

EXPLANATORY STATEMENT

Issued by Authority of the Assistant Minister for Forestry and Fisheries, Parliamentary Secretary to the Minister for Agriculture, Drought and Emergency Management

Fishing Levy Act 1991

Fishing Levy Amendment (2020-2021 Levy Amounts) Regulations 2020

Legislative Authority

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

Section 5 of the 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. Section 8 of the Act provides that the Governor-General may make regulations for the purposes of section 6 of the Act.

‘Fishing concession’ is defined in the Act with reference to the definition of ‘fishing concession’ in the *Fisheries Management Act 1991* (the Management Act) other than a foreign fishing licence granted under Part 3 of that Act. In effect, ‘fishing concession’ relevantly includes a ‘statutory fishing right’ (SFR) and a ‘fishing permit’.

Under the Management Act:

- 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; and
- 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.

Purpose

The purpose of the proposed *Fishing Levy Amendment (2020-2021 Levy Amounts) Regulations 2020* (the Regulations) is to:

- 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 Commonwealth fisheries that have leviable concessions and that are either described in regulation 18 of the *Fisheries Management Regulations 2019* (the Management Regulations) or in fisheries management plans determined in accordance with section 17 of the Management Act.

A related instrument, the *Fisheries Management (Fishing Levy Collection) Amendment (2020-2021 Instalment Dates) Regulations 2020*, provides for when levy amounts imposed are due and payable and also provides for the payment of those levies by way of instalments.

Background

Each financial year the Australian Fisheries Management Authority (AFMA), in accordance with the Australian Government Cost Recovery Guidelines, prepares a budget to recover the costs of Commonwealth fisheries management from fishing concession holders through the imposition of levies. AFMA's Cost Recovery Implementation Statement (CRIS) outlines what cost-recoverable activities AFMA provides and how those activities are implemented in managing Commonwealth fisheries. The 2020-21 cost-recovered budget was calculated to be \$15 084 970 (excluding fisheries managed under the *Torres Strait Fisheries Act 1984* (the Torres Act)). This is an increase of 0.27 per cent on the previous year.

AFMA levies are calculated based on the cost-recovered budget for the coming financial year, plus or minus any under or over spend in the previous financial year and take into account any revenue collected through fee-for-service charges. Following the acquittal of an under-collection in the AFMA budget from the 2019-20 financial year and an adjustment for revenue collected through fee-for-service charges, the total AFMA levy amount to be recovered from fishing concession holders for the 2020-21 financial year is \$13 111 895 (a decrease of 7.98 per cent on the previous year). Levy amounts for the Torres Strait Prawn Fishery (which is managed under the Torres Act) are prescribed in separate regulations.

As part of its annual levy processes AFMA also collects an amount of research levy for the Fisheries Research and Development Corporation (FRDC). This research levy amount is also subject to an acquittal from the previous financial year and potential adjustment. Such an adjustment may arise as calculations of the research amount are based on the previous financial year's determined gross value of production (GVP) prior to the determined GVP figure for the current year becoming available. For 2020-21 the FRDC amount to be collected is approximately \$998 122.

Under the Regulations, the total amount of levy (AFMA levy plus FRDC levy) to be paid by fishing concession holders in 2020-21 is \$14 110 017.

Although the overall amount to be collected from the Commonwealth fishing industry has decreased, 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.

Consultation

On 24 February 2020, AFMA distributed a draft CRIS, including the draft 2020-21 cost recovered budget, for comment to the Commonwealth Fisheries Association (CFA) (the peak industry body). These drafts were also provided to each of the fishery Management Advisory Committees (MACs) and other relevant consultative bodies for fisheries that do not have a MAC. In light of the COVID-19 pandemic, travel expenditure was reduced prior to finalisation of the budget. A copy of the final cost-recovered budget for 2020-21 was forwarded to the CFA on 16 June 2020. 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 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.

