

# **EXPLANATORY STATEMENT**

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

*Fishing Levy Amendment (2022-2023 Levy Amounts) Regulations 2022*

## **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 (2022-2023 Levy Amounts) Regulations 2022* (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 (2022-2023 Instalment Dates) Regulations 2022*, 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 2022-23 cost-recovered budget was calculated to be \$15,885,871 (excluding fisheries managed under the *Torres Strait Fisheries Act 1984* (the Torres Act)). This is an increase of 2.1 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 2021-22 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 2022-23 financial year is \$12,860,566 (a decrease of 7.3 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 2022-23 the FRDC amount to be collected is approximately \$913,597.

Under the Regulations, the total amount of levy (AFMA levy plus FRDC levy) to be paid by fishing concession holders in 2022-23 is \$13,774,163.

## **Consultation**

On 14 April 2022, AFMA distributed a draft CRIS, including the draft 2022-23 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 2022-23 was forwarded to the CFA on 9 June 2022. 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 eight fisheries and two sectors of the Southern and Eastern Scalefish and Shark Fishery (SESSF) where there has been a decrease in levy for the 2022-23 financial year compared with the previous financial year. These are:

- Coral Sea Fishery 80.1 per cent (\$97,633)
- Macquarie Island Fishery 9.7 per cent (\$31,622)
- Small Pelagic Fishery 6.5 per cent (\$53,630)
- Southern Bluefin Tuna Fishery 8.0 per cent (\$121,050)
- Southern and Eastern Scalefish and Shark Fishery
  - Commonwealth South East Trawl 27.3 per cent (\$738,400)
  - Gillnet, Hook and Trap 11.3 per cent (\$289,763)
- Southern Squid Jig Fishery 7.7 per cent (\$12,294)
- Western Deepwater Trawl Fishery 2.2 per cent (\$1,311)
- Western Tuna and Billfish Fishery 15.4 per cent (\$38,426)

There are six fisheries and one sector of the SESSF where there has been an increase in levy for the 2022-23 financial year compared with the previous financial year. These are:

- Bass Strait Central Zone Scallop Fishery 13.8 per cent (\$47,421)
- Eastern Skipjack Fishery and Western Skipjack Fishery 14.8 per cent (\$4,859)
- Heard Island and McDonald Islands Fishery 22.0 per cent (\$264,684)
- North West Slope Fishery 30.2 per cent (\$17,716)
- Northern Prawn Fishery 1.2 per cent (\$22,206)
- Southern and Eastern Scalefish and Shark Fishery
  - Great Australian Bight 87.0 per cent (\$253,005)

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 (2022-2023 Levy Amounts) Regulations 2022***

**Section 1 – Name**

This section provides that the name of the Regulations is the *Fishing Levy Amendment (2022-2023 Levy Amounts) Regulations 2022* (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 \$0.9093.

Comparison of the BSCZSF levy base between 2021-22 and 2022-23.

	2021-22	2022-23	Difference	
	\$	\$	\$	%
Cost recovered budget	416,204	395,951	20,253	-4.9
Prior year (over)/under recoveries	(70,779)	(3,110)		
Fee-for-service	(629)	(624)		
Amount payable (excludes FRDC)	344,796	<b>392,217</b>	47,421	13.8

There has been a 13.8 per cent (\$47,421) increase in the levy amount for 2022-23 (\$392,217) compared to the levy amount payable for 2021-22 (\$344,796). While there was a decrease in the 2022-23 budget compared to 2021-22, due largely to a decrease in data collection and management, there was not the same level of budget underspends in 2021-22 as committee meetings were held face to face and staff time was allocated to progress the review of the harvest strategy.

To calculate the levy payable for each commercial scallop SFR the total management levy to be collected (\$392,217) is added to the FRDC levy component (\$11,947) 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 \$1,576.67.

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:

<b>Amount of levy for a sector of the Coral Sea Fishery</b>		
<b>Item</b>	<b>Sector</b>	<b>Amount (\$)</b>
1	Aquarium	187.00
2	Line	748.00
3	Line—autobait	748.00
4	Lobster and trochus	187.00
5	Sea cucumber	187.00

Comparison of the CSF levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference \$ %	
Cost recovered budget	142,945	124,637	18,308	-12.8
Prior year (over)/under recoveries	(20,885)	(100,301)		
Fee for service	(202)	(110)		
Amount payable (excludes FRDC)	121,858	<b>24,226</b>	97,633	-80.1

There has been an 80.1 per cent (\$97,633) decrease in the levy payable for 2022-23 (\$24,226) compared to the 2021-22 levy (\$121,858).

