

EXPLANATORY STATEMENT

Issued by Authority of the Minister for Agriculture, Fisheries and Forestry
Fishing Levy Act 1991

Fishing Levy Amendment (2023-2024 Levy Amounts) Regulations 2023

Legislative Authority

The *Fishing Levy Act 1991* (the Levy 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 Levy Act provides that the Governor-General may make regulations for the purposes of section 6 of the Act.

Section 110 of the *Fisheries Management Act* (the Management Act) provides that the levy imposed by the Levy Act is due and payable at a time or times prescribed in accordance with the related regulations.

‘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 *Fishing Levy Amendment (2023-2024 Levy Amounts) Regulations 2023* (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 (2023-2024 Instalment Dates) Regulations 2023*, provides for when levy amounts imposed are due and payable and also provides for the payment of those levies by way of instalments.

Background

The Australian Government Cost Recovery Guidelines set out the basis on which a non-government sector may be charged some or all of the efficient costs of a specific government activity. Accordingly, each financial year, AFMA prepares a cost-recovery budget to recover the annual costs of managing Commonwealth fisheries 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 2023-24 cost-recovered budget was calculated to be \$16,165,544 (excluding fisheries managed under the *Torres Strait Fisheries Act 1984* (the Torres Act)). This is an increase of 1.8 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 2022-23 financial year and an adjustment for revenue collected through fee-for-service charges, the total AFMA levy amount to be recovered from Commonwealth fishing concession holders for the 2023-24 financial year is \$13,723,432 (an increase of 6.7 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 2023-24 the FRDC amount to be collected is approximately \$970,878.

Under the Regulations, the total amount of levy (AFMA levy plus FRDC levy) to be paid by fishing concession holders in 2023-24 is \$14,694,310.

Consultation

On 2 May 2023, AFMA distributed a draft CRIS, including the draft 2023-24 cost-recovered budget, for comment to the Commonwealth Fisheries Association (CFA) (the peak industry body). These drafts were also provided to each fishery's Management Advisory Committee (MAC) or other relevant consultative body for fisheries that do not have a MAC. A copy of the final cost-recovered budget for 2023-24 was forwarded to the CFA on 30 June 2023. The CFA did not object to the final budget.

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

Impact and Effect

The impact of the Regulations is that it requires fishing concession holders 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 concession holders 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 from the preceding year, 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 four fisheries where there has been a decrease in levy for the 2023-24 financial year compared with the previous financial year. These are:

- Eastern Skipjack Fishery and Western Skipjack Fishery 15.2 per cent (\$5,741)
- Southern and Eastern Scalefish and Shark Fishery
 - Commonwealth South East Trawl 3.7 per cent (\$73,165)
 - Gillnet, Hook and Trap 1.9 per cent (\$42,988)
 - Great Australian Bight 21.5 per cent (\$116,683)
- Macquarie Island Fishery 0.5 per cent (\$1,575)

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

There are 11 fisheries where there has been an increase in levy for the 2023-24 financial year compared with the previous financial year. These are:

- Bass Strait Central Zone Scallop Fishery 0.2 per cent (\$793)
- Coral Sea Fishery 66.7 per cent (\$16,155)
- Heard Island and McDonald Islands Fishery 1.3 per cent (\$19,491)
- North West Slope Fishery 39.6 per cent (\$30,221)
- Northern Prawn Fishery 23.6 per cent (\$433,079)
- Small Pelagic Fishery 22.7 per cent (\$175,405)
- Southern Bluefin Tuna Fishery 11.1 per cent (\$154,123)
- Southern Squid Jig Fishery 71.5 per cent (\$104,726)
- Western Deepwater Trawl Fishery 52.1 per cent (\$29,886)
- Western Tuna and Billfish Fishery 4.0 per cent (\$8,362)

The 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 (2023-2024 Levy Amounts) Regulations 2023*

Section 1 – Name

This section provides that the name of the Regulations is the *Fishing Levy Amendment (2023-2024 Levy Amounts) Regulations 2023* (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) (definition of *new levy day*)

This item has the effect that the new levy day is the day when the *Fishing Levy Amendment (2023-2024 Levy Amounts) Regulations 2023* 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 \$0.9191.

