is to assist in enabling fishing concession owners to utilise their fishing concessions in the relevant Commonwealth fishery. This occurs because AFMA's cost-recovered activities include the administration of the fishing concessions system, the setting of sustainable catch limits using the best available science, developing and implementing the fishing rules and monitoring fishing activity.

Following the acquittal of an over collection in the AFMA budget from the 2017-18 financial year, the amount to be recovered from fishing concession holders for the 2018-19 financial year has decreased by 2.79 per cent on the previous year to \$13,675,000. Although the overall amount to be collected from the Commonwealth fishing industry has decreased slightly, the amount to be recovered from each fishery varies due to factors including:

- changes in management and research priorities for each fishery;
- adjustments for prior year over/under collections; and
- any changes during the financial year that alter the amount of resources required to administer the fishery.

There are nine fisheries and two sectors of the Southern and Eastern Scalefish and Shark Fishery (SESSF) where there has been a decrease in levy for the 2018-19 financial year compared with the previous financial year. These are:

- Coral Sea Fishery 34.21 per cent (\$70,571)
- Eastern Skipjack Fishery and Western Skipjack Fishery 25.08 per cent (\$14,313)
- Eastern Tuna and Billfish Fishery 24.05 per cent (\$424,357)
- Heard and McDonald Island Fishery 32.61 per cent (\$360,565)
- Small Pelagic Fishery 23.40 per cent (\$370,139)
- Southern and Eastern Scalefish and Shark Fishery
  - Gillnet, Hook and Trap 3.23 per cent (\$76,458)
  - Great Australian Bight 28.58 per cent (\$144,910)
- North West Slope Fishery 1.43 per cent (\$1,062)
- Southern Squid Jig Fishery 22.47 per cent (\$27,270)
- Western Tuna and Billfish Fishery 17.76 per cent (\$45,517)

There are five fisheries and one sector of the SESSF where there has been an increase in levy for the 2018-19 financial year compared with the previous financial year. These are:

- Bass Strait Central Zone Scallop Fishery 1.23 per cent (\$4,689)
- Macquarie Island Fishery 41.88 per cent (\$124,726)
- Northern Prawn Fishery 20.83 per cent (\$333,117)
- Western Deepwater Trawl Fishery 76.15 per cent (\$34,996)
- Southern and Eastern Scalefish and Shark Fishery
  - Commonwealth South East Trawl 12.85 per cent (\$328,766)
- Southern Bluefin Tuna Fishery 27.84 per cent (\$316,989)

Note: the Eastern Skipjack Fishery and Western Skipjack Fishery are administered under a single budget.

Details of the Regulations are set out in Attachment A.

The Regulations are compatible with the human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A full statement of compatibility is set out in Attachment B.

The Regulations are a legislative instrument for the purposes of the Legislation Act.

## Details of the *Fishing Levy Regulations 2018*

### Part 1- Preliminary

#### Section 1 – Name of Regulations

This section provides that the name of the Regulations is the *Fishing Levy Regulations 2018* (the Regulations).

#### Section 2 - Commencement

This section provides for the Regulations to commence the day after the instrument is registered.

#### Section 3 - Authority

This section provides that the Regulations are made under the *Fishing Levy Act 1991*.

#### Section 4 - Schedules

This section gives effect to the Schedule to the Regulations. Schedule 1 provides that the *Fishing Levy Regulations 2017* is repealed by the Regulations.

#### Section 5 - Definitions

Subsection (1) defines terms used in the Regulations.

It provides that ‘leviable fishing concession’ means a fishing concession in respect of which an amount of levy is prescribed by an instrument’.

It provides that ‘levy’ means levy imposed by the Levy Act.

It provides that ‘Levy Act’ means the *Fishing Levy Act 1991*.

It provides that ‘Management Act’ means the *Fisheries Management Act 1991*.

It provides that ‘Management Regulations’ means the *Fisheries Management Regulations 1992*.

It provides that ‘SFR’ means a statutory fishing right.

Subsection (2) provides that an expression used in the Regulations that is also used in the Management Regulations has the same meaning in the Regulations as in the Management Regulations.

Subsection (3) provides that an expression used in the Regulations in relation to a fishery that has a plan of management determined under section 17 of the Management Act has the same meaning in the Regulations as it has in the plan of management.

Subsections (2) and (3) incorporate by reference definitions from the Management Regulations and plans of management. Pursuant to paragraph 14(1)(a) of the Legislation Act, those definitions are being applied, adopted or incorporated by subsections (2) and (3) are as in force from time to time.

The Management Regulations and plans of management determined under section 17 of the Management Act can be found at the Federal Register of Legislation’s website, (<https://www.legislation.gov.au/>).

Section 6 - References to fisheries

This section provides that, where a reference is made to a fishery in the Regulations, it is a reference to the fishery as described in regulation 4B of the Management Regulations or in a plan of management determined under section 17 of the Management Act as amended from time to time.