The 2022-23 cost recovered CSF budget (\$124,637) is a 12.8 per cent (\$18,309) decrease compared with the 2020-21 budget (\$142,945). In addition, the fishery was underspent in 2021-22 due to lower staffing levels (\$84,124) and a lack of observer deployments. Taking into account a further levy refund of \$20,855 from 2020-21, the levy payable in 2022-23 has decreased dramatically relative to 2021-22 (\$97,633).

The levy payable for each permit is split between two tiers. Tier 1 (\$1,576.67) 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, 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 \$1,215.10.

Comparison of the Skipjack Fisheries levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference \$	%
Cost recovered budget	48,788	51,242	2,454	5.0
Prior year (over)/under recoveries	(15,937)	(13,565)		
Fee-for-service	(43)	(10)		
Amount payable (excludes FRDC)	32,808	<b>37,668</b>	459	14.8

There has been a 14.8 per cent (\$4,859) increase in the levy payable for 2022-23 (\$37,668) compared to the levy payable for 2021-22 (\$32,808). The cost recovered budget for 2022-23 (\$51,242) has a slight increase on the budgeted amount for 2021-22 (\$48,788) meaning there is a 5.0 per cent increase in the cost recovered budget.

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 \$37,688 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:

<b>Amount of levy—Eastern Tuna and Billfish Fishery</b>		
<b>Item</b>	<b>SFR</b>	<b>Amount (\$)</b>
1	Leviable ETBF Albacore Tuna SFR	0.0855
2	Leviable ETBF Bigeye Tuna SFR	0.1569
3	Leviable ETBF Broadbill Swordfish SFR	0.2219
4	Leviable ETBF longline boat SFR	3,692.00
5	Leviable ETBF minor line boat SFR	1,940.10
6	Leviable ETBF Striped Marlin SFR	0.0321
7	Leviable ETBF Yellowfin Tuna SFR	0.4503

Comparison of the ETBF levy base between 2021-22 and 2022-23.

	2021-22	2022-23	Difference	
	\$	\$	\$	%
Cost recovered budget	1,597,115	1,621,615	24,500	1.5
Prior year (over)/under recoveries	19,921	(237,118)		
Fee for service	(2,309)	(2,616)		
Amount payable (excludes FRDC)	1,614,728	<b>1,381,881</b>	232,847	-14.4

There has been a 14.4 per cent (\$232,847) decrease in the levy amount payable for 2022-23 (\$1,381,881) compared to the levy amount payable for 2021-22 (\$1,614,728). This decrease is mainly due to a large underspend of \$237,118 in the management of domestic commercial fisheries 2021-22 budget. There has been a slight increase of 1.53 per cent (\$24,500) in the cost recovered 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 that 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 \$27.6951.

Comparison of the HIMIF levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference \$	%
Cost recovered budget	1,573,912	1,766,358	192,446	12.2
Prior year (over)/under recoveries	178,577	251,766		
Fee-for-service	(509,330)	(551,378)		
Amount payable (excludes FRDC)	1,202,062	<b>1,466,746</b>	264,684	22.0

There has been a 22.0 per cent (\$264,684) increase in the levy amount payable for 2022-23 (\$1,466,746) compared to the levy amount payable for 2021-22 (\$1,202,062). The increase in levy in 2022-23 is primarily due to above-budget expenditure for observers in 2021-22 and an increase in budgeted observer costs for 2022-23. Above-budget expenditure in 2021-22 resulted in a cost-recovery deficit that is carried over to 2022-23 (\$251,766).

To calculate the levy payable for each SFR, the total management levy (\$1,466,746) to be collected is added to the FRDC levy component (\$194,961) 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 \$16.1123.