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 one sector of the Southern and Eastern Scalefish and Shark Fishery (SESSF) where there has been a decrease in levy for the 2020-21 financial year compared with the previous financial year. These are:

- Bass Strait Central Zone Scallop Fishery 9.82 per cent (\$30 622)
- Coral Sea Fishery 25.23 per cent (\$38 900)
- Eastern Tuna and Billfish Fishery 6.97 per cent (\$116 787)
- Heard Island and McDonald Islands Fishery 7.94 per cent (\$94 669)
- Northern Prawn Fishery 8.92 per cent (\$189 113)
- Small Pelagic Fishery 6.49 per cent (\$65 230)
- Southern and Eastern Scalefish and Shark Fishery
 - Commonwealth South East Trawl 20.55 per cent (\$584 209)
- Southern Bluefin Tuna Fishery 6.78 per cent (\$96 288)
- Southern Squid Jig Fishery 25.07 per cent (\$27 306)
- Western Deepwater Trawl Fishery 33.28 per cent (\$5531)

There are five fisheries and two sectors of the SESSF where there has been an increase in levy for the 2020-21 financial year compared with the previous financial year. These are:

- Eastern Skipjack Fishery and Western Skipjack Fishery 0.46 per cent (\$276)
- Macquarie Island Fishery 43.34 per cent (\$64 359)
- North West Slope Fishery 27.94 per cent (\$10 527)
- Southern and Eastern Scalefish and Shark Fishery
 - Gillnet, Hook and Trap 0.32 per cent (\$7511)
 - Great Australian Bight 2.62 per cent (\$15 071)
- Western Tuna and Billfish Fishery 5.24 per cent (\$13 213)

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 2003* and commence on the day after being registered on the Federal Register of Legislation.

Details of the Fishing Levy Amendment (2019-2020 Levy Amounts) Regulations 2020**Section 1 – Name of Regulations**

This section provides that the name of the proposed Regulations is the *Fishing Levy Amendment (2020-2021 Levy Amounts) Regulations 2020* (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 proposed Regulations are made under the *Fishing Levy Act 1991*.

Section 4 – Schedules

This section provides that each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1 – Amendments*Fishing Levy Regulations 2018***Item [1] Subsection 5(1)**

This item means that the new levy day is the day when the Regulations commence.

Item [2] Subsection 8(2) – Bass Strait Central Zone Scallop Fishery (BSCZSF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable BSCZSF SFR is \$0.6676.

Comparison of the BSCZSF levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	343 580	357 759	14 179	4.12
Prior year (over)/under recoveries	(30 707)	(76 057)		
Fee-for-service	(1072)	(524)		
Amount payable (excludes FRDC)	311 801	281 179	(30 622)	(9.82)

There has been a 9.82 per cent (\$30 622) decrease in the levy amount for 2020-21 (\$281 179) compared to the levy amount payable for 2019-20 (\$311 801). The prior year over collection (\$76 057) is due to an under spend of the 2019-20 budget relating to research and a reduction in travel and accommodation for resource assessment group and management advisory committee meetings.

To calculate the levy payable for each commercial scallop SFR the FRDC levy (\$15 580) is added to the total management levy to be collected (\$281 179) and then divided by the number of commercial scallop quota SFRs in the fishery (444 500).

Items [3] – [4] - Paragraph 9(2)(a) and Subsection 9(2) - Coral Sea Fishery (CSF)

The levy in this fishery 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 effect of the amendment made by item 3 is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable CSF fishing permit is \$7582.45.

The effect of the amendment made by item 4 is that starting on the new levy day and ending on the next following 30 June the amount of Tier 2 levy is as per the table below:

Amount of levy for a sector of the Coral Sea Fishery		
Item	Sector	Amount (\$)
1	Aquarium	818.13
2	Line	3,272.53
3	Line—autobait	3,272.53
4	Lobster and trochus	818.13
5	Sea cucumber	818.13

Comparison of the CSF levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	138 921	134 357	(4564)	(3.29)
Prior year (over)/under recoveries	15 711	(18 937)		
Fee for service	(480)	(168)		
Amount payable (excludes FRDC)	154 152	115 252	(38 900)	(25.23)

The 2020-21 budget (\$134 357) is slightly less than the 2019-20 budget (\$138 921), however there has been a 25.23 per cent (\$38 900) decrease in the levy amount payable for 2020-21 (\$115 252) compared to the levy amount payable for 2019-20 (\$154 152). This decrease in

the levy payable is due primarily due to an over collection in 2019-20 for an Ecological Risk Assessment of the fishery that did not occur.

