

EXPLANATORY STATEMENT

Select Legislative Instrument 2008 No. 6

Issued by the authority of the Minister for Agriculture, Fisheries and Forestry
Fisheries Levy Act 1984

Fisheries Levy (Torres Strait Prawn Fishery) Amendment Regulations 2008 (No. 1)

The Regulation is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Section 8 of the *Fisheries Levy Act 1984* (Levy Act) provides that the Governor-General may make regulations for the purposes of sections 5 and 6 of the Levy Act. Section 5 of the Levy Act imposes a levy on, amongst other things, the grant or renewal of a licence under the *Torres Strait Fisheries Act 1984* (TSF Act). Section 6 of the Levy Act provides that the amount of levy imposed on the grant or renewal of a licence is such an amount as is specified in the regulations. Section 7 of the Levy Act provides that the levy is payable at the time of the grant or renewal of the licence.

The Regulation amends the *Fisheries Levy (Torres Strait Prawn Fishery) Regulations 1998* (Principal Regulations) to decrease the levy for licenses granted or renewed in respect of the Torres Strait Prawn Fishery (the fishery) from \$3,187.21 to \$2,786.78 per licence (fixed component) and a decrease of the levy for each individual allocated fishing day authorised by licences from \$16.50 to \$9.88 per day (variable component).

The fishery is a Protected Zone Joint Authority (PZJA) fishery pursuant to an arrangement under section 31 of the TSF Act which came into effect on 1 April 1999. The Torres Strait PZJA was established under the *Torres Strait Fisheries Act 1984* to manage Torres Strait fisheries on behalf of the Commonwealth and Queensland under Commonwealth law, and in accordance with the Torres Strait Treaty with PNG.

The attributable costs of managing the Torres Strait Prawn Fishery are recovered from industry pursuant to a decision of the PZJA. The PZJA also agreed to the splitting of the costs to be recovered on the basis of fixed (per boat) and variable (per day) components so providing an equitable division of expenses depending on operators' investment in the fishery. The Prawn Fishery is the only Torres Strait fishery currently subject to cost recovery arrangements.

The levy costs for the Prawn Fishery are attributable to services provided by the Australian Fisheries Management Authority (AFMA) and the Queensland Department of Primary Industries and Fisheries (QDPI&F). QDPI&F is responsible for administering the licensing component in management of this fishery and distributing the annual levy invoices. AFMA is responsible for general management and consultation in relation to the fishery.

Table 1 describes the basis for the levy costs in accordance with previous practice and indicates the changes from the levy collected for 2006-2007.

Table 1. Levy Calculation

	Licence Component	Day Component	2007-2008 levy	2006-2007 levy	Increase/ (Decrease)
Logbook data – AFMA		\$18,805	\$18,805	\$34,694	(15,889)
Other logbook - AFMA	\$39,045		\$39,045	\$29,610	\$9,435
Surveillance - QB&FP	\$31,168	\$31,168	\$62,336	\$57,271	\$5,065
- AFMA	\$2,917	\$2,916	\$5,833	\$11,143	(\$5,310)
Administration and Licensing - AFMA	\$191,988	\$127,992	\$319,980	\$351,344	(\$31,364)
- QDPI&F	\$63,731	\$42,488	\$106,219	\$101,127	\$5,092
Levy relief	(\$125,000)	(\$125,000)	(\$250,000)	(\$250,000)	\$0
Surplus	(\$33,856)	(\$30,520)	(\$64,376)	(\$27,519)	\$36,857
Total levy base	\$169,993	\$67,849	\$237,842	\$307,670	(\$69,828)

The costs in Table 1 result in a levy of \$2,786.78 for each of the 61 licence holders and \$9.88 for each of the 6,867 days issued in the fishery.

Increases to the budget have occurred in the following areas;

- *AFMA - logbook other (logbook program and data management)* – due to an increase in staff salaries and associated costs; and
- *QB&FP and QDPI&F surveillance and administration/licensing costs* – due to an increase in the operational costs of running patrol vessels, a minor increase in salaries and associated costs in line with enterprise bargaining agreements and a small increase in the travel budget for Queensland Government staff to attend meetings in regard to the fishery.

Decreases to the budget have occurred in the following areas;

- *AFMA logbook data entry* – due to a decrease in the number of logbook sheets submitted to AFMA which is a results of the effort reduction in 2006 (note there is a lag in the effects of the reduction of operations as a result of the buyout due to the budget process).
- *Administration and licensing* – although there has been an increase in the cost of administration involving observers and legal costs, overall there has been a reduction in administration and licensing costs as a result of a budget surplus carried over from the 2006-2007 financial year.

In 2006 \$1.5 million was appropriated to support a structural adjustment process and to help secure the long term viability of the Torres Strait Prawn Fishery. The funding included \$500,000 in levy relief over two years for operators and \$1 million over three years to research.

Levy relief of \$250,000 per year has been in place for the fishery for the 2006–2007 and 2007–2008 financial years. This is the last year this levy relief will apply. It was aimed at minimising the redistribution of fishery costs on the remaining licensees after the 2006 tender process which removed 16 out of 77 licenses.

Consultation

The Torres Strait Prawn Management Advisory Committee (TSPMAC), composed of management and key stakeholder representatives, considered the proposed budget for the 2008 season at its fourth meeting in June 2007. The TSPMAC agreed to the draft budget and requested that the Protected Zone Joint Authority (PZJA) review and agree to the proposed levies for 2007-2008.

The PZJA subsequently agreed to the proposed budget and levy methodology at its 21st meeting in August 2007, pending the finalisation of the 2006-2007 budget in accordance with cost sharing arrangements between AFMA and QDPI&F.

The TSPMAC then agreed to the proposed 2007-2008 levies at their fifth meeting in December 2007. A letter dated 17 December 2007 was sent to all licence holders notifying them that the license levy would be \$2,786.78 and that the levy per authorised fishing day would be \$9.88. The letter also indicated that if unused PNG nights are reallocated during the season, or if additional days are added to the fishery as a result of an increase in the Total Allowable Effort (TAE), the per-fishing day levy would be \$9.88.

Details of the Regulation, which commenced on the day after they were registered on the Federal Register of Legislative Instruments, are set out below.

Regulation 1 provides for the Regulations to be cited as *Fisheries Levy (Torres Strait Prawn Fishery) Amendment Regulations 2008 (No. 1)*.

Regulation 2 provides that the Regulations commence on the day after they are registered on the Federal Register of Legislative Instruments.

Regulation 3 provides that Schedule 1 amends the Principal Regulations.

Schedule 1 Item 1 amends regulation 4 of the Principal Regulations to change the amount of levy imposed.