Comparison of the BSCZSF levy base between 2022-23 and 2023-24.

	2022-23	2023-24	Difference	
	\$	\$	\$	%
Cost recovered budget	395,951	474,119	78,168	19.7
Prior year (over)/under recoveries	(3,110)	(80,485)		
Fee-for-service	(624)	(624)		
Amount payable (excludes FRDC)	392,217	393,010	793	0.2

There has only been a 0.2 per cent (\$793) increase in the levy amount payable for 2023-24 (\$393,010) compared to the levy amount payable for 2022-23 (\$392,217).

There was a 19.7 percent (\$78,168) increase in the 2023-24 budget compared to 2022-23, due largely to an increase in costs associated with Management Advisory Committee (MAC) and Resource Assessment Group (RAG) meetings, staff time and priority research to enable progress against a number of priorities in the fishery. This was offset by a similar level (\$80,485) of budget underspends in 2022-23 as committee meetings were held online, less staff time was allocated to progress priorities in the fishery and other management costs including species and environmental management, risk management, consultation and engagement as well as costs of data collection and management were lower.

To calculate the levy payable for each commercial scallop SFR the total management levy to be collected (\$393,010) is added to the FRDC levy (\$15,533) 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 the Coral Sea 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 \$923.97.

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 tier 2 levy per permit by sector of the CSF		
Item	Sector	Amount (\$)
1	Aquarium	976.44
2	Line	3,905.75
3	Line—autobait	3,905.75
4	Lobster and trochus	976.44
5	Sea cucumber	976.44

Comparison of the CSF levy base between 2022-23 and 2023-24.

	2022-23	2023-24	Difference	
	\$	\$	\$	%
Cost recovered budget	124,637	120,243	-4,394	-3.5
Prior year (over)/under recoveries	(100,301)	(79,752)		
Fee for service	(110)	(110)		

Amount payable (excludes FRDC)	24,226	40,381	16,155	66.7
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There has been a 66.7 per cent (\$16,155) increase in the levy payable for 2023-24 (\$40,381) compared to the 2022-23 levy (\$24,226).

While the 2023-24 cost-recovered budget (\$120,243) decreased by 3.5 per cent (\$4,394) compared with the 2022-23 budget (\$124,637), the levy payable in 2023-24 increased by 66.7 per cent. This was due to a lower underspend being carried over than in the previous year. As per the previous year, the 2022-23 underspend was primarily due to lower staffing levels (\$19,911) and a lower than budgeted number of observer deployments (\$28,838).

The levy payable for each permit is split between two tiers. Tier 1 (\$923.97) is the levy amount paid by all 12 permit holders, representing general fisheries costs. Tier 2 represents the observer budget which is split based on expected use; 80 per cent to Line and 20 per cent to Hand Collection methods.

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 \$1,029.90.

Comparison of the Skipjack Fisheries levy base between 2022-23 and 2023-24.

	2022-23 \$	2023-24 \$	Difference \$	%
Cost recovered budget	51,242	47,641	(3,601)	-7.0
Prior year (over)/under recoveries	(13,565)	(15,704)		
Fee-for-service	(10)	(10)		
Amount payable (excludes FRDC)	37,668	31,927	(5,741)	-15.2

There has been a 15.2 per cent (\$5,741) decrease in the levy payable for 2023-24 (\$31,927) compared to the levy payable for 2022-23 (\$37,668). The cost-recovered budget for 2023-24 (\$47,641) has decreased 7.0 per cent on the budgeted amount for 2022-23 (\$51,242).

