

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 (2021-2022 Levy Amounts) Regulations 2021

Legislative Authority

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

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) and 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 (2021-2022 Levy Amounts) Regulations 2021* (the Regulations) is to make an annual adjustment to implement cost recovery by:

- setting the amounts of levy payable in respect of fishing concessions for the purpose of section 6 of the Levy Act; and
- setting 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 (2021-2022 Instalment Dates) Regulations 2021*, 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 2021-22 cost-recovered budget was calculated to be \$15,552,092 (excluding fisheries managed under the *Torres Strait Fisheries Act 1984* (the Torres Act)). This is an increase of 3.10 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 over collection in the AFMA budget from the 2020-21 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 2021-22 financial year is \$13,867,650 (an increase of 5.76 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 2021-22 the FRDC amount to be collected is approximately \$1,080,206.

Under the Regulations, the total amount of levy (AFMA levy plus FRDC levy) to be paid by fishing concession holders in 2021-22 is \$14,948,856.

Consultation

On 22 March 2021, AFMA distributed a draft CRIS, including the draft 2021-22 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. A copy of the final cost-recovered budget for 2021-22 was forwarded to the CFA on 8 June 2021. 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 five fisheries and one sector of the Southern and Eastern Scalefish and Shark Fishery (SESSF) where there has been a decrease in levy for the 2021-22 financial year compared with the previous financial year. These are:

- Eastern Skipjack Fishery and Western Skipjack Fishery 45.09 per cent (\$26,937)
- Northern Prawn Fishery 6.14 per cent (\$118,563)
- Small Pelagic Fishery 11.88 per cent (\$111,595)
- Southern and Eastern Scalefish and Shark Fishery
 - Great Australian Bight 50.76 per cent (\$299,683)
- Western Tuna and Billfish Fishery 5.86 per cent (\$15,542)

There are nine fisheries and two sectors of the SESSF where there has been an increase in levy for the 2021-22 financial year compared with the previous financial year. These are:

- Bass Strait Central Zone Scallop Fishery 22.63 per cent (\$63,618)
- Coral Sea Fishery 5.73 per cent (\$6,606)
- Eastern Tuna and Billfish Fishery 3.63 per cent (\$56,504)
- Heard Island and McDonald Islands Fishery 9.44 per cent (\$103,675)
- Macquarie Island Fishery 53.12 per cent (\$113,080)
- North West Slope Fishery 21.55 per cent (\$10,390)
- Southern and Eastern Scalefish and Shark Fishery
 - Commonwealth South East Trawl 19.92 per cent (\$449,718)
 - Gillnet, Hook and Trap 9.22 per cent (\$215,561)
- Southern Bluefin Tuna Fishery 13.91 per cent (\$184,170)
- Southern Squid Jig Fishery 94.56 per cent (\$77,159)
- Western Deepwater Trawl Fishery 429.28 per cent (\$47,594)

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 (2021-2022 Levy Amounts) Regulations 2021**Section 1 – Name**

This section provides that the name of the Regulations is the *Fishing Levy Amendment (2021-2022 Levy Amounts) Regulations 2021* (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 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 has the effect 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 \$0.8028.

Comparison of the BSCZSF levy base between 2020-21 and 2021-22.

	2020-21	2021-22	Difference	
	\$	\$	\$	%
Cost recovered budget	357,759	416,204	58,445	16.34
Prior year (over)/under recoveries	(76,057)	(70,779)		
Fee-for-service	(524)	(629)		
Amount payable (excludes FRDC)	281,179	344,796	63,617	22.63

There has been a 22.63 per cent (\$63,617) increase in the levy amount for 2021-22 (\$344,796) compared to the levy amount payable for 2020-21 (\$281 179). The 2020-21 underspend (\$70,779) was due to reduced expenditure on research and a reduction in travel and accommodation costs for Resource Assessment Group (RAG) and Management Advisory Committee (MAC) meetings. The increase in the 2021-22 budget is primarily due to an increase in management staff time and increased membership to and frequency of RAG and MAC meetings to enable a review of the harvest strategy.

To calculate the levy payable for each commercial scallop SFR the FRDC levy (\$12,058) is added to the total management levy to be collected (\$344,796) 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) (table) - 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 \$7,977.08.