This section incorporates by reference the areas of fisheries specified in regulation 4B of the Management Regulations and plans of management. Pursuant to paragraph 14(1)(a) of the Legislation Act, those areas of fisheries are being applied, adopted or incorporated by subsections (2) and (3) are as in force from time to time.

The Management Regulations and plans of management made under the Management Act can be found at the Federal Register of Legislation’s website (<https://www.legislation.gov.au/>).

**Part 2 – Amount of levy**

Section 7 - Prescribed amounts of levy

This section provides that Part 2 of the Regulations prescribes the amount of levy imposed.

Section 8 - Bass Strait Central Zone Scallop Fishery (BSCZSF)

Subsection 8(1) defines a leviable BSCZSF statutory fishing right (SFR).

Subsection 8(2) sets the levy payable for a BSCZSF commercial scallop quota SFR in force at any time on or after the commencement of the Regulations and ending on 30 June 2019.

The amount of levy in respect to a leviable BSCZSF SFR is \$0.90755, which includes an FRDC component of \$0.037 per SFR.

Comparison of the BSCZSF levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference	
			\$	%
Cost recovered budget	287 764	285 764	-2 000	- 0.70
Prior year (over)/under recoveries	99 017	106 778		
Fee for service	(4 672)	(5 744)		
<b>Amount payable (excludes FRDC)</b>	<b>382 109</b>	<b>386 798</b>	<b>4 690</b>	<b>1.23</b>

There has been a 1.23 per cent (\$4 690) increase in the levy amount for 2018-19 (\$386 798) compared to the levy amount payable for 2017-18 (\$382 109). The large (\$106 778) prior year under collection is due to an overspend of the 2017-18 budget relating to the 2018 Scallop Survey and increases in expenditure across a number of activities during the 2017-18 financial year; including increased Vessel Monitoring System (VMS) costs and observer coverage required to verify the discard rate of small scallops.

To calculate the levy payable for each commercial scallop quota SFR the FRDC levy (\$16 610) is added to the total management levy to be collected (\$386 798) and then divided by the number of commercial scallop quota SFRs in the fishery (444 500).

### Section 9 - Coral Sea Fishery (CSF)

Subsection 9(1) defines a leviable CSF fishing permit.

Subsection 9(2) sets the levy payable for a CSF fishing permit in force at any time on or after the commencement of the Regulations and ending on 30 June 2019.

The levy is made up of two components: a base amount (Tier 1) levy plus an additional amount (Tier 2) for each sector of the fishery to which the permit provides access. The Tier 1 levy covers general management costs incurred equally across each sector including salaries, travel, logbook processing, data management, licensing and compliance costs. Tier 2 levies reflect observer costs associated with each sector of the fishery.

The amount of levy with respect to a leviable Tier 1 CSF fishing permit levy is \$7159.50 which includes an FRDC component of \$98.94 per permit.

The amount of levy with respect to leviable Tier 2 CSF permits is:

- Hand collection - \$758.17 (6 permits); and
- Line, Trap and Trawl - \$1819.60 (10 permits).

Comparison of the CSF levy base between 2017-18 and 2018-19.

	2017-18	2018-19	Difference	
	\$	\$	\$	%
Cost recovered budget	180 245	158 421	-21 824	-12.11
Prior year (over)/under recoveries	27 124	(21 427)		
Fee for service	(1 084)	(1 280)		
<b>Amount payable (excludes FRDC)</b>	<b>206 285</b>	<b>135 714</b>	<b>-70 571</b>	<b>-34.21</b>

There has been a 34.21 per cent (\$70 571) decrease in the levy amount payable for 2018-19 (\$135 714) compared to the levy amount payable for 2017-18 (\$206 285). This is primarily driven by the difference in the over spend in 2016-17 (stakeholder meeting was not budgeted) and the under spend in 2017-18 (stakeholder meeting budgeted but did not occur). Stakeholder meetings have not been budgeted for in 2018-19 which is reflected in the lower budget compared to 2017-18.

The levy payable for each permit is split into two tiers. Tier 1 (\$7 159.50) is the levy amount paid by all 16 permit holders representing general fisheries costs. Tier 2 represents the observer budget (\$22 745) which is split based on expected use, 80 per cent to Line, Trap and Trawl and 20 per cent to Hand Collection.

### Section 10 - Eastern Skipjack Fishery (ESF)

Subsection 10(1) defines a leviable ESF fishing permit.

Subsection 10(2) sets out the levy payable for an ESF fishing permit in force at any time on or after the commencement of the Regulations and ending on 30 June 2019.

The amount of levy in respect to a leviable ESF permit is \$1379.39; there is no research component.

Comparison of the Skipjack Fisheries levy base between 2017-18 and 2018-19.

	2017-18	2018-19	Difference	
	\$	\$	\$	%
Cost recovered budget	84 606	69 059	-15 547	-18.38
Prior year (over)/under recoveries	(27 468)	(26 203)		
Fee for service	(64)	(95)		
<b>Amount payable (excludes FRDC)</b>	<b>57 074</b>	<b>42 761</b>	<b>-14 314</b>	<b>-25.08</b>

There has been a 25.08 per cent (\$14 314) decrease in the levy payable for 2018-19 (\$42 761) compared to the levy payable for 2017-18 (\$57 074). This decrease is mainly due to the lack of fishing effort in the fishery and the removal of at sea observer days that were previously included in the budget in anticipation of future fishing effort.

