

1985

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

NORTHERN PRAWN FISHERY VOLUNTARY ADJUSTMENT SCHEME
LOAN GUARANTEE BILL 1985

EXPLANATORY MEMORANDUM

(Circulated by authority of the
Minister for Primary Industry,
the Hon. John Kerin, MP)

OUTLINE

The purpose of the Bill is to authorise the Treasurer, on behalf of the Commonwealth and at the request of the Queensland Fish Management Authority, to guarantee the repayment of, and the payment of interest on, one or more loans made to the Queensland Fish Management Authority to provide initial funding for the Northern Prawn Fishery Voluntary Adjustment Scheme (NPF VAS) (including repayment of money borrowed to provide initial funding).

The long-term funding basis for the NPF VAS is levy imposed under the Fisheries Levy Act 1984 on the holders of licences under the Fisheries Act 1952 endorsed to authorise the use of boats in the Northern Prawn Fishery (NPF) and, following the adoption of a plan of management under the Fisheries Act 1952 for the NPF, on the registered holders of units of fishing capacity not assigned to a boat. Funds collected as levy will be applied to repayment of the loan and interest. The guarantee provided by the Bill will serve as security for the loan which is being arranged outside the Commonwealth Budget at commercial rates.

The maximum financial impact of the Bill would be \$5 million plus interest. The fishing industry in the NPF supports the NPF VAS and the concept of 100% funding by the industry section involved. The Queensland Fish Management Authority has undertaken to be the lead agency for administering payments to fishermen under the NPF VAS, on the instructions of the Minister for Primary Industry who will be advised by a Committee comprising representatives of the Australian Fisheries Service, the Northern Prawn Fishery Management Committee and the Queensland Fish Management Authority together with a member with banking and financial expertise.

NORTHERN PRAWN FISHERY VOLUNTARY ADJUSTMENT SCHEME
LOAN GUARANTEE BILL 1985

NOTES ON CLAUSES

Clause 1: Short title

1. Self-explanatory.

Clause 2: Commencement

2. The Bill comes into force on Royal Assent.

Clause 3: Interpretation

3. "Authority" means the Queensland Fish Management Authority constituted by the Fishing Industry Organisation and Marketing Act 1982 of Queensland.

Clause 4: Dealing with securities deemed to be borrowing

4. This clause takes account of the fact that some dealings in securities do not strictly fall within the term "borrowing". The Authority has powers to issue and deal with securities.

Clause 5: Guarantee of certain loans

5. This clause authorises the Treasurer, on behalf of the Commonwealth and at the Authority's request, to guarantee, subject to this Act, repayment by the Authority of borrowings not exceeding \$5 million for the purposes of recompensing persons who voluntarily surrender either endorsements of licences under the Fisheries Act 1952 authorising the use of boats in the northern prawn fishery or units of fishing capacity in that fishery and of reimbursing the Authority for administrative costs of a kind approved by the Minister for Primary Industry, together with interest on those borrowings.

Clause 6: Conditions of guarantees

6. The Treasurer is not to give any guarantee unless he is satisfied that the terms and conditions of the borrowings are reasonable and unless any other terms and conditions he considers necessary have been fulfilled.