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	886.50
2	Line	3,546.00
3	Line—autobait	3,546.00
4	Lobster and trochus	886.50
5	Sea cucumber	886.50

Comparison of the CSF levy base between 2020-21 and 2021-22.

	2020-21	2021-22	Difference	
	\$	\$	\$	%
Cost recovered budget	134,357	142,945	8,588	6.39
Prior year (over)/under recoveries	(18,937)	(20,885)		
Fee for service	(168)	(202)		
Amount payable (excludes FRDC)	115,252	121,858	6,606	5.73

There has been a 5.73 per cent (\$6,606) increase in the levy payable for 2021-22 (\$121,858) compared to the 2020-21 levy (\$115,252).

The 2021-22 cost recovered Coral Sea Fishery budget (\$142,945) is a 6.39 per cent (\$8588) increase compared with the 2020-21 budget (\$134,357). The increase is driven by the need to review management arrangements within the fishery to address export approval conditions relating to Humphead Maori Wrasse and the sea cucumber sector Harvest Strategy. Taking into account an underspend against the 2020-21 budget (\$20,885), the levy payable in 2021-22 has increased slightly compared with the 2020-21 (\$6,606).

The levy payable for each permit is split between two tiers. Tier 1 (\$7,977.08) 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 (\$26,595) 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 \$1,058.33.

Comparison of the Skipjack Fisheries levy base between 2020-21 and 2021-22.

	2020-21 \$	2021-22 \$	Difference \$	%
Cost recovered budget	63,590	48,788	(14,802)	-23.28
Prior year (over)/under recoveries	(3,810)	(15,937)		
Fee-for-service	(36)	(43)		
Amount payable (excludes FRDC)	59,745	32,808	(26,937)	-45.09

There has been a 45.09 per cent (\$26,937) decrease in the levy payable for 2021-22 (\$32,808) compared to the levy payable for 2020-21 (\$59,745). The fishery budget was underspent in 2020-21 and the budgeted amount for 2021-22 is significantly less meaning there is significant decrease 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 \$32,808 has been divided by 31 permits across both fisheries.

Item [6] Subsection 11(2) (table) - 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	0.0995
2	Leviable ETBF Bigeye Tuna SFR	0.1824
3	Leviable ETBF Broadbill Swordfish SFR	0.2580
4	Leviable ETBF longline boat SFR	4,227.56
5	Leviable ETBF minor line boat SFR	2,195.08
6	Leviable ETBF Striped Marlin SFR	0.0373
7	Leviable ETBF Yellowfin Tuna SFR	0.5236

Comparison of the ETBF levy base between 2020-21 and 2021-22.

	2020-21	2021-22	Difference	
	\$	\$	\$	%
Cost recovered budget	1,626,081	1,597,115	(28,966)	-1.78
Prior year (over)/under recoveries	(65,932)	19,921		
Fee for service	(1,924)	(2,309)		
Amount payable (excludes FRDC)	1,558,224	1,614,728	56,504	3.63

There has been a 3.63 per cent (\$56,504) increase in the levy amount payable for 2021-22 (\$1,614,728) compared to the levy amount payable for 2020-21 (\$1,558,224). This increase is mainly due to an overspend of \$19,921 on 2020-21 budget, where the 2019-20 budget had a large underspend that was carried over in 2020-21. There has been a decrease of 1.78 per cent (\$28,966) in the fishery budget this year.

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.

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 \$25.2340.

Comparison of the HIMI levy base between 2020-21 and 2021-22.

	2020-21 \$	2021-22 \$	Difference \$	%
Cost recovered budget	1,501,272	1,573,912	72,640	4.84
Prior year (over)/under recoveries	147,471	178,577		
Fee-for-service	(550,356)	(550,427)		
Amount payable (excludes FRDC)	1,098,387	1,202,062	103,675	9.44

There has been a 9.44 per cent (\$103,675) increase in the levy amount payable for 2021-22 (\$1,202,062) compared to the levy amount payable for 2020-21 (\$1,098,387). The increase is due to an overspend in the 2020-21 financial year, largely due to higher than forecast observer costs and a levy deficit of \$178,577. The overall cost recovered budget for the fishery for 2021-22 has increased primarily due to more observer coverage.

To calculate the levy payable for each SFR, the research component (\$311,977) is added to the total management levy (\$1,202,062) 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 \$18.3676.

