

Marine Navigation Levy (Regulatory Functions) Regulations (Amendment) 1998 No. 167

EXPLANATORY STATEMENT

STATUTORY RULES 1998 NO. 167

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

Marine Navigation (Regulatory Functions) Levy Act 1991

Marine Navigation Levy (Regulatory Functions) Regulations (Amendment)

The Marine Navigation Regulatory Functions Levy is imposed on trading ships using Australian ports to recover the costs of safety and regulatory functions undertaken on behalf of the Commonwealth by the Australian Maritime Safety Authority.

Subsection 8(1) of the *Marine Navigation (Regulatory Functions) Levy Act 1991* (the Act) provides that the Governor-General 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 (Regulatory Functions) Regulations, pursuant to subsection 7(2) of the Act:

- (a) 14.5 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) 14 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 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) 11.5 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 (Regulatory Functions) Levy Regulations (the Principal Regulations) to increase the rate of levy.

The coastal radio service is provided by AMSA through a contract with Telstra under the provisions of the International Convention for the Safety of Life at Sea, 1974.

A review of the levies imposed on the shipping industry recommended that the cost of providing the coastal radio service to ships should in future be a charge collected as part of the Marine Navigation Regulatory Functions Levy rather than the Marine Navigation Levy (which is intended for the provision of marine navigational aids) and that this change should be introduced over a maximum period of 3 years.

Subsection 8(2) of the Act provides that the rates of levy must not be increased by more than 15% in any year. To give effect to the full change as recommended in the review, the rate of the Marine Navigation Regulatory Functions Levy would be increased by more than 15%. The changes will therefore be implemented over two years.

The regulations increase the rate of the Marine Navigation Regulatory Functions Levy from 1 July 1998. There is a corresponding decrease in the Marine Navigation Levy. For each range of ship tonnage, the rate of the Marine Navigation Regulatory Functions Levy is increased by the same rate that the Marine Navigation Levy is reduced. The highest increase in the rate of the Marine Navigation Regulatory Functions Levy is 14.3% for vessels more than 5,000 tons but not more than 20,000 tons. As both levies are paid in respect of the same categories of ships there is nil effect on the industry in terms of the amount of levies paid by each category.

Details of the regulations are:

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

Regulation 2 provides that the amended regulations are as set out in regulation 3.

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

- * For the purposes of paragraph 7(2)(a) of the Act from 14.5 cents to 16.5 cents
- * For the purposes of paragraph 7(2)(b) of the Act from 14 cents to 16 cents
- * For the purposes of paragraph 7(2)(c) of the Act from 12 cents to 13.5 cents
- * For the purposes of paragraph 7(2)(d) of the Act from 11.5 cents to 13 cents.