The levy payable for each permit is split into two tiers. Tier 1 (\$7559) is the levy amount paid by all 12 permit holders representing general fisheries costs, noting this excludes the FRDC component. Tier 2 represents the observer budget (\$24 544), which is split based on expected use, 80 per cent to Line and 20 per cent to Hand Collection.

Item [5] Subsection 10(2) - Eastern Skipjack Fishery (ESF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable ESF permit is \$1927.25.

Comparison of the Skipjack Fisheries levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	62 430	63 590	1160	1.86
Prior year (over)/under recoveries	(2505)	(3810)		
Fee-for-service	(456)	(36)		
Amount payable (excludes FRDC)	59 469	59 745	276	0.46

There has been a 0.46 per cent (\$276) increase in the levy payable for 2020-21 (\$59 745) compared to the levy payable for 2019-20 (\$59 469). The fishery budget was almost fully spent in 2019-20 and the budgeted amount for 2020-21 is similar meaning there is only a minor increase in the levy collectable.

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 \$59 469 has been divided by 31 permits across both fisheries.

Item [6] Subsection 11(2) - Eastern Tuna and Billfish Fishery (ETBF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable ETBF SFR is as per the table below:

Amount of levy—Eastern Tuna and Billfish Fishery		
Item	SFR	Amount (\$)
1	Leviable ETBF Albacore Tuna SFR	0.0970
2	Leviable ETBF Bigeye Tuna SFR	0.1779
3	Leviable ETBF Broadbill Swordfish SFR	0.2516

Amount of levy—Eastern Tuna and Billfish Fishery		
Item	SFR	Amount (\$)
4	Leviable ETBF longline boat SFR	3,903.0500
5	Leviable ETBF minor line boat SFR	2,026.5800
6	Leviable ETBF Striped Marlin SFR	0.0364
7	Leviable ETBF Yellowfin Tuna SFR	0.5107

Comparison of the ETBF levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	1 600 259	1 626 081	25 822	1.61
Prior year (over)/under recoveries	80 064	(65 932)		
Fee for service	(5213)	(1924)		
Amount payable (excludes FRDC)	1 675 011	1 558 224	(116 787)	(6.97)

There has been a 6.97 per cent (\$116 787) decrease in the levy amount payable for 2020-21 (\$1 558 224) compared to the levy amount payable for 2019-20 (\$1 675 011). This decrease is mainly due to an under spend of \$65 932 on 2019-20 budget and not having to collect an over-spend of \$80 064 on the 2018-19 budget. There has been an increase of 1.61 per cent (\$25 822) in the fishery budget this year, mainly associated in increases in data and research costs.

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 that 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.

Item [7] Subsection 12(2) - Heard Island and McDonald Islands Fishery (HIMI)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable HIMI SFR is \$22.2728.

Comparison of the HIMIF levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	1 396 476	1 501 272	104 796	7.50
Prior year (over)/under recoveries	348 068	147 471		
Fee-for-service	(551 488)	(550 356)		
Amount payable (excludes FRDC)	1 193 056	1 098 387	(94 670)	(7.94)

There has been a 7.94 per cent (\$94 670) decrease in the levy amount payable for 2020-21 (\$1 098 387) compared to the levy amount payable for 2019-20 (\$1 193 056). The decrease is due to a reduced over-spend of the 2019-20 budget compared to the previous year. Budgets have been overspent due to the increased number of observer days expended in the fishery due to increased fishing effort. The overall budget for the fishery has increased by 7.50 per cent to reflect this increased observer coverage.

To calculate the levy payable for each SFR, the research component (\$237 980) is added to the total management levy (\$1 098 387) to be collected and then divided by the number of commercial SFRs in the fishery (60 000).

Item [8] Subsection 13(2) - Macquarie Island Toothfish Fishery (MITF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable MITF SFR is \$12.3229.