Comparison of the MITF levy base between 2020-21 and 2021-22.

	2020-21 \$	2021-22 \$	Difference \$	%
Cost recovered budget	328,434	306,153	(22,281)	-6.78
Prior year (over)/under recoveries	34,469	89,439		
Fee-for-service	(150,044)	(69,653)		
Amount payable (excludes FRDC)	212,860	325,939	113,080	53.12

There has been a 53.12 per cent (\$113,080) increase in the levy payable for 2021-22 (\$325,939) compared to the levy payable in 2020-21 (\$212,860). The increase is largely attributable to the carry-over of a levy deficit from 2020-21 and forecast reduced fee-for-service revenue for 2021-22.

To calculate the levy payable for each SFR, the research component (\$41,413) is added to the total management levy (\$325,939) 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 \$57.15.

Comparison of the NPF levy base between 2020-21 and 2021-22.

	2020-21 \$	2021-22 \$	Difference	
			\$	%
Cost recovered budget	2,188,266	2,151,301	(36,965)	-1.69
Prior year (over)/under recoveries	(214,035)	(289,555)		
Fee-for-service	(44,388)	(50,466)		
Amount payable (excludes FRDC)	1,929,843	1,811,280	(118,563)	-6.14

There has been a 6.14 per cent (\$118,563) decrease in the levy amount payable for 2021-22 (\$1,811,280) compared with the levy amount for 2020-21 (\$1,929,843). The cost recoverable component of the 2020-21 NPF budget (\$2,151,301) has decreased from the 2020-21 budget (\$2,188,266) by \$36,968, primarily due to a reduction in research costs.

The primary driver of the difference in levy to be collected in 2021-22 compared to that collected in 2020-21 is the underspend against the 2020-21 budget, which reduces the 2021-22 levy amount by \$118,563. The underspend against the 2020-21 budget was principally driven in commercial fisheries management costs (across all components); mostly administration of the MAC and RAG, and data collection and management costs (across all components); particularly Agency Data Capture. There was a slightly higher collection of observers fee for service charges relating to broodstock activities during 2021-21 due to COVID-19 restrictions resulting in trips occurring in the second half of 2020 rather than spread across the calendar year.

To calculate the levy payable for each NPF gear SFR, the total FRDC research levy (\$216,187) is added to the total management levy to be collected (\$1,811,280) 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 \$8,925.29.

Comparison of the NWSTF levy base between 2020-21 and 2021-22.

	2020-21 \$	2021-22 \$	Difference	
			\$	%

Cost recovered budget	71,327	91,497	20,170	28.28
Prior year (over)/under recoveries	(23,098)	(32,875)		
Fee-for-service	(16)	(19)		
Amount payable (excludes FRDC)	48,212	58,602	10,390	21.55

There has been a 21.55 per cent (\$10,390) increase in the levy payable for 2021-22 (\$58,602) compared to the levy payable in 2020-21 (\$48,212).

The cost recoverable NWSTF 2021-22 budget increased by 28.28 percent (\$20,170) compared with 2020-21. This is due to a review of management arrangements in the fishery that will address export approval conditions related to the Western Fisheries Harvest Strategy. An increase in budgeted observer days and the Agency Data Capture project to improve data collection and management across all Commonwealth fisheries also contributes to the increase.

However, a higher underspend against the 2020-21 budget compared with 2019-20 has offset some of this increase, resulting in an overall increase in the total levy payable by \$10,390 for 2021-22.

To calculate the levy payable for each NWSTF fishing permit, the total FRDC research levy (\$3,875) is added to the total management levy (\$58,602) 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	0.0117582
2	Leviable SPF Eastern sub-area Blue Mackerel quota SFR	0.0117582
3	Leviable SPF Eastern sub-area Jack Mackerel quota SFR	0.0117582
4	Leviable SPF Eastern sub-area Redbait quota SFR	0.0235893
5	Leviable SPF Western sub-area Blue Mackerel quota SFR	0.0117582
6	Leviable SPF Western sub-area Jack Mackerel quota SFR	0.0117582
7	Leviable SPF Western sub-area Redbait quota SFR	0.0117582

Comparison of the SPF levy base between 2020-21 and 2021-22.