The ESF is managed under a single budget for the Western Skipjack Fishery (WSF) and ESF combined. The method used to calculate the levies combines the number of permits from both fisheries and then divides the total levy base by the total number of permits. There are currently 17 permits in the ESF and 14 permits in the WSF. Therefore, to determine the individual levies the levy base of \$57 074 has been divided by 31 permits across both fisheries.

### Section 11 - Eastern Tuna and Billfish Fishery (ETBF)

Subsection 11(1) defines leviable ETBF SFRs.

Subsection 11(2) sets the levy payable for ETBF SFRs in force at any time on or after the commencement of the Regulations and ending on 30 June 2019, as:



Item	Management Component	Research Component	Total Levy
Longline Boat SFR	\$3 107.40	-	\$3 107.40
Minor Line Boat SFR	\$1 693.14	-	\$1 693.14
Albacore Tuna Quota SFR	\$0.0818	\$0.0099	\$0.0917
Bigeye Tuna Quota SFR	\$0.1611	\$0.0195	\$0.1806
Broadbill Swordfish Quota SFR	\$0.1949	\$0.0236	\$0.2185
Striped Marlin Quota SFR	\$0.0265	\$0.0032	\$0.0297
Yellowfin Tuna Quota SFR	\$0.4038	\$0.0489	\$0.4527

Comparison of the ETBF levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference \$	%
Cost recovered budget	1 692 261	1 432 353	-259 908	-15.36
Prior year (over)/under recoveries	115 382	(66 891)		
Fee for service	(42 856)	(25 032)		
<b>Amount payable (excludes FRDC)</b>	<b>1 764 787</b>	<b>1 340 430</b>	<b>-424 358</b>	<b>-24.05</b>

There has been a 24.05 per cent (\$424 358) decrease in the levy amount payable for 2018-19 (\$1 340 430) compared to the levy amount payable for 2017-18 (\$1 764 787). This decrease is partly due to an underspend of \$66 891 in 2017-18, with the main decrease due to changes and efficiencies in the delivery of the e-monitoring program. Maintenance costs that were previously included in the levy base will now be paid directly by boat owners which results in approximately \$95 000 being removed from the levies. Approximately \$50 000 of costs of e-monitoring that were previously included in the ETBF levy base have been moved to the Southern Bluefin Tuna levy base to more accurately reflect the costs of longline boats targeting Southern Bluefin Tuna.

There is a two tiered system for the payment of levies in the ETBF. Tier 1 represents the fixed costs of managing the fishery. These costs are divided between Longline Boat SFRs and Minor Line Boat SFRs, with two thirds of the Tier 1 levy recovered equally amongst Longline Boat SFR holders and the remaining one third recovered equally from Minor Line Boat SFR holders. Tier 2 represents the costs which are variable depending on the level of fishing effort, such as compliance data collection, logbooks and observers. These costs are divided between each Quota SFR based on the relative market value of each quota species.

Operators who wish to fish in the Coral Sea Zone of the fishery are required to hold both a Longline Boat SFR and a Coral Sea Zone Boat SFR, hence there is no separate charge for a Coral Sea Zone Boat SFR.

### Section 12 - Heard Island and McDonald Islands Fishery (HIMIF)

Subsection 12(1) defines a leviable HIMIF quota SFR.

Subsection 12(2) sets the levy payable for a HIMIF quota SFR in force at any time on or after the commencement of the Regulations and ending on 30 June 2019.

The amount of levy in respect to a leviable HIMIF SFR is \$16.54 which includes an FRDC component of \$4.11.

Comparison of the HIMIF levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference	
			\$	%
Cost recovered budget	1 332 883	1 389 781	56 898	4.27
Prior year (over)/under recoveries	223 373	(93 666)		
Fee for service	(450 464)	(550 888)		
<b>Amount payable (excludes FRDC)</b>	<b>1 105 792</b>	<b>745 227</b>	<b>-360 565</b>	<b>-32.61</b>

There has been a 32.61 per cent (\$360 565) decrease in the levy amount payable for 2018-19 (\$745 227) compared to the levy amount payable for 2017-18 (\$1 105 792). The decrease is due to less observer days required than budgeted for in 2017-18 which resulted in a \$93 666 overspend in the 2017-18 budget. It should be noted that this overspend on observers is unlikely to be repeated, meaning that a significant decrease in the levies payable will be unlikely to occur in future financial years.

To calculate the levy payable for each SFR, the research component (\$246 845) is added to the total management levy (\$745 227) to be collected and then divided by the number of commercial SFRs in the fishery (60 000).

### Section 13 - Macquarie Island Toothfish Fishery (MITF)

Subsection 13(1) defines a leviable MITF quota SFR.