Comparison of the MITF levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	314 998	328 434	13 436	4.27
Prior year (over)/under recoveries	(16 097)	34 469		
Fee-for-service	(150 400)	(150 044)		
Amount payable (excludes FRDC)	148 501	212 860	64 359	43.34

There has been a 43.34 per cent (\$64 359) increase in the levy payable for 2020-21 compared to the levy payable in 2019-20. The increase is partly due to an over-spend of the 2019-20 budget due to increased observer costs and a small increase in the 2020-21 budget to reflect the increased observer costs in the fishery.

To calculate the levy payable for each SFR, the research component (\$33 598) is added to the total management levy (\$212 860) to be collected and then divided by the number of commercial SFRs in the fishery (20 000).

Item [9] Subsection 14(2) - Northern Prawn Fishery (NPF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable NPF gear SFR is \$61.74.

Comparison of the NPF levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	1 980 756	2 188 266	207 510	10.48
Prior year (over)/under recoveries	140 024	(214 035)		
Fee-for-service	(1824)	(44 388)		
Amount payable (excludes FRDC)	2 118 956	1 929 843	(183 114)	(8.92)

There has been an 8.92 per cent (\$183 114) decrease in the levy amount payable for 2020-21 (\$1 929 843) compared with the levy amount payable for 2019-20 (\$2 118 956). The cost recoverable budget component of the 2020-21 NPF budget (\$2 188 266) has increased from 2019-20 budget (\$1 980 756) by \$207 510 due to increased research, data collection and observer costs.

The primary driver of the difference in levy collected in 2019-20 compared to 2020-21 is an under spend against the 2019-20 budget, which reduced the 2020-21 levy amount payable by \$214 086. The under spend in 2019-20 was due to under spends in the administration of the Management Advisory Committee and Resource Assessment Group and reduced use of at-sea scientific observers due to COVID-19 restrictions.

To calculate the levy payable for each NPF gear SFR, the total FRDC research levy (\$260 673) is added to the total management levy to be collected (\$1 929 843) and divided by the number of gear SFRs in the fishery (35 479).

Item [10] Subsection 15(2) - North West Slope Trawl Fishery (NWSTF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable NWSTF fishing permit is \$7539.71.

Comparison of the NWSTF levy base between 2019-20 and 2020-21.

	2019-20 \$	2020-21 \$	Difference	
			\$	%
Cost recovered budget	106 734	71 327	(35 407)	(33.17)
Prior year (over)/under recoveries	(68 883)	(23 098)		
Fee-for-service	(216)	(16)		
Amount payable (excludes FRDC)	37 685	48 213	10 528	27.94

There has been a 27.94 per cent (\$10 528) increase in the levy amount payable for 2020-21 (\$48 213), compared to the levy amount payable for 2019-20 (\$37 685).

The cost recovered NWSTF 2020-21 budget decreased by 33.17 percent (\$35 407) compared with 2019-20 as a result of a reduction in travel costs for the consultative committee meeting due to COVID-19 restrictions and no budgeted research projects. However, a large under spend in 2018-19 significantly reduced the 2019-20 levy combined with a relatively lower under spend in 2019-20 resulted in an overall increase in the amount of levy payable (\$10 528) in 2020-21.

To calculate the levy payable for each NWSTF fishing permit, the total FRDC research levy (\$4 565) is added to the total management levy (\$48 213) and divided by the number of permits in the fishery (7).

Item [11] Subsection 16(2) (table) - Small Pelagic Fishery (SPF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable SPF SFR is as per the table below:

Amount of levy—Small Pelagic Fishery		
Item	SFR	Amount (\$)
1	Leviable SPF Australian Sardine quota SFR	0.0104329
2	Leviable SPF Eastern sub-area Blue Mackerel quota SFR	0.0322393
3	Leviable SPF Eastern sub-area Jack Mackerel quota SFR	0.0085329
4	Leviable SPF Eastern sub-area Redbait quota SFR	0.0340448
5	Leviable SPF Western sub-area Blue Mackerel quota SFR	0.0085329
6	Leviable SPF Western sub-area Jack Mackerel quota SFR	0.0085329
7	Leviable SPF Western sub-area Redbait quota SFR	0.0085329

Comparison of the SPF levy base between 2019-20 and 2020-21.

