

FISH ROYALTIES BILL

EXPLANATORY NOTE

THIS Bill imposes royalties on quotas allocated to commercial fishermen and on fish taken by commercial fishermen under quotas that are unallocated. The Bill also validates Fisheries (Sea Fishing) Notices that imposed royalties and various restrictions for previous years and have now been revoked.

Clause 1 relates to the Short Title.

Clause 2 imposes royalties on commercial fishermen who are allocated quotas to take fish. The royalties are imposed on the basis of quota allocated not fish actually taken. The rates of the royalties are set out in Part I of the First Schedule to this Bill.

Where the Minister is satisfied that fish were taken by a domestic vessel but the royalty was paid at the higher rate that is payable where the quota holder has the use of other vessels, the Minister must waive or remit an appropriate proportion of the royalty.

The royalties apply in respect of the fishing year that commenced on 1 October 1985.

The current appropriate quota allocation notice is the Fisheries (Commercial Quotas Allocation) Notice 1985 (S.R. 1985/252). That notice allocates quotas (except those for paua) and therefore specifies the commercial fishermen liable to pay royalties under this provision.

Clause 3 imposes royalties on commercial fishermen who take fish that are subject to quota that have not been allocated. The royalties are imposed on the basis of fish taken under the quota.

The rates of the royalties are set out in Part II of the First Schedule to this Bill.

The royalties apply in respect of fish taken on or after 1 November 1985 and before 1 October 1986.

The royalties will be payable by all commercial fishermen who take fish pursuant to the quotas prescribed by the Fisheries (Commercial Quotas and Restrictions) Regulations 1985 (S.R. 1985/246) and are not allocated quotas under the Fisheries (Commercial Quotas Allocation) Notice 1985.

Clause 4 specifies the dates on which royalties are payable.

Clause 5 empowers the Minister to waive or remit the payment of any royalty where the commercial fisherman has entered into an arrangement or agreement with the Minister to carry out fisheries research.

Clause 6 relates to conversion factors that are to be used to determine equivalents of greenweight tonnes of fish. The specified amounts for each species or class of fish and type of processing are the equivalent greenweight tonnes of 1 tonne of that species or class of fish processed in that manner.

For example, the conversion factor for filleted orange roughy is expressed as 4, and therefore 1 tonne of orange roughy fillets is to be counted as 4 tonnes of greenweight orange roughy.

The conversion factors are used to determine waivers and remissions of royalties under *clauses 2 and 5* and the amounts of royalties under *clause 3*.

Clause 7 validates notices that set royalties and imposed restrictions for the 1983-84 and 1984-85 fishing years. The notices have already been revoked.

They had been partially validated by section 9 of the Finance Act 1984 which is repealed.

Hon. Colin Moyle

FISH ROYALTIES

ANALYSIS

Title	4. Dates for payment of royalties
1. Short Title	5. Minister may waive or remit royalty in return for research work
2. Royalties payable by quota holders	6. Use of conversion factors
3. Royalties payable by other commercial fishermen taking fish under quotas	7. Validation Schedules

A BILL INTITULED

An Act to impose royalties in respect of quotas allocated to commercial fishermen and fish taken by commercial fishermen under quotas, and to validate certain notices

5 BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. **Short Title**—This Act may be cited as the Fish Royalties Act 1985.

10 2. **Royalties payable by quota holders**—(1) There shall be payable by every commercial fisherman to whom a quota is allocated under any notice made pursuant to any regulation made under section 89 (1) (g) of the Fisheries Act 1983 a royalty for each tonne or part of a tonne of quota so allocated at the
15 appropriate rate (if any) according to the species or class of fish and the vessel that may be used to take the fish as specified in **Part I** of the **First** Schedule to this Act.

(2) The Minister shall waive or remit half the royalties payable or paid by any commercial fisherman at the higher of the 2
20 rates specified for quota for any species or class of fish in **Part I** of the **First** Schedule to this Act in respect of so much of the quota as authorises the taking of any fish that the Minister is

satisfied were taken using a registered fishing vessel that was not registered or required to be registered under section 57 (8) of the Fisheries Act 1983.