Subsection 13(2) sets the levy payable for a MITF quota SFR in force at any time on the commencement of the Regulations and ending on 30 June 2019.

The amount of levy in respect of a leviable MITF quota SFR is \$22.19 which includes an FRDC component of \$1.06.

Comparison of the MITF levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference	
			\$	%
Cost recovered budget	324 327	333 467	9 140	2.82
Prior year (over)/under recoveries	38 593	169 223		
Fee for service	(65 108)	(80 152)		
<b>Amount payable (excludes FRDC)</b>	<b>297 812</b>	<b>422 538</b>	<b>124 726</b>	<b>41.88</b>

There has been a 41.88 per cent (\$124 726) increase in the levy amount payable for 2018-19 (\$422 538) compared to the levy amount payable for 2017-18 (\$297 812). The increase has resulted from an under-collection of levies for observers in 2017-18, which has been incorporated into the levies payable for 2018-19.

To calculate the levy payable for each SFR, the research component (\$21 268) is added to the total management levy (\$422 538) to be collected and then divided by the number of commercial SFRs in the fishery (20 000).

#### Section 14 - Northern Prawn Fishery (NPF)

Subsection 14(1) defines a leviable NPF SFR.

Subsection 14(2) sets the levy payable for a NPF gear SFR that is in force at any time on or after the commencement of the Regulations and ending on 30 June 2019.

The amount of levy in respect to a leviable gear SFR is \$62.26, which includes an FRDC component of \$7.80.

Comparison of the NPF levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference	
			\$	%
Cost recovered budget	1 759 533	1 971 855	212 322	12.07
Prior year (over)/under recoveries	(156 244)	(38 053)		
Fee for service	(4 140)	(1 536)		
<b>Amount payable (excludes FRDC)</b>	<b>1 599 149</b>	<b>1 932 266</b>	<b>333 117</b>	<b>20.83</b>

There has been a 20.83 per cent (\$333 117) increase in the levy amount payable for 2018-19 (\$1 932 266) compared with the levy amount payable for 2017-18 (\$1 599 148). This increase is primarily attributable to, increased research cost for the biennial spawning survey; the need for updating the Environmental Risk Assessment (ERA) and increased policy support costs associated with the development of bycatch and harvest strategy policies. Additionally, the budget underspend in 2016-17 applied to the 2017-18 levy was high compared to the budget underspend in 2017-18, which is applied to the 2018-19 levy. The cost recoverable budget component of the 2018-19 NPF budget has increased by 12.07 per cent (\$212 322) compared to the previous year.

To calculate the levy payable for each NPF gear SFR, the total FRDC research levy (\$276 660) is added to the total management levy to be collected (\$1 932 266) and divided by the number of gear SFRs in the fishery (35 479).

### Section 15 - North West Slope Trawl Fishery (NWSTF)

Subsection 15(1) defines a leviable NWSTF fishing permit.

Subsection 15(2) sets the levy payable for a NWSTF fishing permit in force at any time on or after the commencement of the Regulations and ending on 30 June 2019.

The amount of levy in respect to a leviable NWSTF fishing permit is \$10 906.57, which includes an FRDC component of \$448.57.

Comparison of the NWSTF levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference	
			\$	%
Cost recovered budget	117 091	141 276	24 185	20.66
Prior year (over)/under recoveries	(41 171)	(67 966)		
Fee for service	(1 652)	(104)		
<b>Amount payable (excludes FRDC)</b>	<b>74 268</b>	<b>73 206</b>	<b>-1 062</b>	<b>-1.43</b>

There has been a 1.43 per cent (\$1 062) decrease in the levy amount payable for 2018-19 (\$73 206), compared to the levy amount payable for 2017-18 (\$74 268). This was a result of underspending of levies in the prior year which has offset recent increases in expenses for Environmental Risk Assessment (ERA) and policy support. The cost recoverable budget component of the 2018-19 NWSTF budget has increased by \$24 185 (20.66 per cent) compared to the previous year as a result of a need for updating the fishery's ERA, as well as an increase in the costs of policy support for bycatch and harvest strategy policies.

To calculate the levy payable for each NWSTF fishing permit, the total FRDC research levy (\$3 140) is added to the total management levy (\$73 206) and divided by the number of permits in the fishery (7).

Section 16 - Small Pelagic Fishery (SPF)

Subsection 16(1) defines leviable SPF quota SFRs.

Subsection 16(2) sets the levy payable for a SPF quota SFRs in force at any time on or after the commencement of the Regulations and ending on 30 June 2019, as:

Item	Management Component	Research Component	Total Levy
Australian Sardine quota SFR	\$0.017764421	\$0.000402196	\$0.018166617
Eastern Blue Mackerel quota SFR	\$0.017764421	\$0.000402196	\$0.018166617
Eastern Jack Mackerel quota SFR	\$0.017764421	\$0.000402196	\$0.018166617
Eastern Redbait quota SFR	\$0.017764421	\$0.000402196	\$0.018166617
Western Blue Mackerel quota SFR	\$0.017764421	\$0.000402196	\$0.018166617
Western Jack Mackerel quota SFR	\$0.017764421	\$0.000402196	\$0.018166617
Western Redbait quota SFR	\$0.033466387	\$0.000402196	\$0.033868583

Comparison of the SPF levy base between 2017-18 and 2018-19.