	2019-20 \$	2020-21 \$	Difference	
			\$	%
Cost recovered budget	1 182 116	1 122 505	(59 611)	(5.04)

Prior year (over)/under recoveries	(175 707)	(182 894)		
Fee-for-service	(2008)	(440)		
Amount payable (excludes FRDC)	1 004 401	939 171	(65 230)	(6.49)

There has been a 6.49 per cent (\$65 230) decrease in the levy amount payable for 2020-21 (\$939 171) compared to the levy amount payable for 2019-20 (\$1 004 401). The decrease primarily reflects a reduced workload and consequently less staff costs expected during 2020-21 as well as a relatively large under spend (\$182 894) of the 2019-20 budget for the same reason. The Eastern redbait Daily Egg Production Method (DEPM) survey and Eastern blue mackerel/Australian sardine survey are at various stages of completion and a portion of the cost for each will be recovered this year.

The levy model was revised in 2018-19 with the levy payable for each SPF quota SFR comprised of a management levy, which includes the cost of DEPM surveys allocated to the relevant stock quota SFRs, and the research component (FRDC levy).

The management levy for each SPF quota SFR, excluding Eastern redbait, Eastern blue mackerel and Australian sardine quota SFRs, includes the management component (\$939 171) minus the cost of the Eastern redbait DEPM survey (\$302 736) and the Eastern blue mackerel/Australian sardine DEPM survey (\$142 500), divided by the total number of SFRs in the fishery (61 047 305).

The management levy for an Eastern redbait, Eastern blue mackerel and Australian sardine quota SFR is calculated as for the management levy above, plus the DEPM survey cost allocated to the relevant stock quota SFRs. The DEPM survey costs are allocated to the respective stock quota SFRs as follows:

- Eastern redbait – the cost of the Eastern redbait DEPM survey (\$302 736) is divided by the total number of Eastern redbait quota SFRs in the fishery (11 866 489).
- Eastern blue mackerel and Australian sardine – the DEPM survey for these stocks is undertaken concurrently, consequently the cost of the survey (\$142 500) is allocated proportionally between the two relevant stock SFRs. The proportion is based on the tonnage of each stock landed as a proportion of the combined tonnage for these two stocks for the most recent, complete fishing season (2019-20). This means 96 per cent of the cost for this DEPM survey (\$136 800) is allocated to Eastern blue mackerel quota SFRs and 4 per cent (\$5 700) to Australian sardine quota SFRs. The cost per Eastern blue mackerel quota SFR is calculated by dividing the attributable DEPM cost (\$136 800) by the number of SFRs in the fishery (5 770 594). The cost per Australian sardine quota SFR is calculated by dividing the attributable DEPM cost (\$5 700) by the number of SFRs in the fishery (3 000 001).

The research levy payable for each quota SFR is the FRDC component (\$26 975) divided by the total number of SFRs in the fishery (61 047 305).

The total levy payable per quota SFR for each stock is calculated by summing the management levy per SFR for the relevant stock plus the research component per SFR.

NOTE: Items [12] – [17] refer to the Southern and Eastern Scalefish and Shark Fishery (SESSF)

Section 17 and section 18 of the *Fishing Levy Regulations 2018* 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 three sectors’ budgets.

A number of quota species are caught in both the GHT and CSET sectors of the SESSF.

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

The total levy base for the fishery is \$613 521 including a research component of \$23 080. 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.

Comparison of the GABT levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	558 392	609 492	51 100	9.15
Prior year (over)/under recoveries	18 466	(18 799)		
Fee-for-service	(1488)	(252)		
Amount payable (excludes FRDC)	575 370	590 441	15 071	2.62

There has been a 2.62 per cent (\$15 071) increase in the levy amount payable for 2020-21 (\$590 441) compared to the levy payable for 2019-20 (\$575 370). While the cost recovered budget for 2020-21 has increased by \$51 100 from 2019-20, the amount recovered in 2020-21 has only increased by \$15 071 because of the over spend in 2018-19 (\$18 466) and the under spend in 2019-20 (\$18 799). The under spend in 2019-20 is mainly due to reduced observer coverage in the GABT due to Covid-19 restrictions.

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

The total levy base for the fishery is \$2 408 345 including a research component of \$69 890. A fishing concession holder will pay an amount per boat SFR or permit as shown in the table below, or per quota species as shown in the table under the Commonwealth south east trawl sector, to recover the total amount payable for the GHT.