Comparison of the MITF levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference \$	%
Cost recovered budget	306,153	346,285	41,032	13.1
Prior year (over)/under recoveries	89,439	18,219		
Fee-for-service	(92,446)	(70,186)		
Amount payable (excludes FRDC)	325,939	<b>294,318</b>	(31,621)	-9.7

There has been a 9.7 per cent (\$31,621) decrease in the levy payable for 2022-23 (\$294,318) compared to the levy payable in 2021-22 (\$325,939). The decrease in levy payable is largely due to a less carry over of cost recovery expenditure (\$18,218) from 2021-22 compared to the previous year (\$89,439). The reduction in total levy payable however is offset by an increase in the observer budget for 2021-22.



To calculate the levy payable for each SFR, the total management levy (\$294,318) to be collected is added to the FRDC levy component (\$27,927) 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 leviabale NPF gear SFR is \$55.97.

Comparison of the NPF levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference \$ %	
Cost recovered budget	2,151,301	2,121,534	(29,767)	-1.4
Prior year (over)/under recoveries	(289,555)	(237,486)		
Fee-for-service	(50,466)	(50,562)		
Amount payable (excludes FRDC)	1,811,280	<b>1,833,486</b>	22,206	1.2

There has been a 1.2 per cent (\$22,206) increase in the levy amount payable for 2022-23 (\$1,833,486) compared with the levy amount for 2021-22 (\$1,811,280). The cost recoverable component of the 2022-23 NPF budget (\$2,121,534) has decreased from the 2021-22 budget (\$2,151,301) by \$29,767, primarily due to a reduction in research and some fisheries management costs (bycatch management and consultation and engagement).

While there was a decrease in budget for 2022-23, the underspend against the 2021-22 budget was less than the underspend against the 2020-21 budget, which has resulted in a small increase for the 2022-23 levy amount by \$22,206. The underspend against the 2021-22 budget was due principally to lower than budgeted commercial fisheries management costs (across all activity groups but mostly against administration of the management advisory committee and resource assessment group), and data collection and management costs (across most cost recoverable activity groups).

To calculate the levy payable for each NPF gear SFR, the total management levy to be collected component (\$1,833,486) is added to the total FRDC levy component (\$152,309) 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 leviabale NWSTF fishing permit is \$11,432.29.

Comparison of the NWSTF levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference \$ %	
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Cost recovered budget	91,497	84,838	6,659	-7.3
Prior year (over)/under recoveries	(32,875)	(8,500)		
Fee-for-service	(19)	(19)		
Amount payable (excludes FRDC)	58,602	<b>76,318</b>	17,715	30.2

There has been a 30.2 per cent (\$17,715) increase in the levy payable for 2022-23 (\$76,318) compared to the levy payable in 2021-22 (\$58 602).

The cost recoverable NWSTF 2022-23 budget decreased by 7.3 percent (\$6,659) compared with 2021-22. However, a lower underspend against the 2021-22 budget compared with 2020-21 has offset this decrease, resulting in an overall increase in the total levy payable by \$17,715 for 2022-23.

The reduced underspend in 2021-22 is due to an ongoing review of management arrangements in the fishery that will address export approval conditions related to the Western Fisheries Harvest Strategy. The levy also reflects increased staff time and the re-introduction of travel costs for consultative meetings. A continuation of increased observer days and the Agency Data Capture project to improve data collection and management across all Commonwealth fisheries also contributes to the increase.

To calculate the levy payable for each NWSTF fishing permit, the total management levy to be collected (\$76,318) is added to the total FRDC levy component (\$3,708) 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:

<b>Amount of levy—Small Pelagic Fishery</b>		
<b>Item</b>	<b>SFR</b>	<b>Amount (\$)</b>
1	Leviable SPF Australian Sardine quota SFR	0.010862
2	Leviable SPF Eastern sub-area Blue Mackerel quota SFR	0.022122
3	Leviable SPF Eastern sub-area Jack Mackerel quota SFR	0.010862
4	Leviable SPF Eastern sub-area Redbait quota SFR	0.010862
5	Leviable SPF Western sub-area Blue Mackerel quota SFR	0.022122
6	Leviable SPF Western sub-area Jack Mackerel quota SFR	0.010862
7	Leviable SPF Western sub-area Redbait quota SFR	0.010862
7	Leviable SPF Western sub-area Redbait quota SFR	0.010862