	2017-18	2018-19	Difference	
	\$	\$	\$	%
Cost recovered budget	1 319 456	1 112 557	-206 899	-15.68
Prior year (over)/under recoveries	263 569	100 617		
Fee for service	(916)	(1 204)		
<b>Amount payable (excludes FRDC)</b>	<b>1 582 109</b>	<b>1 211 970</b>	<b>-370 138</b>	<b>-23.40</b>

There has been a 23.40 per cent (\$370 138) decrease in the levy amount payable for 2018-19 (\$1 211 970) compared to the levy amount payable for 2017-18 (\$1 582 109). The decrease is primarily the result of a reduction in research costs associated with no new Daily Egg Production Method (DEPM) surveys budgeted in 2018-19, but noting that a portion of the Western Redbait DEPM cost will be recovered this year.

Under the 2018-19 revised levy model, the levy payable for each SPF quota SFR is comprised of a management component, research component and where applicable, a DEPM levy. For the 2018-19 financial year, the levy model for allocating stock-specific DEPM survey costs to SFRs has changed. From this year the DEPM survey costs will be allocated to the SFRs of the relevant stock only. This approach was developed in consultation with the South East MAC and concession holders.

The levy payable for each SPF quota SFR excluding Western Redbait quota SFRs, includes the management component (\$1 211 970), minus the cost of the Western Redbait DEPM survey (\$127 500), plus the research component (\$24 553), divided by the total number of SFRs in the fishery (61 047 305).

The levy payable for a Western Redbait quota SFR is calculated as above with the addition of the Western Redbait DEPM cost (\$127 500), divided by the total number of redbait west quota SFRs in the fishery (8 120 002).

### Section 17 and Section 18 - Southern and Eastern Scalefish and Shark Fishery (SESSF)

Section 17 and section 18 would prescribe the levy payable for SFRs and fishing permits in the SESSF. The SESSF incorporates the management of the previously individually managed East Coast Deepwater Trawl Fishery (ECDT); the Great Australian Bight Trawl Fishery (GABT); the Gillnet Hook and Trap Fishery (GHT); the Commonwealth South East Trawl Fishery (CSET); and the Victorian Coastal Waters Fishery (VCW) under a single management framework (the *Southern and Eastern Scalefish and Shark Fishery Management Plan 2003*) (SESSF management plan)).

Under the SESSF management plan the different sectors are managed under a system of SFRs and fishing permits. The total amount to be recovered through levies is split between fishing concessions granted under the management plan. This includes permits, boat SFRs and individual species quota SFRs. A levy allocation model developed in consultation with industry is used each year to determine how to split the total recoverable amount between the different concession types. Generally, the cost of species stock assessments and associated research are allocated to quota SFRs, and management costs are split based on whether the levied activity is relevant to boat SFRs, fishing permits or quota SFRs.

At industry's request the total budget for the SESSF continues to be set in terms of the individually managed sectors. As a result the SESSF budget is a combined total of the GABT, GHT and CSET budgets.

Subsection 17(1) defines leviable SESSF boat and quota SFRs.

Subsection 17(2) prescribes the levy amounts for SESSF boat SFRs.

Subsection 17(3) prescribes the levy amounts for SESSF quota species SFRs.

Subsection 17(4) prescribes the levy amounts for SESSF quota species SFRs for species caught in particular sectors or zones of the SESSF.

Subsection 18(1) defines leviable SESSF fishing permits.

Subsection 18(2) prescribes the levy amounts for fishing permits (other than quota fishing permits) for the SESSF.

Subsection 18(3) prescribes the levy amounts for certain species caught under quota fishing permits.

Subsection 18(4) prescribes that if a leviable SESSF quota fishing permit ceases to be in force on 30 April 2019 and an equivalent leviable SESSF quota SFR comes into force as at 1 May 2019, then the levy payable in respect to the quota fishing permit would be equal to two thirds of the total annual levy.

- **Great Australian Bight Trawl Sector (GABT)**

The total levy base for the fishery is \$387 632 including a research component of \$25 550. A fishing concession holder will pay an amount per quota species as shown in the table below to recover the total amount payable for the GABT.

