**FISHERIES (GULF ST VINCENT PRAWN FISHERY RATIONALIZATION) (CHARGES ON LICENCES) AMENDMENT BILL 1999**

**Legislative Assembly, 8 July 1999, pages 1824-5**

Second reading

**The Hon. R.G. KERIN (Minister for Primary Industries, Natural Resources and Regional Development)** obtained leave and introduced a Bill for an Act to amend the Fisheries (Gulf St Vincent Prawn Fishery Rationalisation) Act 1987. Read a first time.

The Hon. R.G. KERIN: I move: That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in Hansard without my reading it. Leave granted.

This Bill makes a number of amendments to the Fisheries (Gulf St. Vincent Prawn Fishery Rationalization) Act 1987.

The Act enacted in 1987 provided for six of the 16 boat fleet to be removed from the Gulf St. Vincent Prawn Fishery through a licence surrender and buy-back scheme. Money was borrowed from the South Australian Government Financing Authority (SAFA) to pay compensation to those licence holders leaving the Fishery. The mechanism for repayment is by way of a surcharge on licence holders remaining in the Fishery.

The initial repayment of debt by licence holders was minimal, then suspended due to dissent about their capacity to pay. Repayments resumed during 1994-1995 when the Fishery reopened after being closed for almost three years. In 1994 the debt was taken over by Treasury and restructured at a more favourable interest rate.

In 1995 a review of the Fishery was undertaken by Dr. Gary Morgan. The recommendations of the review addressed a number of issues including licence transfer/amalgamation which could lead to less licence holders operating on a more efficient basis and proposed fishing strategies aimed at ensuring long-term sustainable development of the Fishery.

Subsequently the Act was amended to enable the transfer of licences. Under the amended provisions the Director of Fisheries can approve an application for transfer of a licence if the accrued and prospective liabilities attributable to the licence have been paid.

However, the Act contemplates equal surcharges applying to licence holders and therefore there is no scope to impose a surcharge on the remaining licences when one licence is transferred. That is, all licences including the one that has paid its debt are liable to the surcharge.

The amendments proposed by this Bill are aimed at providing a mechanism to enable an incoming licence holder to assume the debt that has accrued to that licence. With these changes in place negotiations surrounding the outstanding debt of individual fishers can be pursued.

Recent discussions between the Government and licence holders in the Fishery have identified a number of proposals that would resolve the issue of debt and provide the climate for further improvement in the commercial viability of the Fishery.

Giving due consideration to the improvements that have occurred in the long-term sustainable future of the Fishery and the willingness of industry to resolve outstanding issues of debt, it is proposed to amend the Fisheries (Gulf St. Vincent Prawn Fishery Rationalization) Act 1987 to remove the requirement for a transferor to pay any prospective surcharge liability and allow the incoming licence holder to assume the debt.

n providing the above explanation of the proposed amendments, I advise that detailed consultation has taken place with the Gulf St. Vincent Prawn Fishery Management Committee and the Fishery association.

I commend the measures to the House.

Explanation of Clauses

*Clause 1: Short title*

This clause is formal.

*Clause 2: Commencement*

This clause provides for commencement of the measure on a day to be fixed by proclamation.

*Clause 3: Amendment of preamble*

This clause amends clause 5 of the preamble to the principal Act by striking out the word ‘equally’.

*Clause 4: Repeal of s. 4*

This clause repeals section 4 of the principal Act which deals with the transfer of licences. Section 4 prohibited transfers of licences until 1 April 1990 and since that time a transfer of a licence has required the approval of the Director of Fisheries. The Director is required to consent to a transfer if the criteria prescribed by the regulations are satisfied and an amount is paid to the Director representing the aggregate of the licensee’s accrued and prospective liabilities by way of surcharge under the Act, less any component of that prospective liability referrable to future interest and charges in respect of borrowing. The section also provides that where the registration of a boat is endorsed on a licence to be transferred, that registration may also be transferred.

The effect of repealing section 4 is that a licence in respect of the Fishery will be transferable in accordance with the scheme of management for the Fishery prescribed under the Fisheries Act 1982. The criteria prescribed by the Fisheries (Gulf St. Vincent Prawn Fishery Rationalization) Regulations 1990 are identical to, and thus duplicate, those prescribed by the Scheme of Management (Prawn Fisheries) Regulations 1991 under the Fisheries Act.

The new section 8 substituted by clause 5 of this measure will provide that the licensee’s liability under the Fisheries (Gulf St. Vincent Prawn Fishery Rationalization) Act 1987 will, on transfer of the licence, pass to the transferee (the new licensee). Section 38(4) of the Fisheries Act already provides that where a licence is transferable, the registration of a boat effected by endorsement of the licence may be transferred.

*Clause 5: Substitution of s. 8—Charges on licences*

This clause repeals section 8 of the principal Act and substitutes a new provision.

Proposed subsection (1) requires the Minister, by notice in the Gazette, to quantify the net liabilities of the Fund under the Act as at the day fixed by the Minister in the notice (‘the appointed day’).

Proposed subsection (2) provides that, as from the appointed day, each licence is charged with a debt calculated by dividing the amount determined under subsection (1) by the number of licences in force on the appointed day.

Proposed subsection (3) provides that the debt charged against a licence will bear interest at a rate (which may vary or be varied from time to time) fixed by the Minister for that licence and the liability to interest is a charge on the licence.

Proposed subsection (4) requires a licensee to pay the debt, together with interest, in quarterly instalments (which may be varied from time to time) fixed by the Minister by notice in the Gazette and payable on a date fixed by the Minister in the notice and thereafter at intervals of three months, or if there is an agreement between the Minister and the licensee as to payment, in accordance with the agreement.

Proposed subsection (5) provides that where a licence is transferred, the liability of the licensee passes to the transferee.

Proposed subsection (6) provides that any amount payable by a licensee under the Act may be recovered as a debt due to the Crown.

Proposed subsection (7) provides that if a licensee is in arrears for more than 60 days in the payment of an instalment, the Minister may, by notice in writing to the licensee, cancel the licence.

Proposed subsection (8) provides that where a licence is surrendered on or after the appointed day or is cancelled under subsection (7), no compensation is payable for loss of the licence and the total amount of the debt charged against the licence becomes due and payable by the person holding the licence at the time of the surrender or cancellation.

Proposed subsection (9) defines ‘appointed day’ and ‘net liabilities of the Fund under this Act’ for the purposes of the section.

Ms HURLEY secured the adjournment of the debate.