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 \$31,927 has been divided by the 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	0.1156
2	Leviable ETBF Bigeye Tuna SFR	0.1006
3	Leviable ETBF Broadbill Swordfish SFR	0.1852
4	Leviable ETBF longline boat SFR	4,279.51
5	Leviable ETBF minor line boat SFR	2,193.30
6	Leviable ETBF Striped Marlin SFR	0.0282
7	Leviable ETBF Yellowfin Tuna SFR	0.5716

Comparison of the ETBF levy base between 2022-23 and 2023-24.

	2022-23	2023-24	Difference	
	\$	\$	\$	%
Cost recovered budget	1,621,615	1,548,106	-73,509	-4.5
Prior year (over)/under recoveries	(237,118)	(32,832)		
Fee for service	(2,616)	(2,616)		
Amount payable (excludes FRDC)	1,381,881	1,512,658	130,777	9.5

There has been a 9.5 per cent (\$130,777) increase in the levy amount payable for 2023-24 (\$1,512,658) compared to the levy amount payable for 2022-23 (\$1,381,881). Although consecutive over collections in 2021-22 and 2022-23 reduced the fishery's cost-recovered budget in 2023-24, the levy amount for 2023-24 increased because of higher costs associated with management of domestic commercial fisheries activities.

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 \$27.364.

Comparison of the HIMIF levy base between 2022-23 and 2023-24.

	2022-23 \$	2023-24 \$	Difference \$	%
Cost recovered budget	1,766,358	1,727,641	-38,717	-2.2
Prior year (over)/under recoveries	251,766	180,594		
Fee-for-service	(551,378)	(421,998)		
Amount payable (excludes FRDC)	1,466,746	1,486,237	19,491	1.3

There has been a 1.3 per cent (\$19,491) increase in the levy amount payable for 2023-24 (\$1,486,237) compared to the levy amount payable for 2022-23 (\$1,466,746).

The cost-recovered levy budget has decreased slightly from the previous year due to a decrease in research and data management costs. This decrease is offset by increased staff time and reduced revenue expected through fee-for-service.

To calculate the levy payable for each SFR, the total management levy (\$1,486,237) to be collected is added to the FRDC levy component (\$155,653) 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 \$15.61.

Comparison of the MITF levy base between 2022-23 and 2023-24.

	2022-23 \$	2023-24 \$	Difference \$	%
Cost recovered budget	346,285	387,146	40,861	11.8
Prior year (over)/under recoveries	18,218	(19,227)		
Fee-for-service	(70,186)	(75,176)		
Amount payable (excludes FRDC)	294,318	292,743	-1,575	-0.5

There has been a 0.5 per cent (\$1,575) decrease in the levy payable for 2023-24 (\$292,743) compared to the levy payable in 2022-23 (\$294,318). The cost-recovered levy budget has increased from the previous year due to increased staff time. This increase is offset by the carry forward of over recoveries from the previous year (\$19,227). The levy payable in 2022-23 also accounted for a carry forward of under recovery from 2021-22 (\$18,218).

To calculate the levy payable for each SFR, the total management levy (\$292,743) to be collected is added to the FRDC levy component (\$19,413) 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 \$70.99.

Comparison of the NPF levy base between 2022-23 and 2023-24.

	2022-23 \$	2023-24 \$	Difference	
			\$	%
Cost recovered budget	2,121,534	2,183,065	61,531	2.9
Prior year (over)/under recoveries	(237,486)	134,062		
Fee-for-service	(50,562)	(50,562)		
Amount payable (excludes FRDC)	1,833,486	2,266,565	433,079	23.6

There has been a 23.6 per cent (\$433,079) increase in the levy amount payable for 2023-24 (\$2,266,565) compared with the levy amount for 2022-23 (\$1,833,486). The cost recoverable component of the 2023-24 NPF budget (\$2,183,065) has increased from the 2022-23 budget (\$2,121,534) by \$61,531, primarily due to an increase in staffing costs.

In addition to the budget increase, there was an overspend against the 2022-23 budget (\$134,062) as opposed to the significant underspend that was carried forward from the 2021-22 budgets that reduced the 2022-23 levy budget. The overspend against the 2022-23 budget was due principally to higher than budgeted commercial fisheries management costs (across all activity groups).