The table below sets out the levy payable for GABT boat and quota SFRs in force at any time on or after the commencement of the Regulations and ending on 30 June 2019 as:

Item	Management Component	Research Component	Total Levy
GABT boat SFR	\$36 208.20	-	\$36 208.20
Bight redfish quota SFR	-	\$0.00503	\$0.00503
Deepwater flathead quota SFR	-	\$0.00679	\$0.00679
Orange roughy (GAB Albany and Esperance zones) quota SFR	-	\$0.00068	\$0.00068

Comparison of the GABT levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference \$ %	
Cost recovered budget	509 708	373 829	-135 879	-26.66
Prior year (over)/under recoveries	(592)	(10 886)		
Fee for service	(2 124)	(860)		
<b>Amount payable (excludes FRDC)</b>	<b>506 992</b>	<b>362 082</b>	<b>-144 909</b>	<b>-28.58</b>

There has been a 28.58 per cent (\$144 909) decrease in the levy amount payable for 2018-19 (\$362 082) compared to the levy payable for 2017-18 (\$506 992). This decrease is primarily because a fishery independent survey is not planned for 2018-19.

- **Gillnet Hook and Trap Sector (GHT)**

The total levy base for the fishery is \$2 386 321 including a research component of \$93 536. A fishing concession holder will pay an amount per quota species as shown in the table below to recover the total amount payable for the GHT.

The table below sets out the levy payable for GHT boat SFRs and permits in force at any time on or after the commencement of the Regulations and ending on 30 June 2019 as:

Item	Management Component	Research Component	Total Levy
GHT gillnet boat SFR	\$5,655.65	\$235.02	\$5,890.67
GHT scalefish boat SFR	\$2,463.65	\$235.02	\$2,698.67
GHT shark hook boat SFR	\$4,601.05	\$235.02	\$4,836.07
GHT fishing permit	\$1,918.34	\$235.02	\$2,153.36
GHT trap fishing permit	\$3,463.15	\$235.02	\$3,698.17
GHT autolongline fishing permit	\$4,695.87	\$235.02	\$4,930.89

Comparison of the GHT levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference	
			\$	%
Cost recovered budget	2 658 455	2 530 629	-127 826	-4.81
Prior year (over)/under recoveries	(234 932)	(207 163)		
Fee for service	(54 280)	(30 680)		
Amount payable (excludes FRDC)	2 369 243	<b>2 292 786</b>	-76 458	-3.23

There has been a 3.23 per cent (\$76 458) decrease in the levy amount payable for 2018-19 (\$2 292 786) compared to the levy amount payable for 2017-18 (\$2 369 243). This is mainly due to a reduction in monitoring costs brought about by the introduction of an industry biological data collection program, efficiencies in the electronic monitoring program, as well as savings from the introduction of electronic logbooks in the fishery.

- **Commonwealth South East Trawl Sector (CSET)**

The total levy base for the fishery is \$3 010 605 including a research component of \$122 965. A fishing concession holder will pay an amount per quota species as shown in the table below to recover the total amount payable for the CSET.



The table below sets out the levy payable for CSET boat SFRs and permits in force at any time on or after the commencement of the Regulations and ending on 30 June 2019 as;

Item	Management Component	Research Component	Total Levy
CSET trawl boat SFR	\$8 440.96	-	\$8 440.96
ECDT trawl fishing permit	\$493.47	-	\$493.47
VCW trawl fishing permit	\$352.48	-	\$352.48

Comparison of the CSET levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference	
			\$	%
Cost recovered budget	2 767 025	2 984 836	217 811	7.87
Prior year (over)/under recoveries	(176 091)	(72 652)		
Fee for service	(32 060)	(24 544)		
<b>Amount payable (excludes FRDC)</b>	<b>2 558 874</b>	<b>2 887 640</b>	<b>328 766</b>	<b>12.85</b>

There was a 12.85 per cent (\$328 766) increase in the levy amount payable for 2018-19 (\$2 887 640) compared to the levy payable for 2017-18 (\$2 558 874). The increase in the levied amount reflects the inclusion of funds in the 2018-19 budget to support monitoring projects in the trawl sector for 2018-19, including the electronic monitoring trial on otter board trawl and Danish seine vessels. The significant underspend in 2016-17 compared to 2017-18 has also contributed to difference in the levied amount for 2018-19.

A number of quota species are caught in both the GHT and CSET sectors of the SESSF. The following table sets out the levy payable for SESSF quota SFRs in force at any time on or after the commencement of the Regulations and ending on 30 June 2019.

Item	Management Component	Research Component	Total Levy
Alfonsino	\$0.00267	\$0.00011	\$0.00278
Blue eye trevalla	\$0.31864	\$0.01354	\$0.33218
Blue grenadier	\$0.07747	\$0.00329	\$0.08076
Blue warehou	\$0.00212	\$0.00009	\$0.00221
Deepwater shark (eastern)	\$0.01773	\$0.00075	\$0.01848

