

# **Marine Navigation Levy Regulations (Amendment) 1998 No. 166**

## **EXPLANATORY STATEMENT**

### **STATUTORY RULES 1998 NO. 166**

Issued by the Authority of the Minister for Workplace Relations and Small Business

*Marine Navigation Levy Act 1989*

Marine Navigation Levy Regulations (Amendment)

The Marine Navigation Levy is imposed on trading ships using Australian ports to recover the costs of navigational aids and the coastal radio service provided by the Australian Maritime Safety Authority (AMSA) through a contract with Telstra. The coastal radio service is provided under the provisions of the International Convention for the Safety of Life at Sea, 1974.

Subsection 8(1) of the *Marine Navigation Levy Act 1989* (the Act) provides that the GovernorGeneral may make regulations for the purposes of subsection 7(2) of the Act which provides for the amount of levy to be paid.

The following rates of levy are currently prescribed by the Marine Navigation Levy Regulations pursuant to subsection 7(2) of the Act:

- (a) 42 cents, or such other amount (if any) as is from time to time prescribed, for each of the first 5,000 tons of the ship's tonnage;
- (b) 30 cents, or such other amount (if any) as is from time to time prescribed, for each ton by which the ship's tonnage is more than 5,000 tons but not more than 20,000 tons;
- (c) 12.5 cents, or such other amount (if any) as is from time to time prescribed, for each ton by which the ship's tonnage is more than 20,000 tons but not more than 50,000 tons;
- (d) 5.5 cents, or such other amount (if any) as is from time to time prescribed, for each ton by which the ship's tonnage is more than 50,000 tons.

The Regulations amend the Marine Navigation Levy Regulations (the Principal Regulations) to decrease the rate of levy.

A review of levies imposed on the shipping industry recommended that the cost of providing the coastal radio service to ships should be a charge collected as part of the Marine Navigation Regulatory Functions Levy rather than as part of the Marine Navigation Levy (which is intended to fund marine navigation aids) and that this charge should be introduced over a maximum period of 3 years. The Regulations are the first stage of the implementation of the recommendations.

The regulations reduce the rate of the Marine Navigation Levy by 10.327% from 1 July 1998. There is an increase in the Marine Navigation Regulatory Functions Levy which will partially fund the coastal radio services. As both levies are paid in respect of the same categories of ships there will be nil effect on the industry.

Details of the regulations are:

Regulation 1 provides that the regulations commence on 1 July 1998.

Regulation 2 provides for amendment of the regulations as set out in regulation 3.

Regulation 3 provides that the amounts of levy prescribed in regulation 4 are reduced as follows:

- \* For the purposes of paragraph 7(2)(a) of the Act from 42 cents to 40 cents
- \* For the purposes of paragraph 7(2)(b) of the Act from 30 cents to 28 cents
- \* For the purposes of paragraph 7(2)(c) of the Act from 12.5 cents to 11 cents
- \* For the purposes of paragraph 7(2)(d) of the Act from 5.5 cents to 4 cents