(3) This section shall apply in respect of quota allocated in respect of the fishing year that commenced with the 1st day of October 1985 and ends with the close of the 30th day of September 1986. 5

3. Royalties payable by other commercial fishermen taking fish under quotas—(1) There shall be payable by every commercial fisherman who takes any fish that is subject to a quota prescribed by any regulation made under section 89 (1) (g) of the Fisheries Act 1983 and has not been allocated to that fisherman by any notice made pursuant to any such regulation a royalty for each tonne greenweight or part of a tonne greenweight of such fish taken by the fisherman at the appropriate rate (if any) according to the species or class of fish as specified in Part II of the First Schedule to this Act. 10 15

(2) This section shall apply in respect of all fish taken on or after the 1st day of November 1985 and before the 1st day of October 1986. 20

4. Dates for payment of royalties—(1) The royalties payable under section 2 of this Act shall be payable to the Crown in 4 equal instalments on the 31st day of December 1985, the 31st day of March 1986, the 30th day of June 1986, and the 30th day of September 1986. 25

(2) The royalties payable under section 3 of this Act shall be payable to the Crown on the 31st day of December 1985, the 31st day of March 1986, the 30th day of June 1986, the 30th day of September 1986, and the 31st day of December 1986 in each case in respect of fish taken before the specified date, being fish on which royalties are payable under that section and in respect of which royalties have not already been paid. 30

5. Minister may waive or remit royalty in return for research work—The Minister may waive or remit the payment of the whole or any part of any royalty payable under section 2 or section 3 of this Act where, pursuant to an arrangement or agreement between a commercial fisherman and the Minister, the commercial fisherman who holds the quota or takes the fish is required to carry out research and development work on fishery resources, or trials or experiments relating to fishery resources, fishing vessels, fishing gear, apparatus, or techniques. 35 40

6. Use of conversion factors—For the purposes of determining the waiver or remission of royalties under **sections 2 (2) and 5** of this Act and the royalties payable under **section 3** of this Act, the appropriate conversion factors specified in the **5 Second Schedule** to this Act shall be used to convert the weight of processed fish to greenweight.

7. Validation—(1) The notices to which this section applies are hereby validated and confirmed, and are hereby declared to be and always to have been validly made.

10 (2) Nothing in this section shall affect any proceedings taken before or after the commencement of this Act in respect of any offence committed before the commencement of this Act.

(3) This section applies to:

- 15 (a) The Fisheries (Sea Fishing) Notice 1983 (S.R. 1983/310);
 (b) The Fisheries (Sea Fishing) Notice 1984 (S.R. 1984/328);
 (c) The Fisheries (Sea Fishing) Notice 1984, Amendment No. 1 (S.R. 1985/109).

(4) Section 9 of the Finance Act 1984 is hereby repealed.

SCHEDULES

FIRST SCHEDULE

Sections 2 and 3

ROYALTIES

Part I

Royalty Payable by Commercial Fishermen to Whom Quota Allocated

Species or Class of Fish	Rate of royalty per tonne of quota held where commercial fisherman does not have use of any vessel registered or required to be registered under section 57 (8) of the Fisheries Act 1983 at any time during the fishing year 1 October 1985-30 Septem- ber 1986	Rate of royalty per tonne of quota held where commercial fisherman has use of any vessel registered or required to be registered under section 57 (8) of the Fisheries Act 1983 at any time during the fishing year 1 October 1985- 30 September 1986
	\$	\$
Hake	22.50	45
Hoki	8.25	16.25
Ling	27.50	55
Orange Roughy ..	100	200
Oreo Dory	11.25	22.50
Silver Warehou ..	25	50
Squid taken in Sou- thern Islands area	23.75	47.50
Squid taken in any other area ..	47.50	95

*Fish Royalties*SCHEDULE—*continued*

Part II

Royalty Payable by Commercial Fishermen Taking Fish Pursuant to Unallocated Quota

Species or Class of Fish	Rate of royalty per tonne or part of tonne of fish taken \$
Hake	22.50
Hoki	8.25
Ling	27.50
Orange Roughy	100
Oreo Dory	11.25
Silver Warehou	25
Squid taken in Southern Islands area	23.75
Squid taken in any other area ..	47.50

Section 6

SECOND SCHEDULE

CONVERSION FACTORS

The conversion factors specified in the following table shall operate so that one tonne of the species or class of fish processed in the manner indicated shall be equivalent to the appropriate specified greenweight (e.g., 1 tonne of filleted barracouta is equivalent to 2.3 tonnes greenweight).

Species or Class of Fish	Greenweight Equivalent of Headed and Gutted Fish	Greenweight Equivalent of Filleted Fish	Greenweight Equivalent of Dressed Fish
Barracouta	1.50	2.30	1.50
Hake	1.50	2.30	1.70
Hoki	1.50	2.10	2.00
Ling	1.50	2.10	1.70
Oreo Dory	2.15	5.30	2.36
Orange Roughy	1.92	4.00	2.20
Silver Warehou	1.50	3.90	1.70
Squid	—	2.00	—
All other finfish	1.50	2.40	1.70

The conversion factor for any species or class of fish where the fish has been processed to fish meal shall be 5.556 (e.g., 1 tonne of fish meal is equivalent to 5.556 tonnes greenweight).