	2020-21	2021-22	Difference	
	\$	\$	\$	%
Cost recovered budget	1,122,505	897,563	(224,942)	-20.04

Prior year (over)/under recoveries	(182,894)	(69,459)		
Fee-for-service	(440)	(528)		
Amount payable (excludes FRDC)	939,171	827,576	(111,595)	-11.88

There has been an 11.88 per cent (\$111,595) decrease in the levy amount payable for 2021-22 (\$827,576) compared to the levy amount payable for 2020-21 (\$939,171). The decrease primarily reflects a reduction in research costs as no new Daily Egg Production Method (DEPM) surveys are scheduled for 2021-22. A component of the Eastern redbait DEPM survey 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 includes the management component (\$827,576), minus the cost of the Eastern Redbait DEPM survey to be recovered this year (\$140,394), divided by the total number of SFRs in the fishery (61,047,305).

The cost of the Eastern Redbait DEPM survey (\$140,394) is divided by the total number of Eastern Redbait quota SFRs in the fishery (11,866,489) and added to the management levy for Eastern Redbait quota SFR.

The research levy payable for each quota SFR is the FRDC component (\$30,623) 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 FRDC levy 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 Statutory Fishing Rights (SFRs) and fishing permits in the SESSF. The SESSF incorporates the management of the Great Australian Bight Trawl Fishery (GABT); the Gillnet Hook and Trap Fishery (GHT); and the Commonwealth South East Trawl Fishery (CSET); 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 boat SFRs, fishing permits, 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 \$315,594. A fishing concession holder will pay an amount per boat SFR or per quota species to recover the total amount payable for the GABT.

Comparison of the GABT levy base between 2020-21 and 2021-22.

	2020-21 \$	2021-22 \$	Difference	
			\$	%
Cost recovered budget	609,492	439,616	(169,876)	-27.87
Prior year (over)/under recoveries	(18,799)	(148,556)		
Fee-for-service	(252)	(302)		
Amount payable (excludes FRDC)	590,441	290,758	(299,683)	-50.76

There has been a 50.76 per cent (\$299,683) decrease in the levy amount payable for 2021-22 (\$290,758) compared to the levy payable for 2020-21 (\$590,441). The cost recovered budget for 2021-22 decreased by \$169,876 from 2020-21 due to no stock assessments or major research projects scheduled in 2021-22. The total levy base was further reduced due to an underspend of \$148,556 resulting from reduced staff time and meeting expenses, as well as a reduction to the cost of the fishery independent survey in March 2021.

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

The total levy base for the fishery is \$2,602,300. A fishing concession holder will pay an amount per boat SFR, per permit or per quota species to recover the total amount payable for the GHT.

Comparison of the GHT levy base between 2020-21 and 2021-22.

	2020-21 \$	2021-22 \$	Difference	
			\$	%
Cost recovered budget	2,539,377	2,666,023	126,646	4.99
Prior year (over)/under recoveries	(190,611)	(94,132)		
Fee-for-service	(10,312)	(17,875)		
Amount payable (excludes FRDC)	2,338,455	2,554,016	215,561	9.22

There was a 9.22 per cent (\$215,561) increase in the levy amount payable in 2021-22 (\$2,554,016) compared to the levy amount payable for 2020-21 (\$2,338,455). The overall change in the cost recovered budget (\$126,646) was largely driven by an increase in data collection and monitoring costs reflecting upgrades to the IT systems that support paper and electronic forms of logbooks and catch disposal records and the inclusion of additional funding for a renewed co-management data collection program. The levy also includes smaller increases across a number of activity drivers reflecting increased staff time, the re-introduction of travel costs for MACs and RAGs, and research costs that include a new blue-eye trevalla close kin scoping study, pink ling stock assessment, ongoing school shark close kin project and new research to support monitoring of upper-slope dogfish. These increases were partially offset by a decrease in licensing and administration costs.

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

The total levy base for the fishery is \$2,869,839. A fishing concession holder will pay an amount per boat SFR, per permit or per quota species to recover the total amount payable for the CSET.

Comparison of the CSET levy base between 2020-21 and 2021-22.