To calculate the levy payable for each NPF gear SFR, the total management component (\$2,266,565) is added to the total research component (\$252,048) and divided by the number of gear SFRs in the fishery (35,479).

Item [10] Subsection 15(2) - NorthWest 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 \$15,848.43.

Comparison of the NWSTF levy base between 2022-23 and 2023-24.

	2022-23 \$	2023-24 \$	Difference	
			\$	%
Cost recovered budget	84,838	96,461	11,623	13.7

Prior year (over)/under recoveries	(8,500)	10,098		
Fee-for-service	(19)	(19)		
Amount payable (excludes FRDC)	76,318	106,539	30,221	39.6

There has been a 39.6 per cent (\$30,221) increase in the levy amount payable for 2023-24 (\$106,539) compared to the levy amount payable for 2022-23 (\$76,318).

The levy payable in 2023-24 is significantly higher (\$30,221) than the levy paid in 2022-23 due to an increase in the 2023-24 cost-recovered budget, an overspend in some components of the 2022-23 budget which resulted in a deficit being carried over from 2022-23.

The increase in the cost-recovered budget for 2023-24 compared with 2022-23 was due to higher salary costs to account for the predicted additional work in the Western Fisheries as a result of the new Wildlife Trade Operation conditions (the fishery re-assessment is underway). The overspends in the management component of the 2022-23 budget were due to higher than budgeted costs from undertaking the Harvest Strategy review, including costs of external consultants and staff salaries. These offset the small underspend in the observer budget (\$4,414) and resulted in an overall deficit of \$10,098.

To calculate the levy payable for each NWSTF fishing permit, the total management levy to be collected (\$106,539) is added to the total FRDC levy component (\$4,400) 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	0.007484
2	Leviable SPF Eastern sub-area Blue Mackerel quota SFR	0.016303
3	Leviable SPF Eastern sub-area Jack Mackerel quota SFR	0.044739
4	Leviable SPF Eastern sub-area Redbait quota SFR	0.007484
5	Leviable SPF Western sub-area Blue Mackerel quota SFR	0.016303
6	Leviable SPF Western sub-area Jack Mackerel quota SFR	0.007484
7	Leviable SPF Western sub-area Redbait quota SFR	0.007484

Comparison of the SPF levy base between 2022-23 and 2023-24.

	2022-23	2023-24	Difference	
	\$	\$	\$	%
Cost recovered budget	956,716	1,101,830	145,114	15.2
Prior year (over)/under recoveries	(182,112)	(151,821)		

Fee-for-service	(658)	(658)		
Amount payable (excludes FRDC)	773,946	949,351	175,405	22.7

There has been a 22.7 per cent (\$175,405) increase in the levy amount payable for 2023-24 (\$949,351) compared to the levy amount payable for 2022-23 (\$773,946). The 2022-23 underspend (\$151,821) was mostly due to less staff time spent on management and travel associated with MAC and RAG meetings. There was also a decrease in costs related to data collection and management and licensing administration and revenue collection.

There was a 15.2 percent (\$145,114) increase in the 2023-24 budget compared to 2022-23, due largely to an increase in costs associated with MAC and RAG meetings, staff time and priority research to enable progress against a number of priorities in the fishery.

The levy model was revised in 2018-19 with the levy payable for each SPF quota SFR comprised of a management levy, which included the cost of Daily Egg Production Method (DEPM) surveys allocated to the relevant stock quota SFRs, and the research component (FRDC levy). Future levy calculation will continue to allocate the costs of species-specific research to the relevant species quota SFRs.

The 2023-24 management levy for each SPF quota SFR includes the management component (\$949,351) minus the cost of the Stage 2 blue mackerel spawning fraction project (\$136,650) and the Eastern jack mackerel DEPM survey (\$416,150), divided by the total number of SFRs in the fishery (60,824,198).