Deepwater shark (western)	\$0.04394	\$0.00187	\$0.04581
Elephant fish	\$0.17732	\$0.00754	\$0.18486
Flathead	\$0.31401	\$0.01334	\$0.32735
Gemfish (eastern)	\$0.07587	\$0.00322	\$0.07909
Gemfish (western)	\$0.07537	\$0.00320	\$0.07857
Gummy shark	\$0.36525	\$0.01552	\$0.38077
Jackass morwong	\$0.08691	\$0.00369	\$0.09060
John dory	\$0.06160	\$0.00262	\$0.06422
Mirror dory	\$0.05196	\$0.00221	\$0.05417
Ocean perch	\$0.09398	\$0.00399	\$0.09797
Orange roughy (Cascade Plateau)	\$0.00005	\$0.00000	\$0.00005
Orange roughy (eastern)	\$0.01641	\$0.00070	\$0.01711
Orange roughy (southern)	\$0.00232	\$0.00010	\$0.00242
Orange roughy (western)	\$0.00553	\$0.00023	\$0.00576
Oreodory (other)	\$0.02502	\$0.00106	\$0.02608
Smooth oreodory (Cascade Plateau)	\$0.00001	\$0.00000	\$0.00001
Smooth oreodory	\$0.04210	\$0.00179	\$0.04389
Pink ling	\$0.60463	\$0.02569	\$0.63032
Redfish	\$0.03329	\$0.00141	\$0.03470
Ribaldo	\$0.06133	\$0.00261	\$0.06394
Royal red prawn	\$0.05573	\$0.00237	\$0.05810
Saw shark	\$0.11917	\$0.00506	\$0.12423
School shark	\$0.49923	\$0.02121	\$0.52044
School whiting	\$0.07635	\$0.00324	\$0.07959

Silver trevally	\$0.02156	\$0.00092	\$0.02248
Silver warehou	\$0.15697	\$0.00667	\$0.16364

### Section 19 - Southern Bluefin Tuna Fishery (SBTF)

Subsection 19(1) defines a leviable SBTF quota SFR.

Subsection 19(2) sets the levy payable for a SBTF quota SFR in force at any time on or after the commencement of the Regulations and ending on 30 June 2019.

The amount of levy in respect of a leviable SBTF quota SFR is \$0.2917, which includes an FRDC component of \$0.0183.

Comparison of the SBTF levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference	
			\$	%
Cost recovered budget	1 200 432	1 468 945	268 513	22.36
Prior year (over)/under recoveries	(60 119)	(9 590)		
Less Fee for Service	(1 780)	(3 832)		
<b>Amount payable (excludes FRDC)</b>	<b>1 138 533</b>	<b>1 455 522</b>	<b>316 990</b>	<b>27.84</b>

There has been a 27.84 per cent (\$316 990) increase in the levy amount payable for 2018-19 (\$1 455 522) compared to the levy amount payable for 2017-18 (\$1 138 533). The main increases in the budget are a \$175 102 increase in data collection and management. Of this increase approximately \$50 000 relates to covering the e-monitoring costs associated with longline boats targeting Southern Bluefin Tuna and the remainder are costs associated with managing the contract management costs of the farm monitoring contract. There has also been an \$85 847 increase in research costs in the fishery.

To calculate the levy payable for each SBT quota SFR the research component (\$97 608) is added to the total management levy to be collected (\$1 455 522). The total (\$1 553 130) is then divided by the number of commercial SBT quota SFRs in the fishery (5 324 422).

### Section 20 - Southern Squid Jig Fishery (SSJF)

Subsection 20(1) defines a leviable SSJF gear SFR.

Subsection 20(2) sets the levy payable for each SSJF gear SFR in force at any time on or after the commencement of the Regulations and ending on 30 June 2019.

The amount of levy in respect to a leviable SSJF gear SFR is \$19.3414, which includes an FRDC component of \$0.1429 per SFR.

Comparison of the SSJF levy base between 2017-18 and 2018-19.

	2017-18	2018-19	Difference	
	\$	\$	\$	%
Cost recovered budget	132 874	90 844	-42 030	-31.6
Prior year (over)/under recoveries	(9 951)	5 273		
Fee for service	(1 580)	(2 044)		
<b>Amount payable (excludes FRDC)</b>	<b>121 343</b>	<b>94 073</b>	<b>-27 271</b>	<b>-22.47</b>

There has been a 22.47 per cent (\$27 271) decrease in the levy payable for 2018-19 (\$94 073) compared to the levy payable for 2017-18 (\$121 343). This decrease is the result of the completion of the research project undertaken to improve the fleet's ability to locate squid.

To calculate the levy payable for each SSJF gear SFR, the FRDC levy (\$700) is added to the total management levy to be collected (\$94 073) and then divided by the number of commercial SSJF gear SFRs in the fishery (4 900).

#### Section 21 - Western Deepwater Trawl Fishery (WDTF)

Subsection 21(1) defines a leviable WDWTF fishing permit.

Subsection 21(2) sets the levy payable for a WDTF fishing permit in force at any time on or after the commencement of the Regulations and ending on 30 June 2019.

The amount of levy in respect to a leviable WDTF fishing permit is \$7 477.09, which includes an FRDC component of \$117.73.

Comparison of the WDTF levy base between 2017-18 and 2018-19.