	2020-21	2021-22	Difference	
	\$	\$	\$	%
Cost recovered budget	2,655,740	3,207,056	551,316	20.76
Prior year (over)/under recoveries	(386,656)	(277,061)		
Fee-for-service	(10,972)	(222,166)		
Amount payable (excludes FRDC)	2,258,112	2,707,829	449,717	19.92

There was a 19.92 per cent (\$449,717) increase in the levy amount payable for 2021-22 (\$2,707,829) compared to the levy payable for 2020-21 (\$2,258,112). The increase in the 2021-22 budget reflects an increase in the number of stock assessments and research scheduled for 2021-22, including acoustic surveys of the blue grenadier and Cascade Plateau orange roughy spawning aggregations. This was partially offset by an underspend for 2020-21 (\$277,061) which is primarily due to unbudgeted revenue collected through fee for service charges in 2020-21. An additional \$222,166 has been deducted from the cost-recovered budget due to expected revenue to be collected from fee for service activities in 2021-22.

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	29,075.80
2	Leviable SESSF gillnet boat SFR	7,017.57
3	Leviable SESSF scalefish hook boat SFR	2,994.29
4	Leviable SESSF shark hook boat SFR	5,043.76
5	Leviable SESSF trawl boat SFR	8,812.44

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	0.00096
2	Bight redfish	0.00496
3	Blue eye trevalla	0.25708
4	Blue grenadier	0.21562
5	Blue warehou	0.00228
6	Deepwater flathead	0.00646
7	Elephantfish	0.08779
8	Flathead	0.08289
9	Gummy shark	0.40888
10	Jackass morwong	0.07826
11	John dory	0.07313
12	Mirror dory	0.01968
13	Ocean perch	0.05519
14	Oreodory	0.00584
15	Pink ling	0.55061
16	Redfish	0.01785
17	Ribaldo	0.02012
18	Royal red prawn	0.01800
19	Saw shark	0.08891
20	School shark	0.56098
21	School whiting	0.04686
22	Silver trevally	0.01610
23	Silver warehou	0.13187

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	0.02043
2	Deepwater shark	Western	0.02540
3	Gemfish	Eastern	0.12412
4	Gemfish	Western	0.01670
5	Orange roughy	Albany and Esperance	0.00250
6	Orange roughy	Cascade Plateau	0.01715
7	Orange roughy	Eastern	0.04019
8	Orange roughy	Southern	0.00291
9	Orange roughy	Western	0.00973
10	Smooth oreodory	Cascade Plateau	0.00024
11	Smooth oreodory	A sector or zone other than the Cascade Plateau	0.01693

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	4,773.22
2	Leviable SESSF ECDDT fishing permit	569.51
3	Leviable SESSF GHT fishing permit	2,633.06
4	Leviable SESSF GHT trap fishing permit	27,131.93
5	Leviable SESSF VCW fishing permit	244.08

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 Scalegfish and Shark Fishery—leviable SESSF quota fishing permits

Item	Quota species	Amount (\$)
1	Deepwater shark in the Eastern zone	0.06129
2	Deepwater shark in the Western zone	0.07619
3	Oreodory	0.01753
4	Ribaldo	0.06035
5	Smooth oreodory in the Cascade Plateau zone	0.00071
6	Smooth oreodory in a sector or zone other than the Cascade Plateau zone	0.05078

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

This item updates the paragraph with dates applicable to the 2020-21 financial year, which has the effect 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 is 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 \$0.304.

Comparison of the SBTF levy base between 2020-21 and 2021-22.

	2020-21	2021-22	Difference	%
	\$	\$	\$	
Cost recovered budget	1,441,381	1,540,198	98,817	6.86
Prior year (over)/under recoveries	(116,221)	(30,638)		
Less Fee-for-service	(1,148)	(1,378)		
Amount payable (excludes FRDC)	1,324,012	1,508,182	184,170	13.91

There has been a 13.91 per cent (\$184,170) increase in the levy amount payable for 2021-22 (\$1,508,182) compared to the levy amount payable for 2020-21 (\$1,324,012). There was an under spend of \$30,638 for 2020-21 and an increase of \$98,817 in the budget for the fishery that has resulted in an increase in levy payable.

To calculate the levy payable for each SBT quota SFR the research component (\$110,144) is added to the total management levy to be collected (\$1,508,182). The total (\$1,618,326) 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 \$33,341.3.

Comparison of the SSJF levy base between 2020-21 and 2021-22.