The cost of the Stage 2 blue mackerel spawning fraction project (\$136,650) is divided by the total number of Eastern and Western blue mackerel quota SFRs in the fishery (15,494,594) and added to the management levy for Eastern and Western blue mackerel quota SFR.

The cost of the Eastern jack mackerel DEPM survey (\$416,150) is divided by the total number of Eastern jack mackerel quota SFRs in the fishery (11,170, 217) and added to the management levy for Eastern jack mackerel quota SFR.

The FRDC levy component payable for each quota SFR is calculated by dividing the total levy amount (\$58,653) by the total number of SFRs in the fishery (60,824,198).

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 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 \$451,685 including a research component of \$24,605. 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 2022-23 and 2023-24.

	2022-23 \$	2023-24 \$	Difference \$	%
Cost recovered budget	622,276	555,945	-66,331	-10.7
Prior year (over)/under recoveries	(77,980)	(128,332)		
Fee-for-service	(533)	(533)		
Amount payable (excludes FRDC)	543,763	427,080	-116,683	-21.5

There has been a 21.5 per cent (\$116,683) decrease in the levy amount payable for 2023-24 (\$427,080) compared to the levy payable for 2022-23 (\$543,763). The cost-recovered budget for 2023-24 decreased by \$66,331 from 2022-23 due to a reduction in staff time and co-management activities. The total levy base was further reduced by an overcollection of \$128,332 from 2022-23, resulting mostly from reduced staff time and delivery of co-management activities. The reduction in the 2023-24 budget and overcollection for 2022-23 have resulted in a net decrease to the levy amount payable.

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

The total levy base for the fishery is \$2,284,883 including a research component of \$63,618. 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 2022-23 and 2023-24.

	2022-23	2023-24	Difference	
	\$	\$	\$	%
Cost recovered budget	2,564,174	2,538,686	-25,488	-1.0
Prior year (over)/under recoveries	(284,193)	(301,692)		
Fee-for-service	(15,729)	(15,729)		
Amount payable (excludes FRDC)	2,264,253	2,221,265	-42,987	-1.9

There was a 1.9 per cent (\$42,987) decrease in the levy amount payable in 2023-24 (\$2,221,265) compared to the levy amount payable for 2022-23 (\$2,264,253). The overall decrease in the cost-recovered budget (\$25,488) was due to a combination of reduced electronic monitoring costs against an increase in the research budget to support the gummy shark stock assessment. The total levy base was further reduced due to an overcollection in 2022-23 (\$301,692) resulting mostly from lower fishery specific monitoring costs recovered under co-management, and reduced staff time.

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

The total levy base for the fishery is \$2,095,339 including a research component of \$199,075. 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 2022-23 and 2023-24.

	2022-23	2023-24	Difference	
	\$	\$	\$	%
Cost recovered budget	3,260,710	3,326,146	65,436	2.0
Prior year (over)/under recoveries	(138,469)	(271,070)		
Fee-for-service	(152,811)	(152,811)		
Structural adjustment package	(1,000,000)	(1,006,000)		
Amount payable (excludes FRDC)	1,969,429	1,896,264	-73,165	-3.7

There was a 3.7 per cent (\$73,165) decrease in the levy amount payable for 2023-24 (\$1,896,264) compared to the levy payable for 2022-23 (\$1,969,429). The increase in the 2023-24 budget reflects an increase in staff time to support transition to a new harvest strategy, offset by a decrease in the research budget. This was offset by an overcollection in 2022-23 (\$271,070) primarily due to less observer days, lower logbook and catch disposal record costs, and an underspend of the research budget. An additional \$152,811 has been

deducted from the cost-recovered budget due to expected revenue to be collected from fee for service activities in 2023-24.

An additional \$1,006,000 in levy relief funds have been deducted from the cost-recovered budget as part of a structural adjustment package to reduce the financial impact on operators who remain in the fishery after the buyout of CSET boat statutory fishing rights.