Comparison of the SPF levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference	
			\$	%
Cost recovered budget	897,563	956,716	59,153	6.6
Prior year (over)/under recoveries	(69,459)	(182,112)		
Fee-for-service	(528)	(658)		
Amount payable (excludes FRDC)	827,576	<b>773,946</b>	-53,630	-6.5

There has been a 6.5 per cent (\$53,630) decrease in the levy amount payable for 2022-23 (\$773,946) compared to the levy amount payable for 2021-22 (\$827,576). The 2021-22 underspend (\$182,112) was mostly due to less staff time spent on management and travel associated with management advisory committee (MAC) and resource assessment group (RAG) meetings.

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 surveys allocated to the relevant stock quota SFRs, and the FRDC levy component. Future levy calculation will continue to allocate the costs species-specific research to the relevant species quota SFRs.

The 2022-23 management levy for each SPF quota SFR includes the management component (\$773,946) minus the cost of the blue mackerel sample collection project (\$174,463), divided by the total number of SFRs in the fishery (60,824,198).

The cost of the blue mackerel sampling project (\$174,463) 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 FRDC levy component payable for each quota SFR is calculated by dividing the total levy amount (\$61,207) 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 \$571,791. 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 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference	
			\$	%
Cost recovered budget	439,616	622,276	182,660	41.5
Prior year (over)/under recoveries	(148,556)	(77,980)		
Fee-for-service	(302)	(533)		
Amount payable (excludes FRDC)	290,758	<b>543,763</b>	253,005	87.0

There has been an 87.0 per cent (\$253,005) increase in the levy amount payable for 2022-23 (\$543,763) compared to the levy payable for 2021-22 (\$290,758). The cost recovered budget for 2022-23 increased by \$182,660 from 2021-22 due to a scheduled stock assessment for Bight Redfish and an increase in co-management activities. While the total levy base was reduced by an overcollection of \$77,980 from 2021-22 (which mostly resulted from reduced staff time and meeting expenses), the overcollection was not as high as in 2020-21 (\$148,556). The reduction in the overcollection for 2021-22 compared to 2020-21 combined with an increase to the 2022-23 cost recovered budget have resulted in a net increase to the levy amount payable.

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

The total levy base for the fishery is \$2,327,677. 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 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference	
			\$	%
Cost recovered budget	2,666,023	2,564,174	101,849	-3.8
Prior year (over)/under recoveries	(94,132)	(284,193)		
Fee-for-service	(17,875)	(15,729)		
Amount payable (excludes FRDC)	2,554,016	<b>2,264,253</b>	289,764	-11.3

There was a 11.3 per cent (\$289,764) decrease in the levy amount payable in 2022-23 (\$2,264,253) compared to the levy amount payable for 2021-22 (\$2,554,016). The overall decrease in the cost recovered budget (\$101,849) was largely due to no scheduled stock assessments in 2023, reductions in general research, as well as reductions in staff time and policy support. The total levy base was further reduced due to an underspend of \$284,193 resulting mostly from lower fishery specific monitoring costs recovered under co-management, and lower electronic monitoring costs because of lower staff costs.

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

The total levy base for the fishery is \$2,145,693. 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 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference	
			\$	%
Cost recovered budget	3,207,056	3,260,710	53,654	1.7
Prior year (over)/under recoveries	(277,061)	(138,469)		
Fee-for-service	(222,166)	(152,811)		
Structural adjustment package		(1,000,000)		
Amount payable (excludes FRDC)	2,707,829	<b>1,969,429</b>	738,400	-27.3

There was a 27.3 per cent (\$738,400) decrease in the levy amount payable for 2022-23 (\$1,969,429) compared to the levy payable for 2021-22 (\$2,707,829). The increase in the 2022-23 budget reflects an increase in overall research planned for 2022-23 as well as increases in licensing administration and revenue collection, and data collection and management. This was partially offset by an underspend for 2021-22 (\$138,469) which is primarily due to reduced staff time, including the observer program, and reduced meeting expenses. 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 2022-23.

