



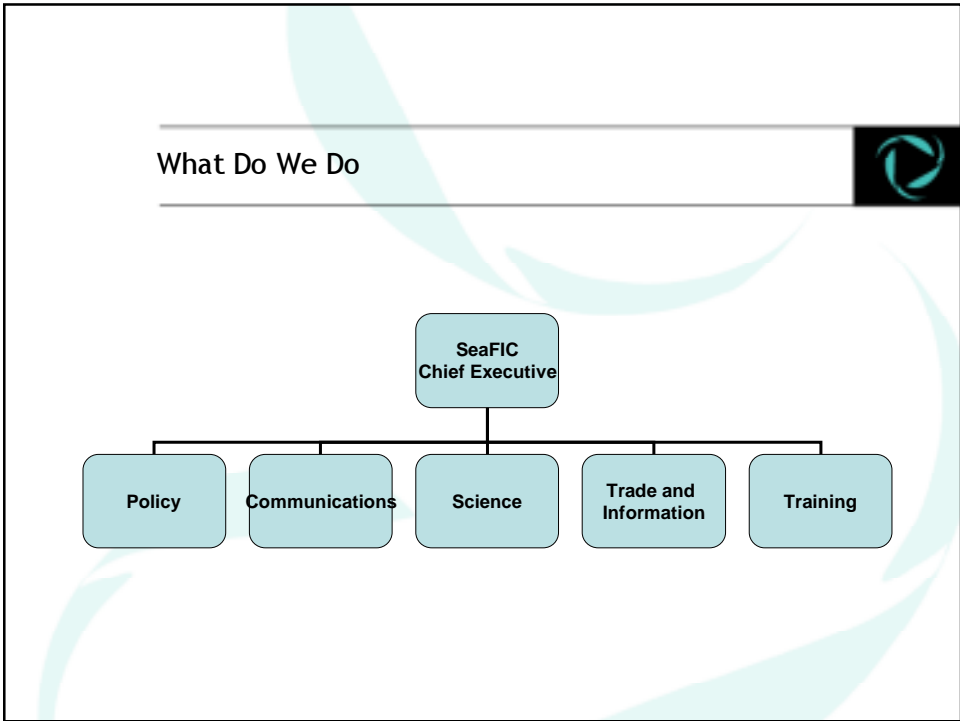
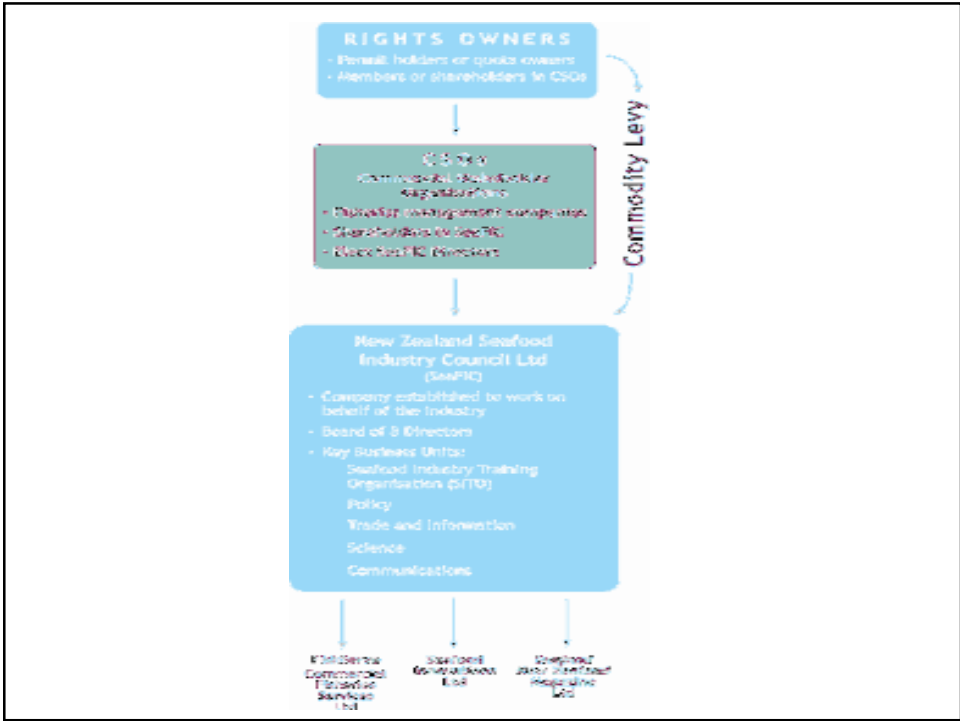
Seafood Industry Commodity Levy 2006



Purpose of presentation



- Consult with levy payers on proposal to extend the Commodity Levy
- Opportunity to discuss SeaFIC related activities
- Briefly cover
 - Who We Are
 - What We Do
 - Funding
 - Commodity Levy Renewal



Commodity levy background



- Introduced 2002
- Expires March 2008

- Funds
 - SeaFIC for generic industry activities
 - CSOs for specific activities

Key features of levy



- Levy is on all fish (as defined by the Fisheries Act) landed or produced
- Maximum Levy 5% Port Price
- Currently SeaFIC 0.525% Port Price
- Enables CSOs to collect “2nd tier” levy
 - up to a combined total of 5%

(NZRLIC, PAUAMACs 2,3,4,5,7, Area 2 Inshore, Bluff Oysters, Oyster Farmers Association)

Commodity levy governance



- SeaFIC
 - Business plan process establishes rate
 - Consultation with industry through Policy Council
 - Adopted by SeaFIC Board
- CSOs
 - Develop business plan approved by CSO shareholders
 - Conduct meeting or ballot of all levy payers affected by the proposal
 - Seek approval to raise levy - SeaFIC Board
 - Funds collected by SeaFIC & released on invoice
 - Reconciliation of expenditure

Commodity Levy - Proposal



- Extend Commodity Levy Order
 - 2013
 - existing terms and conditions
- Endorsed by SeaFIC Board

Commodity Levy - Legislative Requirements



- In place one year before expiry of existing levy
- Consultation with all those potentially affected
- Ballot
 - more than 50% approval of those potentially affected by votes cast
 - more than 50% approval of those potentially affected by value of rights owned
- Ballot conducted by independent contractor

Commodity Levy - Timetable



- Consultation – July/August 2006
- Ballot from 3rd - 14th August 2006
- Regulations by March 2007