Comparison of the GHT levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	2 473 012	2 539 377	66 365	2.68
Prior year (over)/under recoveries	(121 540)	(190 611)		
Fee-for-service	(20 528)	(10 312)		
Amount payable (excludes FRDC)	2 330 944	2 338 455	7 511	0.32

There was a 0.32 per cent (\$7 511) increase in the levy amount payable in 2020-21 (\$2 338 455) compared to the levy amount payable for 2019-20 (\$2 330 944). The overall change in the cost recovered budget (\$66 365) was largely driven by an increase in the research and data collection and management activity groups. In particular there is an increase in the budget for research to be undertaken in 2020-21 as well as for the electronic monitoring program as a result of increases in data management costs combined with a greater proportion of the overall monitoring program costs being apportioned to the GHT (based on the number of devices fitted to boats per fishery). These increases offset savings in other activity groups, including a reduction in dedicated staff time for bycatch operations.

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

The total levy base for the fishery is \$2 386 077 including a research component of \$127 965. 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.

Comparison of the CSET levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	2 920 747	2 655 740	(265 007)	(9.07)

Prior year (over)/under recoveries	(57 554)	(386 656)		
Fee-for-service	(20 872)	(10 972)		
Amount payable (excludes FRDC)	2 842 321	2 258 112	(584 209)	(20.55)

There was a 20.55 per cent (\$584 209) decrease in the levy amount payable for 2020-21 (\$2 258 112) compared to the levy payable for 2019-20 (\$2 842 321). The decrease in the 2020-21 budget reflects a reduction in dedicated staff time for bycatch operations and variations to the industry co-management agreement and data services contracts. The under spend for 2019-20 (\$386 656) is due to less staff time dedicated to CSET issues including bycatch operations, projects that were not completed under co-management agreements due to Covid-19 restrictions, as well as revenue collected through fee-for-service charges.

Item [12] Subsection 17(2) (table)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable SESSF boat SFR is as per the table below:

Amount of levy—Southern and Eastern Scalefish and Shark Fishery—SFRs (other than quota SFRs)

Item	SFR	Amount (\$)
1	Leviable SESSF GAB trawl boat SFR	59,044.10
2	Leviable SESSF gillnet boat SFR	6,012.11
3	Leviable SESSF scalefish hook boat SFR	2,754.30
4	Leviable SESSF shark hook boat SFR	4,935.77
5	Leviable SESSF trawl boat SFR	7,127.54

Item [13] Subsection 17(3) (table)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable SESSF quota SFR is as per the table below:

Amount of levy—Southern and Eastern Scalefish and Shark Fishery—quota SFRs

Item	Quota species	Amount (\$)
1	Alfonsino	0.00126
2	Bight redfish	0.00449
3	Blue eye trevalla	0.25843
4	Blue grenadier	0.09492
5	Blue warehou	0.00357
6	Deepwater flathead	0.00615
7	Elephantfish	0.12291

Amount of levy—Southern and Eastern Scalefish and Shark Fishery—quota SFRs

Item	Quota species	Amount (\$)
8	Flathead	0.16026
9	Gummy shark	0.41278
10	Jackass morwong	0.02714
11	John dory	0.05116
12	Mirror dory	0.02687
13	Ocean perch	0.09026
14	Oreodory	0.00770
15	Pink ling	0.53309
16	Redfish	0.20067
17	Ribaldo	0.02269
18	Royal red prawn	0.05039
19	Saw shark	0.12540
20	School shark	0.44928
21	School whiting	0.13230
22	Silver trevally	0.00779
23	Silver warehou	0.06338

Item [14] Subsection 17(4) (table)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable SESSF quota SFR for species in particular sectors or zones is as per the table below:

Amount of levy—Southern and Eastern Scalefish and Shark Fishery—quota SFRs for species in particular sectors or zones

