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THE PARLIAMENT OF THE COMMONWEALTH  
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

MARINE NAVIGATION LEVY BILL 1989

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister  
for Transport and Communications,  
the Honourable Ralph Willis MP)

## MARINE NAVIGATION LEVY BILL 1989

### OUTLINE

This Bill provides for a levy to be imposed on commercial ships for the purpose of funding navigational services provided to them by the Commonwealth.

The levy is in substitution for light dues under the *Lighthouses Act 1911* which have been imposed on commercial ships since 1915. It is considered that, although the amount charged to commercial shipping as a whole is reasonably related to the services provided, a levy will eliminate any doubts that may exist about the validity of light dues as the basis of cost recovery.

The Bill introduces a sliding scale of levy under which the rate per ton reduces as the tonnage increases. While the very nature of the service provided makes it impossible to devise a charging formula which accurately reflects every individual's usage of the service, the formula adopted in the Bill, which was developed in close consultation with industry, is as fair as possible to all sections of the shipping industry.

The Bill allows for the individual rates of levy to be varied by regulation to enable increased costs to be met in future years. The Bill does, however, restrict increases to a maximum of 15% per annum. This will ensure that the regulations are used only to provide increased revenue reasonably related to the overall provision of services to the industry.

### FINANCIAL IMPACT STATEMENT

The new rates of levy have been designed to be revenue neutral. Although smaller vessels will pay slightly more under the new rates (a ship of 200 tons will pay \$126 per quarter rather than \$106), larger vessels will pay significantly less. There will be no costs, revenues or savings to the Commonwealth arising from the Bill.

NOTES ON CLAUSES

Clause 1 - Short title

1. Provides for the Act to be cited as the *Marine Navigation Levy Act 1989*.

Clause 2 - Commencement

2. Provides that the Act shall come into operation on a day to be fixed by Proclamation. Clause 2(2) provides that the Act shall, if not proclaimed to commence earlier, commence with the first collection period following a date 6 months after Royal Assent.
3. The delay is to enable the necessary regulations to be made.

Clause 3 - Definitions

4. This clause defines the associated Collection Act, provides that in calculations using tons fractions are to be ignored and provides a method of determining tonnage by reference to internationally recognised methods.

Clause 4 - Interpretation

5. Provides for consistency of meaning of expressions in this Act and the Collection Act.

Clause 5 - Application to Crown

6. Allows the provisions of the Act to be applied to ships belonging to the Commonwealth, a State, a mainland territory or Norfolk Island.

Clause 6 - Imposition of levy

7. This clause imposes levy in accordance with the Collection Act.

Clause 7 - Amount of levy

8. This clause sets out the actual rates of levy to be applied to any particular ship. The levy is to be calculated by reference to a the tonnage of the ship on a sliding scale.

9. The scale of rates is, per quarter:

- . 63 cents for each of the first 5,000 tons
- . 53 cents for each ton over 5,000, up to 20,000
- . 43 cents for each ton over 20,000, up to 50,000
- . 33 cents for each ton over 50,000.

10. Provision is made for rates other than those set out above to be prescribed. This will enable adjustments to be made to accommodate changing costs without frequent resort to amendment of the Act.

#### Clause 8 - Regulations

11. Provides power to the Governor-General to make regulations to prescribe different rates of levy to those set out in the Act.

12. To ensure that the regulations are not used to increase the rate of levy beyond a level reasonably related to the overall service provided to the shipping industry, clause 8(2) provides that no rate can be increased by regulation more than 15% per annum. Any requirement for a larger increase would need an approach to the Parliament for an amendment to the Act.