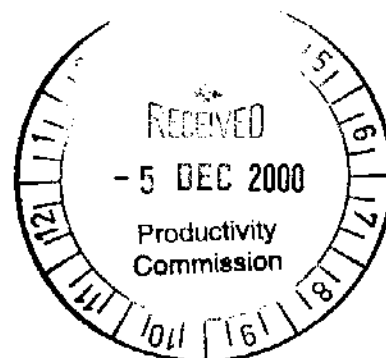


A. S. I. C CANBERRA



**SUBMISSION TO:**

**PRODUCTIVITY  
COMMISSION**

***INQUIRY INTO COST  
RECOVERY***

**December 2000**

**AUSTRALIAN SEAFOOD INDUSTRY COUNCIL**

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**The Australian Seafood Industry Council (ASIC)** supports the policy on cost recovery introduced by the Federal Government in the mid 1980s and amended in 1994 after a review of cost recovery specifically related to Commonwealth fisheries.

This policy allows for a sharing of costs between industry, government and the broad community.

Government administration of seafood industry issues is determined by two Acts of Parliament in 1991:

- Fisheries Administration Act (and Fishing Levy Act)
- Fisheries Management Act

Under this legislation, day-to-day management of fisheries is vested in the statutory body, the Australian Fisheries Management Authority (AFMA). Wider policy including international negotiations and strategic issues is administered by the Department of Agriculture, Fisheries and Forestry – Australia.

AFMA's charter is "...the sustainable use and efficient management of Commonwealth fishery resources on behalf of the Australian community and key stakeholders".

ASIC endorses current arrangements whereby:

- \* AFMA's costs are defined as "attributable" or "non-attributable"
- \* Subsequently those costs are determined as recoverable or non-recoverable
- \* Levy collections are reviewed at the end of the financial year
- \* Any over-collection of levy is returned to the fishery in the next year (or under collection recovered)
- \* Fishery-specific Management Advisory Committees (MACs) oversight each annual budget
- \* Enforcement remains a public (government) responsibility

The total cost of AFMA's operations is split approximately 40% industry: 60% government. This accords with the requirement that the commercial fishing industry pay costs directly attributable to fishing activity on a full cost recovery basis while the Government pays for activities that may benefit the broader community as well as industry.

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In addition, ASIC wishes to draw to the attention of the Productivity Commission the following issues and comments:

**AFMA resources:**

As part of its legislative charter, AFMA formally reports to ASIC at least annually. Recent discussions have highlighted concerns over the decline in AFMA reserves.

Over its first five years, government funding to AFMA declined in real terms, representing a loss of at least \$1.5 million in total.

This was compounded by reduction in AFMA's reserves when \$3.5m was transferred to Treasury in 1996. A further \$1m from sale of the fisheries patrol vessel "Wauri" and funds reserved for an engine refit was also returned to Consolidated Fund by AFMA.

There are concerns that government funding will be further reduced, placing extreme pressure on the AFMA budget.

ASIC submits that government funding to AFMA must be increased to ease at least some of the pressure on AFMA reserves and cash flow.

**Environmental legislation:**

In recent years there has been a marked increase in legislative requirements on AFMA to assist in pursuing environmental objectives. Examples include the establishment of by-catch action plans and strategic assessments to meet requirements of the Environmental Protection and Biodiversity Conservation Act 1999. In addition, the National Oceans Policy is being implemented with no new resources to AFMA or industry. While industry is supportive of sound environmental practices, it should not be required to meet the cost of requirements arising from government-imposed legislation.

Government funding to AFMA should be commensurate with the increased environmental requirements placed on this statutory body.

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**International negotiations:**

ASIC sees a direct role for AFMA in international meetings and fora. This is an increasing role for Australia as "globalisation" increases and as the industry becomes more export-oriented. Areas of policy such as high seas fishing, straddling stocks and highly migratory species management all directly concern Australia's management authority. Again, resources must be made available for AFMA to be able to participate effectively in negotiations of this kind.

Illegal fishing and surveillance of Australia's Exclusive Economic Zone (EEZ) is critical to quota management and fishery or species sustainability. Again, this is a concern to the broad Australian community and AFMA resources must allow its participation as appropriate. Enforcement remains a direct responsibility of government.

**Other agencies:**

AFMA is not the sole source of revenue from the commercial fishing industry. There are many other government agencies which draw revenue from industry including Customs, Environment Australia, the Australian Quarantine and Inspection Service and programs such as the National Residue Survey. There is a strong case for greater scrutiny of these charges, similar to the scrutiny upon AFMA's charges which resulted in the reduction of AFMA reserves.

**Conclusion:**

ASIC will be pleased to expand upon these matters to the Productivity Commission. A supplementary written submission can be made if required, following ASIC's discussions with the Productivity Commission.

ASIC appreciates the opportunity to participate in this review.

ASIC  
December 2000