Item	Quota species	Sector or zone	Amount (\$)
1	Deepwater shark	Eastern	0.00420
2	Deepwater shark	Western	0.00850
3	Gemfish	Eastern	0.08046
4	Gemfish	Western	0.03001
5	Orange roughy	Albany and Esperance	0.00075
6	Orange roughy	Cascade Plateau	0.00062
7	Orange roughy	Eastern	0.02335
8	Orange roughy	Southern	0.00255
9	Orange roughy	Western	0.00402
10	Smooth oreodory	Cascade Plateau	0.00000
11	Smooth oreodory	A sector or zone other than the Cascade Plateau	0.01740

Item [15] Subsection 18(2) (table)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect to a leviable SESSF fishing permit (other than leviable SESSF quota fishing permits) is as per the table below:

Amount of levy—Southern and Eastern Scalefish and Shark Fishery—fishing permits (other than leviable SESSF quota fishing permits)

Item	Fishing permit	Amount (\$)
1	Leviable SESSF autolongline fishing permit	5,032.55
2	Leviable SESSF ECDT fishing permit	460.62
3	Leviable SESSF GHT fishing permit	2,197.76
4	Leviable SESSF GHT trap fishing permit	3,774.41
5	Leviable SESSF VCW fishing permit	197.41

Item [16] Subsection 18(3) (table)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable SESSF quota fishing permit is as per the table below:

Amount of levy—Southern and Eastern Scalefish and Shark Fishery—leviable SESSF quota fishing permits

Item	Quota species	Amount (\$)
1	Deepwater shark in the Eastern zone	0.01259
2	Deepwater shark in the Western zone	0.02551
3	Oreodory	0.02309
4	Ribaldo	0.06808
5	Smooth oreodory in the Cascade Plateau zone	0.00000
6	Smooth oreodory in a sector or zone other than the Cascade Plateau zone	0.05219

Item [17] Subsection 18(4)(a) and (b)

This item updates the paragraph with dates applicable to the 2020-21 financial year to prescribe that if a leviable SESSF quota fishing permit ceases to be in force on 30 April 2021 and an equivalent leviable SESSF quota SFR comes into force as at 1 May 2021, then the levy payable in respect of the quota fishing permit would be equal to two thirds of the total annual levy.

Item [18] Subsection 19(2) - Southern Bluefin Tuna Fishery (SBTF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable SBTF SFR is \$0.2683.

Comparison of the SBTF levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%

Cost recovered budget	1 479 128	1 441 381	(37 747)	(2.55)
Prior year (over)/under recoveries	(56 899)	(116 221)		
Less Fee-for-service	(1928)	(1148)		
Amount payable (excludes FRDC)	1 420 300	1 324 012	(96 288)	(6.78)

There has been a 6.78 per cent (\$96 288) decrease in the levy amount payable for 2020-21 (\$1 324 012) compared to the levy amount payable for 2019-20 (\$1 420 300). There was a \$37 747 decrease in the budget for the fishery and a \$116 221 under spend of the 2019-20 budget that have resulted in the decrease in levy payable.

To calculate the levy payable for each SBT quota SFR the research component (\$104 428) is added to the total management levy to be collected (\$1 324 012). The total (\$1 428 439) is then divided by the total number of commercial SBT quota SFRs in the fishery (5 324 422).

Item [19] Subsection 20(2) - Southern Squid Jig Fishery (SSJF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable SSJF gear SFR is \$17.6291.

Comparison of the SSJF levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	107 291	104 483	(2 808)	(2.62)
Prior year (over)/under recoveries	2153	(22 710)		
Fee-for-service	(536)	(172)		
Amount payable (excludes FRDC)	108 908	81 602	(27 306)	(25.07)

There has been a 25.07 per cent (\$27 306) decrease in the levy payable for 2020-21 (\$81 602) compared to the levy payable for 2019-20 (\$108 908). The prior year over collection (\$22 710) is due to an under spend of the 2019-20 budget relating to consultant fees for the squid resource assessment group and data collection and management due to a decrease in fishing activity during the 2019-20 financial year.

To calculate the levy payable for each SSJF gear SFR, the FRDC levy (\$3 018) is added to the total management levy to be collected (\$81 602) and then divided by the total number of commercial SSJF gear SFRs in the fishery (4800).

Item [20] Subsection 21(2) - Western Deepwater Trawl Fishery (WDWTF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable WDWTF fishing permit is \$1186.54.