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	42,708.04
2	Leviable SESSF gillnet boat SFR	5,840.32
3	Leviable SESSF scalefish hook boat SFR	2,546.26
4	Leviable SESSF shark hook boat SFR	4,176.86
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	0.00148
2	Bight redfish	0.00580
3	Blue eye trevalla	0.17189
4	Blue grenadier	0.28626
5	Blue warehou	0.00006
6	Deepwater flathead	0.00613
7	Elephantfish	0.11088
8	Flathead	0.00035
9	Gummy shark	0.44666
10	Jackass morwong	0.00053
11	John dory	0.00098
12	Mirror dory	0
13	Ocean perch	0.03146
14	Oreodory	0.00762
15	Pink ling	0.19807
16	Redfish	0.00003
17	Ribaldo	0.03292
18	Royal red prawn	0
19	Saw shark	0.10156
20	School shark	0.31927
21	School whiting	0

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

Item	Quota species	Amount (\$)
22	Silver trevally	0.00020
23	Silver warehou	0.00005

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	0.01908
2	Deepwater shark	Western	0.02866
3	Gemfish	Eastern	0.06902
4	Gemfish	Western	0.00341
5	Orange roughy	Albany and Esperance	0.00205
6	Orange roughy	Cascade Plateau	0.01421
7	Orange roughy	Eastern	0.03088
8	Orange roughy	Southern	0.00226
9	Orange roughy	Western	0.00130
10	Smooth oreodory	Cascade Plateau	0.00069
11	Smooth oreodory	A sector or zone other than the Cascade Plateau	0.00813

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	3,961.61
2	Leviable SESSF ECDT fishing permit	572.67
3	Leviable SESSF GHT fishing permit	2,373.65
4	Leviable SESSF GHT trap fishing permit	21,750.63
5	Leviable SESSF VCW fishing permit	736.29

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	0.05724
2	Deepwater shark in the Western zone	0.08598
3	Oreodory	0.02285
4	Ribaldo	0.09877
5	Smooth oreodory in the Cascade Plateau zone	0.00206
6	Smooth oreodory in a sector or zone other than the Cascade Plateau zone	0.02438

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

This item updates the paragraph with dates applicable to the 2023-24 financial year, which has the effect that if a leviable SESSF quota fishing permit ceases to be in force on 30 April 2024 and an equivalent leviable SESSF quota SFR comes into force as at 1 May 2024, 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 \$0.3052.

Comparison of the SBTF levy base between 2022-23 and 2023-24.

	2022-23	2023-24	Difference	
	\$	\$	\$	%
Cost recovered budget	1,477,633	1,548,530	70,897	4.8
Prior year (over)/under recoveries	(89,070)	(5,844)		
Less Fee-for-service	(1,430)	(1,430)		
Amount payable (excludes FRDC)	1,387,133	1,541,255	154,123	11.1

There has been an 11.1 per cent (\$154,123) increase in the levy amount payable for 2023-24 (\$1,541,255) compared to the levy amount payable for 2022-23 (\$1,387,133). There was a minor over recovery of \$5,844 for 2022-23 and an increase of \$70,897 in the budget for the fishery, primarily due to increase in Management Advisory Committee costs and an increase in staff costs spread across fisheries management and licensing administration. These increases combined with a reduction in the over recovery from the previous financial year has resulted in an increase in levy payable.

To calculate the levy payable for each SBT quota SFR, the total management levy to be collected (\$1,541,255) is added to the total FRDC research component (\$83,528) and 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 \$52.823.

Comparison of the SSJF levy base between 2022-23 and 2023-24.

	2022-23	2023-24	Difference	
	\$	\$	\$	%
Cost recovered budget	148,891	150,856	(1,965)	1.3
Prior year (over)/under recoveries	(1,863)	100,898		
Fee-for-service	(562)	(562)		
Amount payable (excludes FRDC)	146,466	251,192	104,726	71.5

There has been a 71.5 percent (\$104,726) increase in the levy amount payable for 2023-24 (\$251,192) compared to the levy amount payable for 2022-23 (\$146,466). The levy base for 2023-24 comprises both the cost-recovered budget (\$150,856) and an overspend in 2022-23 (\$100,898).