An additional \$1,000,000 in levy relief funds has 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:

<b>Amount of levy—Southern and Eastern Scalefish and Shark Fishery—SFRs (other than quota SFRs)</b>		
<b>Item</b>	<b>SFR</b>	<b>Amount (\$)</b>
1	Leviable SESSF GAB trawl boat SFR	54,376.29
2	Leviable SESSF gillnet boat SFR	6,280.47
3	Leviable SESSF scalefish hook boat SFR	2,635.85
4	Leviable SESSF shark hook boat SFR	4,439.98
5	Leviable SESSF trawl boat SFR	0

#### **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:

<b>Amount of levy—Southern and Eastern Scalefish and Shark Fishery—quota SFRs</b>		
<b>Item</b>	<b>Quota species</b>	<b>Amount (\$)</b>
1	Alfonsino	0.001464
2	Bight redfish	0.006290
3	Blue eye trevalla	0.180616
4	Blue grenadier	0.314471
5	Blue warehou	0.000120
6	Deepwater flathead	0.007130
7	Elephantfish	0.116453
8	Flathead	0.031438
9	Gummy shark	0.433965
10	Jackass morwong	0.000707

<b>Amount of levy—Southern and Eastern Scalefish and Shark Fishery—quota SFRs</b>		
<b>Item</b>	<b>Quota species</b>	<b>Amount (\$)</b>
11	John dory	0.000977
12	Mirror dory	0.000004
13	Ocean perch	0.029269
14	Oreodory	0.006936
15	Pink ling	0.187922
16	Redfish	0.000124
17	Ribaldo	0.036121
18	Royal red prawn	0.018756
19	Saw shark	0.141167
20	School shark	0.350881
21	School whiting	0.035852
22	Silver trevally	0.000196
23	Silver warehou	0.000055

**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 leviabale SESSF quota SFR for species in particular sectors or zones is as per the table below:

<b>Amount of levy—Southern and Eastern Scalefish and Shark Fishery—quota SFRs for species in particular sectors or zones</b>			
<b>Item</b>	<b>Quota species</b>	<b>Sector or zone</b>	<b>Amount (\$)</b>
1	Deepwater shark	Eastern	0.034852
2	Deepwater shark	Western	0.039616
3	Gemfish	Eastern	0.067887
4	Gemfish	Western	0.066427
5	Orange roughy	Albany and Esperance	0.001650
6	Orange roughy	Cascade Plateau	0.061615
7	Orange roughy	Eastern	0.023529
8	Orange roughy	Southern	0.002354
9	Orange roughy	Western	0.001433
10	Smooth oreodory	Cascade Plateau	0.000636
11	Smooth oreodory	A sector or zone other than the Cascade Plateau	0.009776

**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 leviabale SESSF fishing permit (other than leviabale 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	4,201.82
2	Leviable SESSF ECDT fishing permit	555.46
3	Leviable SESSF GHT fishing permit	2,347.57
4	Leviable SESSF GHT trap fishing permit	23,884.02
5	Leviable SESSF VCW fishing permit	714.17

**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	0.104556
2	Deepwater shark in the Western zone	0.118848
3	Oreodory	0.020809
4	Ribaldo	0.108362
5	Smooth oreodory in the Cascade Plateau zone	0.001907
6	Smooth oreodory in a sector or zone other than the Cascade Plateau zone	0.029329

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

This item updates the paragraph with dates applicable to the 2022-23 financial year, which has the effect that if a leviable SESSF quota fishing permit ceases to be in force on 30 April 2023 and an equivalent leviable SESSF quota SFR comes into force as at 1 May 2023, 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 \$0.2772.

Comparison of the SBTF levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference \$	%
Cost recovered budget	1,540,198	1,477,633	62 565	-4.1
Prior year (over)/under recoveries	(30,638)	(89,070)		



Less Fee-for-service	(1,378)	(1,430)		
Amount payable (excludes FRDC)	1,508,182	<b>1,387,133</b>	121,049	-8.0

There has been an 8.0 per cent (\$121,049) decrease in the levy amount payable for 2022-23 (\$1,387,133) compared to the levy amount payable for 2021-22 (\$1,508,182). There was an over collection of \$89,070 for 2021-22 and a decrease of \$62,565 in the budget for the fishery, primarily due to reductions in species and environmental management and monitoring and data collection, which has resulted in a decrease in levy payable.