Comparison of the WDTF levy base between 2019-20 and 2020-21.

	2019-20 \$	2020-21 \$	Difference \$	%
Cost recovered budget	109 868	70 706	(39 162)	(35.64)
Prior year (over)/under recoveries	(92 946)	(59 587)		
Fee-for-service	(304)	(32)		
Amount payable (excludes FRDC)	16 618	11 087	(5531)	(33.28)

There has been a 33.28 per cent (\$5531) decrease in the levy payable for 2020-21 (\$11 087) compared to the levy amount payable for 2019-20 (\$16 618). This decrease is a result of an under spend against the 2019-20 budget due to lower staffing, data collection and research costs combined with a reduced budget for 2020-21.

The 2020-21 cost recoverable WDTF budget has decreased by 35.64 per cent (\$39 162) due to lower budgeted costs for the consultative committee meeting, reduced staffing and no budgeted research in 2020-21.

To calculate the levy payable for each WDTF fishing permit, the total FRDC research levy (\$1965) is added to the total management levy to be collected (\$11 087) and divided by the total number of fishing permits in the fishery (11).

Item [21] Subsection 22(2) - Western Skipjack Fishery (WSF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable WSF fishing permit is \$1927.25.

Comparison of the Skipjack Fisheries levy base between 2019-20 and 2020-21.

	2019-20 \$	2020-21 \$	Difference \$	%
Cost recovered budget	62 430	63 590	1160	1.86
Prior year (over)/under recoveries	(2505)	(3810)		
Fee-for-service	(456)	(36)		
Amount payable (excludes FRDC)	59 469	59 745	276	0.46

There has been a 0.46 per cent (\$276) increase in the levy payable for 2020-21 (\$59 745) compared to the levy payable for 2019-20 (\$59 469). The fishery budget was almost fully spent in 2019-20 and the budgeted amount for 2020-21 is similar, resulting in only a minor increase in the levy collectable.

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 \$59 745 has been divided by 31 permits across both fisheries.

Item [22] Subsection 23(2) - Western Tuna and Billfish Fishery (WTBF)

The effect of this amendment is that starting on the new levy day and ending on the next following 30 June the amount of levy in respect of a leviable WTBF SFR is as per the table below:

Amount of levy—Western Tuna and Billfish Fishery		
Item	SFR	Amount (\$)
1	Leviable WTBF Bigeye Tuna quota SFR	0.0532
2	Leviable WTBF boat SFR	1,148.5400
3	Leviable WTBF Broadbill Swordfish quota SFR	0.0532
4	Leviable WTBF Striped Marlin quota SFR	0.0532
5	Leviable WTBF Yellowfin Tuna quota SFR	0.0532

Comparison of the WTBF levy base between 2019-20 and 2020-21.

	2019-20	2020-21	Difference	
	\$	\$	\$	%
Cost recovered budget	269 350	270 199	849	0.32
Prior year (over)/under recoveries	(15 520)	(4 552)		
Fee-for-service	(1728)	(332)		
Amount payable (excludes FRDC)	252 102	265 315	13 213	5.24

There has been a 5.24 per cent (\$13 213) increase in the levy amount payable for 2020-21 (\$265 315) compared to the levy amount payable for 2019-20 (\$252 102). This increase is mainly due to a smaller level of under spend in the budget for 2019-20 (\$4 552) compared to 2018-19 (\$15 520) and a small increase in the budget for 2020-21 (\$849).

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 have been discussed with industry members, however no agreement could be reached. Therefore, in the absence of industry consensus, dividing the costs equally between each quota SFR was considered to be the most equitable approach.

Statement of Compatibility with Human Rights

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

Fishing Levy Amendment (2020-2021 Levy Amounts) Regulations 2020

This Disallowable Legislative 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 Disallowable Legislative Instrument

This Disallowable Legislative Instrument sets the amounts of levy that are payable for Commonwealth fishing concessions for the 2020-21 financial year.

Human rights implications

This Disallowable Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Disallowable Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

Senator the Hon. Jonathon Duniam
Assistant Minister for Forestry and Fisheries
Parliamentary Secretary to the Minister for Agriculture, Drought and Emergency
Management