



Queensland

Rural and Regional Adjustment Amendment Regulation (No. 8) 2012

Explanatory Notes for SL 2012 No. 195

made under the

Rural and Regional Adjustment Act 1994

General outline

Short title

Rural and Regional Adjustment Amendment Regulation (No. 8) 2012.

Authorising law

Sections 10, 11 and 44 of the *Rural and Regional Adjustment Act 1994* (the Act)

Policy objectives and the reasons for them

The policy objective of the subordinate legislation is to approve the *Queensland East Coast Commercial Net Fishing Reduction Scheme* (the Scheme) as an assistance scheme under the Act. The new Scheme will provide for the buy-back of eligible east coast commercial net fishing boat licences which are voluntarily offered for surrender on a competitive basis. The intent of the Scheme is to support those commercial net fishers looking to exit the fishing industry which will in turn reduce the fishing effort in east coast net fisheries.

The Scheme will buy-back eligible commercial net fishing boat licences and all attached fishing symbols on that licence from those commercial fishers looking to exit the industry who submit a surrender offer under the Scheme on a competitive basis to the limit of available funding. The Scheme does not buy out boats, nets or other equipment.

Eligible boat licences are those with fishing symbols N1 and N2 attached. N1 symbol nets are generally used to take fish other than Barramundi and regulated coral reef finfish in waters east of Latitude 142°31'49" East and N2 symbol nets are generally used to take fish other than coral reef finfish in waters east of Latitude 142°31'49" East and north of the southern bank of Kauri creek. Where an application has both an N1 and N2 symbol attached it will be deemed to be an N2.

The chief executive officer of QRAA will write to all potentially eligible commercial fishers informing them of the details of the Scheme and inviting them to apply. This information, which will inform applicants of when the Scheme opens for applications and when it closes, will also be contained in a notification to be placed on the QRAA website. The Scheme does not limit the amount of times the chief executive officer can invite surrender offers. It is envisaged that, depending on the level of interest shown by industry in applying for the Scheme, the Scheme will operate over two rounds.

The Scheme will allow holders of eligible commercial net fishing boat licences (those with N1 or N2 symbols) who wish to exit the industry to submit an application to surrender their boat licence and attached symbols at a price of their choosing. At the closing date for offers, offers will be ranked lowest to highest price.

Where a boat licence offered for surrender under the Scheme also has a crab symbol (C1) attached, it will be purchased in priority to a same type license (either N1 or N2) offered for the same price without a crab symbol. Offers will be accepted in order of ranking (lowest to highest) to the limit of the available funding which will be determined by Fisheries Queensland after the round closes. A separate funding allocation will be made for N1 and N2 symbols.

Although targeted at the acquisition of N1 and N2 licences, the Scheme will purchase all fishing symbols held on the licence at the time the holder submits their application under the Scheme. The transfer of fishing symbols after an offer is submitted will invalidate the offer.

Once QRAA is advised of the funding level for the acquisition of licences in the round it will write to the holders of surrender offers that were successful (their offer was one of the offers received that was under the funding level for that licence type) advising them that their offer has been accepted and requiring the holder to surrender their licence in return for the amount the applicant offered. The making of a surrender offer by the applicant and the acceptance of that offer by QRAA forms a binding contract.

As it is intended that the Scheme will run over at least two rounds, those commercial fishers who applied but were unsuccessful in a round because their offer was too high will be invited to apply (as will all other eligible commercial fishers) in any further invitation rounds that may be offered.

Achievement of policy objectives

Section 10 of the Act provides that QRAA may only give assistance under an approved scheme and section 11 of the Act provides that an approved assistance scheme is one which is approved by regulation. Consequently approved assistance schemes under which QRAA administers financial assistance are prescriptively detailed in the *Rural and Regional Adjustment Regulation 2011*.

Consistency with policy objectives of authorising law

This subordinate legislation is consistent with the objects as outlined in section 3 of the Act in that it will enable QRAA to support the State's economy by providing assistance to primary producers, small business and other elements of the economy in periods when they are experiencing temporary difficulty.

Inconsistency with policy objectives of other legislation

This subordinate legislation is not inconsistent with the policy objectives of any other legislation.

This subordinate legislation is consistent with the *Fisheries Act 1994* which was established to provide for the use, conservation and enhancement of the community's fisheries resources and fish habitats (sections 3 and 3A). To achieve this, sections 20 and 20A of the Fisheries Act provide the chief executive of the Department of Agriculture, Fisheries and Forestry (DAFF)

with a range of powers and functions which include the purchase of licences. Section 21 provides for the delegation of the chief executive's functions to a prescribed entity. QRAA is a prescribed entity, under section 699 of the *Fisheries Regulation 2008*, for the chief executive's powers under section 20A(1)(h) of the Fisheries Act allowing it to purchase licenses in accordance with this Scheme.

Benefits and costs of implementation

This subordinate legislation is of a beneficial nature in that it will allow QRAA to buy-back commercial net fishing boat licences that have been voluntarily offered for surrender at a price chosen by the commercial fisher. This allows those commercial net fishers looking to exit the industry with an opportunity to do so while also reducing the fishing effort which should assist those commercial net fishers remaining.

As the Scheme is structured such that lowest offers by fishers are accepted first (to the limit of the available funding) this in turn provides value for money for the taxpayer in acquiring the licenses. The total budget for the purchase of licences under the scheme is \$9 million.

Consistency with fundamental legislative principles

No fundamental legislative principle issues have been identified in the preparation of this subordinate legislation.

Consultation

Fisheries Queensland (a business group of DAFF), QRAA, the Department of the Premier and Cabinet, the Department of Environment and Heritage Protection and the Department of National Parks, Recreation, Sport and Racing participated in a working group which informed the crafting of the guidelines which form the basis of this Scheme.

The working group also consulted with the three major fishing sectors, commercial fishing, recreational fishing and conservation, and the tourism industry.

The Regulatory Review Branch, Queensland Treasury and Trade noted that the proposed subordinate legislation did not need to go through the full

Regulatory Assessment Statement process because the Scheme did not impose significant impacts on business, the community or government.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Agriculture, Fisheries and Forestry.

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