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1997

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BALLAST WATER RESEARCH AND DEVELOPMENT FUNDING LEVY COLLECTION BILL 1997

EXPLANATORY MEMORANDUM

(Circulated by Authority of the Minister for Primary Industries and Energy, the Hon John Anderson MP)

BALLAST WATER RESEARCH AND DEVELOPMENT FUNDING LEVY COLLECTION BILL 1997.

OUTLINE

The purpose of the Ballast Water Research and Development Funding Levy Collection Bill 1997 is to provide the framework for the collection of the levy, which will provide funding for the Strategic Ballast Water Research and Development Program. This Program is central to planning and implementing innovative and cost-effective research and development projects to strengthen management of ballast water and shipping by risk minimisation, and the eventual goal of preventing all introductions of harmful exotic species, by means of ballast water or ships hull fouling.

The Bill enables the collection of a levy amount of \$210 for bulk carriers and \$140 for all other ships, including tankers, with a length of 50 metres or longer. The levy amounts have been estimated based on the best information available from the Australian Maritime Safety Authority and the Australian shipping industry. The formula of a two-tiered flat charge was agreed upon by the Australian Ballast Water Management Advisory Council and the levy Working Group. The levy is charged in accordance with the average amount of ballast water discharged by the type of ship, in an attempt to establish equity.

The agreed amount to be collected is \$2 million over a 2 year timeframe, based on collecting an estimated \$1 million per year. Once the \$2 million has been raised, the levy will be ceased by Proclamation.

FINANCIAL IMPACT STATEMENT

The proposed levy will have no financial implications for the Commonwealth. The levy is being implemented with the full agreement and cooperation of the Australian Ballast Water Management Advisory Council and the shipping industry which will pay the levy, and is to be allocated to the research and development of effective ballast water management strategies. The agreed amount to be collected by the levy is \$2 million over a two year timeframe, based on collecting an estimated \$1 million per year. The Industry has agreed that if the \$2 million is collected prior to the 2 years, the levy will ceased by Proclamation.

NOTES ON CLAUSES

PART 1 - PRELIMINARY

Clause 1: Short title

1. This clause provides for the Act to be called the *Ballast Water Research and Development Funding Levy Collection Act* 1997.

Clause 2: Commencement

2. This clause provides for the Act to come into effect on 1 July 1998.

Clause 3: Definitions

3. This clause provides the intended meanings for specific terminology used in this Act.

Clause 4: Application to Crown

4. This clause provides for the Act to apply in all the Australian states, the Australian Capital Territory (Jervis Bay), the Northern Territory and Norfolk Island.

Clause 5: Appointment of authorised person

5. This clause provides for the Minister to appoint the persons authorised to collect the levy payments under Section 8. It also provides that the Minister may, in writing, delegate the power of appointment of authorised persons, to an officer of the Commonwealth Department of Primary Industries and Energy.

PART 2 - LIABILITY FOR, AND RECOVERY OF, LEVY

Clause 6: Liability to levy

6. This clause advises that the levy is payable by ships as defined in this Act except for those ships exempted from paying the levy, due to an *emergency*. It also provides the information on who is responsible for payment of the levy in relation to a ship.

Clause 7: When is levy payable?

7. This clause identifies the requirement for levy payment on the first day of each quarter and provides the categories for situations when the levy is payable on a ship. This clause also confirms that the levy is payable only once in a quarter. Subsection (5) defines what is considered to be an *emergency*, and therefore exempts ships as defined in subsection (3) from paying the levy.

Clause 8: To whom is levy payable?

8. This clause explains that the levy is to be paid to authorised persons appointed according to Section 5. The levy is to be paid to the authorised person in the ship's home port or to an authorised person at another Australian port specified in writing by the owner or agent of the ship. Also provides the means by which the levy payments may made. Paragraph (4) (c) provides for the option of nominating payments by electronic transfer or other preferred methods of payment as prescribed by the owner or agent of the ship.

Clause 9: Recovery of levy

9. This clause provides for the recovery of levy in arrears through court proceedings conducted on behalf of a person authorised to collect the levy.

Clause 10: Right of agent etc. who has paid levy

10. This clause provides the Australian agent or consignee of a ship who has paid the levy on behalf of the ship, the right to retain the amount of the levy, as stipulated in this Act, out of any money received on account of that ship, or that ship owner's account.

PART 3 - THE STRATEGIC BALLAST WATER RESEARCH AND DEVELOPMENT FUND

Clause 11: Establishment of Fund Clause 12: Payments to Fund Clause 13: Application of Fund

- 11. Clause 11 confirms that the Strategic Ballast Water Research and Development Fund is an established trust account and that interest accrued on this account or investment of the Fund, is allocated to the Fund. This clause also confirms that the Fund is to provide the funding for the Strategic Ballast Water Research and Development Program.
- 12. Clause 12 provides for the amounts of the levy collected to be paid into the Strategic Ballast Water Research and Development Fund out of the Consolidated Revenue Fund where the levy amounts will initially be paid into on collection. Clause 13 provides for the money collected by levy according to this Act to be used only for the purposes of research and development of effective management of ships' ballast water.

PART 4 - MISCELLANEOUS

Clause 14: Regulations

13. This clause provides for the making of regulations by the Governor-General, that are permitted or required by the *Ballast Water Research and Development Funding Levy Collection Act 1997*, or are necessary or convenient for this Act to operate.

Clause 15: Expiry of Act

14. This clause provides for the cessation of this Act once the agreed amount of \$2 million has been collected, over the two year timeframe, or less if the agreed amount is collected within the 2 years. The agreed amount has been estimated at collection of \$1 million per year.

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