To calculate the levy payable for each SBT quota SFR, the total FRDC research component (\$88,678) is added to the total management levy to be collected (\$1,387,133) 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 \$31.203.

Comparison of the SSJF levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference \$	%
Cost recovered budget	137 278	148,891	11,613	8.5
Prior year (over)/under recoveries	21,689	(1,863)		
Fee-for-service	(206)	(562)		
Amount payable (excludes FRDC)	158,761	<b>146,466</b>	-12,294	-7.7

There has been a 7.7 percent (\$12,294) decrease in the levy amount for 2022-23 (\$146,466) compared to the levy amount payable for 2021-22 (\$158,761). The levy base for 2022-23 comprises both the cost recovered budget (\$148,891) and an underspend in 2021-22 (\$1,863).

The 8.5 per cent increase in the cost recovered budget for 2022-23 is primarily due to an increase in data collection and management, as well as allocated staff time to enable progress against a number of priorities in the fishery. The prior year underspend (\$1,863) was mostly due to less staff time allocated across management of domestic fisheries, which was slightly offset by an overspend in data collection and management.

To calculate the levy payable for each SSJF gear SFR, the total management levy to be collected (\$146,466) is added to the FRDC levy component (\$3,308) 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 \$5,267.64.

Comparison of the WDTF levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference \$	%
Cost recovered budget	82,496	82,934	438	0.5
Prior year (over)/under recoveries	(23,776)	(25,531)		
Fee-for-service	(38)	(34)		
Amount payable (excludes FRDC)	58,681	<b>57,370</b>	1,311	-2.2

There has been a 2.2 per cent (\$1,311) decrease in the levy amount payable for 2022-23 (\$57,370) compared to the levy amount payable for 2021-22 (\$58,681).

The levy payable in 2022-23 is slightly less than the levy paid in 2021-22 due to an underspend similar to the previous year. The underspend in 2022-23 was driven largely by lower than budgeted observer costs due to limited activity in the fishery.

To calculate the levy payable for each WDWTF fishing permit, the total management levy to be collected (\$57,370) is added to the total FRDC research levy (\$574) 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 \$1,215.10.

Comparison of the Skipjack Fisheries levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference \$	%
Cost recovered budget	48,788	51,242	2,454	5.0
Prior year (over)/under recoveries	(15,937)	(13,565)		
Fee-for-service	(43)	(10)		
Amount payable (excludes FRDC)	32,808	<b>37,668</b>	4,859	14.8

There has been a 14.8 per cent (\$4,859) increase in the levy payable for 2022-23 (\$37,668) compared to the levy payable for 2021-22 (\$32,808). The cost recovered budget for 2022-23 (\$51,242) has a slight increase on the budgeted amount for 2021-22 (\$48,788) meaning there is a 5.0 per cent increase in the cost recovered budget.

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 \$37,688 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:

<b>Amount of levy—Western Tuna and Billfish Fishery</b>		
<b>Item</b>	<b>SFR</b>	<b>Amount (\$)</b>
1	Leviable WTBF Bigeye Tuna quota SFR	0.0418
2	Leviable WTBF boat SFR	933.58
3	Leviable WTBF Broadbill Swordfish quota SFR	0.0418
4	Leviable WTBF Striped Marlin quota SFR	0.0418
5	Leviable WTBF Yellowfin Tuna quota SFR	0.0418

Comparison of the WTBF levy base between 2021-22 and 2022-23.

	2021-22 \$	2022-23 \$	Difference \$	%
Cost recovered budget	253,946	260,077	6,131	2.4
Prior year (over)/under recoveries	(3,774)	(48,389)		
Fee-for-service	(398)	(341)		
Amount payable (excludes FRDC)	249,773	<b>211,347</b>	(38,426)	-15.4

There has been a 15.4 per cent (\$38,426) decrease in the levy amount payable for 2022-23 (\$211,347) compared to the levy amount payable for 2021-22 (\$249,773). This decrease is mainly due to an underspend in 2021-22 (\$48,389).

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 that 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, in the absence of industry consensus, costs have been divided equally between each quota SFR.

## **ATTACHMENT B**

### **Statement of Compatibility with Human Rights**

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

#### ***Fishing Levy Amendment (2022-2023 Levy Amounts) Regulations 2022***

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 2022-23 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**