	2017-18	2018-19	Difference	
	\$	\$	\$	%
Cost recovered budget	115 122	143 787	28 665	24.90
Prior year (over)/under recoveries	(69 114)	(62 738)		
Fee for service	(52)	(96)		
<b>Amount payable (excludes FRDC)</b>	<b>45 956</b>	<b>80 953</b>	<b>34 996</b>	<b>76.15</b>

There has been a 76.15 per cent (\$34 996) increase in the levy payable for 2018-19 (\$80 953) compared to the levy amount payable for 2017-18 (\$45 956). This increase is as a result of a need for updating the fishery's Environmental Risk Assessment (ERA) as well as an increase in the costs of policy support for bycatch and harvest strategy policies in 2018-19. The cost recoverable budget component of the 2018-19 WDTF budget has increased by 24.90 per cent (\$28 665).

To calculate the levy payable for each WDTF fishing permit, the total FRDC research levy (\$1 295) is added to the total management levy to be collected (\$80 953) and divided by the number of fishing permits in the fishery (11).

### Section 22 - Western Skipjack Fishery (WSF)

Subsection 22(1) defines a leviable WSF fishing permit.

Subsection 22(2) sets out the levy payable for a WSF fishing permit in force at any time on or after the commencement of the Regulations and ending on 30 June 2019.

The amount of levy in respect to a leviable WSF permit is \$1379.39; there is no research component.

Comparison of the Skipjack Fisheries levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference	
			\$	%
Cost recovered budget	84 606	69 059	-15 547	-18.38
Prior year (over)/under recoveries	(27 468)	(26 203)		
Fee for service	(64)	0		
<b>Amount payable (excludes FRDC)</b>	<b>57 074</b>	<b>42 761</b>	<b>-14 314</b>	<b>-25.08</b>

There has been a 25.08 per cent (\$14 314) decrease in the levy payable for 2018-19 (\$42 761) compared to the levy payable for 2017-18 (\$57 074). This decrease is mainly due to the lack of fishing effort in the fishery and the removal of at sea observer days that were previously included in the budget in anticipation of future fishing effort.

The WSF is managed under a single budget for the Eastern Skipjack Fishery (ESF) and WSF combined. The method used to calculate the levies combines the number of permits from both fisheries and then divides the total levy base by the total number of permits. There are currently 17 permits in the ESF and 14 permits in the WSF. Therefore, to determine the individual levies the levy base of \$57 074 has been divided by 31 permits across both fisheries.

### Section 23 - Western Tuna and Billfish Fishery (WTBF)

Subsection 23(1) defines leviable WTBF boat and quota SFRs.

Subsection 23(2) sets the levy payable for a WTBF boat and quota SFRs in force at any time on or after the commencement of the Regulations and ending on 30 June 2019, as:

Item	Management Levy	FRDC Levy	Total Levy
Boat SFR	\$839.79	\$46.31	\$886.10
Bigeye Tuna Quota SFR	\$0.0432	-	\$0.0432
Broadbill Swordfish Quota SFR	\$0.0432	-	\$0.0432
Striped Marlin Quota SFR	\$0.0432	-	\$0.0432
Yellowfin Tuna Quota SFR	\$0.0432	-	\$0.0432

Comparison of the WTBF levy base between 2017-18 and 2018-19.

	2017-18 \$	2018-19 \$	Difference	
			\$	%
Cost recovered budget	302 945	275 935	-27 010	-8.92
Prior year (over)/under recoveries	(43 589)	(64175)		
Fee for service	(3 048)	(968)		
Amount payable (excludes FRDC)	256 308	<b>210 791</b>	-45 517	-17.76

There has been a 17.76 per cent (\$45 517) decrease in the levy amount payable for 2018-19 (\$210 791) compared to the levy amount payable for 2017-18 (\$256 308). This decrease is mainly due to reduced effort in the fishery resulting in lower monitoring costs than forecast for 2017-18 and the 2018-19 budget being updated to reflect these lower effort levels.

There is a two tiered system for the payment of levies in the WTBF. Tier 1 represents the fixed costs of managing the fishery and the research component. These costs are divided equally between each boat SFR. Tier 2 represents the costs which are variable depending on the level of fishing effort, such as compliance data collection, logbooks and observers. The different options of dividing the Tier 2 costs among the quota SFRs has been discussed with industry members, however no agreement could be reached. Therefore, without industry consensus, it was considered the most equitable option was to divide the costs equally between each quota SFR.

## Schedule 1 – Repeals

### Section 1 – Repeal of *Fishing Levy Regulations 2017*

Section 1 of Schedule 1 repeals the *Fishing Levy Regulations 2017*.

**Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

***Fishing Levy Regulations 2018***

This instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

**Overview of the Legislative Instrument**

The instrument sets the amounts of levy that are payable for Commonwealth fishing concessions for the 2018-19 financial year.

**Human rights implications**

This instrument does not engage any of the applicable rights or freedoms.

**Conclusion**

This instrument is compatible with human rights as it does not raise any human rights issues.

**Senator the Hon. Richard Colbeck  
Assistant Minister for Agriculture and Water Resources  
Parliamentary Secretary to the Minister for Agriculture and Water Resources**