The prior year overspend (\$100,898) was mostly due to an increase in management costs, including species and environmental management, risk management, consultation and engagement and allocated staff time to enable progress against a number of priorities in the fishery. There was also an increase in data collection and management costs. The 1.3 per cent increase in the cost-recovered budget for 2023-24 is primarily due to a minor increase in allocated staff time to enable progress against a number of priorities in the fishery.

To calculate the levy payable for each SSJF gear SFR, the total management levy to be collected (\$251,192) is added to the FRDC levy component (\$2,360) 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 \$7,932.36.

Comparison of the WDTF levy base between 2022-23 and 2023-24.

	2022-23	2023-24	Difference	
	\$	\$	\$	%
Cost recovered budget	82,934	95,027	12,093	14.6
Prior year (over)/under recoveries	(25,531)	(7,738)		
Fee-for-service	(34)	(34)		
Amount payable (excludes FRDC)	57,370	87,256	29,886	52.1

There has been a 52.1 per cent (\$29,886) increase in the levy amount payable for 2023-24 (\$87,256) compared to the levy amount payable for 2022-23 (\$57,370).

The levy payable in 2023-24 is significantly higher (\$29,886) than the levy paid in 2022-23 due to an increase in the 2023-24 cost-recovered budget and an overspend in some components of the 2022-23 budget which resulted in a much lower underspend being carried over from 2022-23 compared with 2021-22.

The increase in the cost-recovered budget for 2023-24 compared with 2022-23 was due to higher salary costs to account for the predicted additional work in the Western Fisheries as a result of the new Wildlife Trade Operation conditions (the fishery re-assessment is underway). The overspends in the management component of the 2022-23 were due to higher than budgeted costs from undertaking the Harvest Strategy review, including costs of external consultants and staff salaries. These offset the underspends in the observer budget (\$22,183) and resulted in an overall underspend of \$7,738.

To calculate the levy payable for each WDWTF fishing permit, the total management levy to be collected (\$87,256) is added to the total FRDC research levy (\$0 for 2023-24) 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 \$1,029.90.

Comparison of the Skipjack Fisheries levy base between 2022-23 and 2023-24.

	2022-23 \$	2023-24 \$	Difference \$	%
Cost recovered budget	51,242	47,641	(3,601)	-7.0
Prior year (over)/under recoveries	(13,565)	(15,704)		
Fee-for-service	(10)	(10)		
Amount payable (excludes FRDC)	37,668	31,927	(5,741)	-15.2

There has been a 15.2 per cent (\$5,741) decrease in the levy payable for 2023-24 (\$31,927) compared to the levy payable for 2022-23 (\$37,668). The cost-recovered budget for 2023-24 (\$47,641) has decreased 7.0 per cent on the budgeted amount for 2022-23 (\$51,242).

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 \$31,927 has been divided by the 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	0.0426
2	Leviable WTBF boat SFR	1,052.72
3	Leviable WTBF Broadbill Swordfish quota SFR	0.0426
4	Leviable WTBF Striped Marlin quota SFR	0.0426
5	Leviable WTBF Yellowfin Tuna quota SFR	0.0426

Comparison of the WTBF levy base between 2022-23 and 2023-24.

	2022-23	2023-24	Difference	
	\$	\$	\$	%
Cost recovered budget	260,077	264,102	4,025	1.5
Prior year (over)/under recoveries	(48,388)	(44,052)		
Fee-for-service	(341)	(341)		
Amount payable (excludes FRDC)	211,347	219,709	8,362	4.0

There has been a 4.0 per cent (\$8,362) increase in the levy amount payable for 2023-24 (\$219,709) compared to the levy amount payable for 2022-23 (\$211,347). This slight increase is mainly due to overspend in the management of domestic commercial fisheries in 2022-23.

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 (2023-2024 Levy Amounts) Regulations 2023

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 2023-24 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. Murray Watt
Minister for Agriculture, Fisheries and Forestry**