	2021-22 \$	2021-22 \$	Difference \$	Difference %
Cost recovered budget	104,483	137,278	32,795	31.39
Prior year (over)/under recoveries	(22,710)	21,689		
Fee-for-service	(172)	(206)		
Amount payable (excludes FRDC)	81,602	158,761	77,159	94.56

There has been a 94.56 per cent (\$77,159) increase in the levy amount for 2021-22 (\$158,761) compared to the levy amount payable for 2020-21 (\$81,602). The levy base for 2021-22 comprises both the cost recovered budget (\$137,278) and an overspend in 2020-21 (\$21,689).

The 31.39 per cent increase in the cost recovered budget for 2021-22 is primarily due to an increase in allocated staff time to enable progress against a number of priorities in the fishery. The 2021-22 budget also includes smaller increases across a number of activity drivers reflecting the increased staff time. The prior year overspend (\$21,689) largely reflects actual staff time required to progress key deliverables such as the bycatch and discard workplan.

To calculate the levy payable for each SSJF gear SFR, the FRDC levy (\$1,277) is added to the total management levy to be collected (\$158,761) and then divided by the total number of commercial SSJF gear SFRs in the fishery (4,800).

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 \$5,334.64.

Comparison of the WDWTF levy base between 2020-21 and 2021-22.

	2020-21 \$	2021-22 \$	Difference \$	Difference %
Cost recovered budget	70,706	82,496	11,790	16.67
Prior year (over)/under recoveries	(59,587)	(23,776)		
Fee-for-service	(32)	(38)		

Amount payable (excludes FRDC)	11,087	58,681	47,594	429.28
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There has been a 429.28 per cent (\$47,594) increase in the levy amount payable for 2021-22 (\$58,681) compared to the levy amount payable for 2020-21 (\$11,087).

The cost recoverable WDWTF 2021-22 budget increased by 16.67 per cent (\$11,790) compared with 2020-21. This is due to a review of management arrangements in the fishery that will address export approval conditions related to the Western Fisheries Harvest Strategy. An increase in budgeted observer days and the Agency Data Capture project to improve data collection and management across all Commonwealth fisheries also contributes to the increase.

The increase in the levy payable in 2021-22 is significantly higher than the levy paid in 2020-21 because that levy was subject to an unusually high underspend (\$59,587) against the previous (2019-20) budget. There is a somewhat smaller underspend (\$23,776) against the 2020-21 budget.

To calculate the levy payable for each WDWTF fishing permit, the total management levy to be collected (\$58,681) is 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 \$1,058.33.

Comparison of the Skipjack Fisheries levy base between 2020-21 and 2021-22.

	2020-21 \$	2021-22 \$	Difference \$	%
Cost recovered budget	63,590	48,788	(14,802)	-23.28
Prior year (over)/under recoveries	(3,810)	(15,937)		
Fee-for-service	(36)	(43)		
Amount payable (excludes FRDC)	59,745	32,808	(26,937)	-45.09

There has been a 45.09 per cent (\$26,937) decrease in the levy payable for 2021-22 (\$32,808) compared to the levy payable for 2020-21 (\$59,745). The fishery budget was underspent in 2020-21 and the budgeted amount for 2021-22 is significantly less meaning there is significant decrease 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 \$32,808 has been divided by 31 permits across both fisheries.

Item [22] Subsection 23(2) (table) - 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	0.048
2	Leviable WTBF boat SFR	1,137.35
3	Leviable WTBF Broadbill Swordfish quota SFR	0.048
4	Leviable WTBF Striped Marlin quota SFR	0.048
5	Leviable WTBF Yellowfin Tuna quota SFR	0.048

Comparison of the WTBF levy base between 2020-21 and 2021-22.

	2020-21	2021-22	Difference	
	\$	\$	\$	%
Cost recovered budget	270,199	253,946	(16,253)	-6.02
Prior year (over)/under recoveries	(4,552)	(3,774)		
Fee-for-service	(332)	(398)		
Amount payable (excludes FRDC)	265,315	249,773	(15,542)	-5.86

There has been a 5.86 per cent (\$15,542) decrease in the levy amount payable for 2021-22 (\$249,773) compared to the levy amount payable for 2020-21 (\$265,315). This decrease is mainly due to a reduction in the cost recovered budget for 2021-22 (\$16,253).

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.

Statement of Compatibility with Human Rights

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

Fishing Levy Amendment (2021-2022 Levy Amounts) Regulations 2021

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 2021-22 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