

1. Introduction

The Australian Seafood Industry Council (ASIC) is the peak body representing the commercial fishing, aquaculture and aspects of the post-harvest seafood industries in Australia. ASIC's membership base comprises State and Territory seafood and fishing industry bodies, the Australian Aquaculture Forum, and a range of large Commonwealth fisheries industry groups. ASIC member bodies are listed in the attachment.

The seafood industry is the fourth largest primary industry in Australia and generates major export earnings and jobs, particularly in regional Australia. The industry produces around \$1.8bn of product a year and may be worth up to \$9 billion annually to Australia through its broader impact on investment, production and employment. The viability of many coastal communities is directly dependent on a healthy seafood industry, as is the viability of many thousands of small to medium sized businesses.

The industry is efficient and export orientated. It's future is secured by tight controls on fishing effort and environmental impacts ensuring sustainable management. Although wild fish stocks have generally been close to full exploitation since the 1980's, the value of industry has continued to expand through improved quality and value added activities as a result of significant investment in vessels, production technology and marketing. Aquaculture and mariculture activities are also expanding, especially for tuna, pearls, oysters and Atlantic salmon.

The industry prides itself on the fact that it operates within sustainably managed fisheries and within sensitive marine environments. The operations of the Australian seafood industries are generally managed and regulated under specific Commonwealth and State fisheries management legislation, much of which now embraces ESD principles and objectives.

However, from time to time environmental legislation comes into play in the management of Australia's fisheries resources. In particular the operations of the Endangered Species Protection Act, Wildlife Protection (Exports and Imports) Act and the Environment Protection (Impacts of Proposals) Act have all become more intrusive at the Commonwealth level. None of these pieces of legislation have ESD principles or objectives - they are more directly focussed on environmental outcomes alone (see below for comments on the newly tabled Federal Environment legislation). Some state fisheries are also finding state level environment legislation becoming more pervasive in fisheries management.

Fishing and aquaculture operators oppose the increasingly intrusive operations and single environmental focus of environment agencies at the State and Commonwealth levels. Australia's fisheries resources are managed consistent with ecologically sustainable management principles either explicitly through legislation or through practices. For example, the Commonwealth Fisheries Management Act 1991 was a leader in enshrining ESD principles into resource management. The Queensland

Fisheries Act and the Victorian, Tasmanian and NSW legislation followed suit in 1994. The attempt to bring only environmental factors to bear upon management decisions ~s seen as a retrograde step.

For these reasons the industry through ASIC has been interested in the Productivity Commission's inquiry into Implementing Ecologically Sustainable Development by Commonwealth Departments and Agencies.

2. Definitional Matters

ESD is a pre-requisite to the survival and future prosperity of the seafood industry, as it is with most resource based activities. The sharpness of political and community debate over resource use in Australia often spins on ESD terminology. It is therefore a wonder why there appears to be so little agreement on what ESD means. It was good to note the Productivity Commission's Issues Paper for this inquiry goes back to the basic documents that underpins COAG endorsed ESD policy in this country.

The National Strategy for Ecologically Sustainable Development adopted by all Governments in 1992 has as its first core objective enhancing individual and community well being and as its first guiding principle decision making processes based on economic, social and environmental considerations.

Major Issues

Environment vs social/economic values

The emphasis (clearly intended to be an equal emphasis) on economic and social wellbeing in the agreed ESD Strategy often surprises critics of resource based industries. These critics seem to believe that ESD is predominantly about ensuring environmental considerations have some pre-eminent status when industry development decisions are being made.

Governments who were parties to the 1992 Strategy also seem to forget from time to time this balance. In the main, the guardianship of 'ESD principles' within many governments seems to have drifted almost totally to environment agencies.

Actions being pursued by environment agencies and conservation groups often fail to recognise or to understate economic and social considerations and overstate ecological ones. Through related reasoning, scientists who research the industry often fail to understand economic and social aspects of issues being investigated. Fisheries agencies sometimes avoid the issue of more certain access rights thereby denying themselves systems which would provide incentives for fishermen to make short term sacrifices in exchange for long term gains.

Finally, and possibly most disturbing, this lack of understanding about ESD continues to create opportunities for the political process to be used to intervene in fisheries and

other resource industries. These interventions are ostensibly to raise overall community benefit but in fact appear to be re-allocations of resources towards environmental or recreational fishing values and away from employment, regional **development** and overall community welfare. There are strong and disturbing parallels to the early forestry debate here.

ASIC has recently released a detailed Marine Protected Areas policy. This is one area where great damage can be inadvertently done to this industry in the name of ESD. Again, ASIC has sought, explicitly in the policy, a balance between the contending facets of the ESD objectives. In the past, the desire to set aside MPAs has been driven by a narrowly defined environmental objectives. Much of this balance can be struck through adopting multiple use regimes in all MPAs.

MPA-responsible agencies seem to be failing to learn the lessons of the forestry debate which resulted in a level of conflict unprecedented in this country before serious action was commenced to integrate data on the social and economic impact of reserve systems into the decision making process.

It is important to note that a key determinant in resolving the conflict generated by the implementation of Dugong Protected Areas (DPAs) in the Great Barrier Reef region, was the provision of rigorous independent data on the impact the proposed DPAs would have on seafood production and jobs, particularly in regional areas. That data enabled an agreed outcome where a high level of dugong protection was afforded with minimal impact on jobs and families.

With the Federal Government pushing forward with a major MPA strategy, it is disturbing that a firm commitment to conduct economic and social impact studies as part of the process has yet to be made, let alone a commitment to structural adjustment packages to affected industry and community parties.

3.1.1. Environment Protection and Biodiversity Conservation Bill

ASIC has recently commended the Federal Government for attempting to bring its panoply of environmental legislation up to date with the ESD principles through its Environment Protection and Biodiversity Conservation Bill now before Parliament. Fisheries legislation has been there for some time.

There is now a full explanation of the ESD principles in the Bill (s.136 (3)). ASIC is assuming that equal weight is to be given to economic, social, environmental and equity considerations when considering development proposals. However, there is no guarantee through the legislation that this balance will be struck; ASIC has requested reassurance that all considerations are given equal status in the relevant sections of the Bill.

The Bill itself has a number of problems that may need remedying before it reflects the Government's support for light handed regulation and ESD principles. ASIC has made

a separate submission on this matter. In summary ASIC's concerns relate to the potential for greatly increased involvement of the Minister for the Environment and his agencies in fisheries management decisions at both the Commonwealth and State/Territory level. The marine environment trigger and the treatment of listed marine species within the Bill are the main areas of contention. Fisheries also seem to be singled out for special treatment in a number of places in the Bill with no reasons given. One would hope that important pieces of Commonwealth legislation that will have a shelf life of at least 20 years are not influenced by 'flavours of the month'.

ASIC also shares the more general concerns of a number of other industry groups with the antiquated philosophical framework of the Bill. That is, ASIC believes the opportunities for heavy handed interventions by the Minister and others in development decisions will undermine the Government's stated objectives of co-operation, effectiveness, efficiency, simplicity and transparency.

3.2 ESD in Fisheries Management Acts

Legislative objective (b) of the Commonwealth Fisheries Management Act 1991 requires the Australian Fisheries Management Authority to "ensure the exploitation of fisheries resources are conducted in a manner consistent with the principles of ecologically sustainable development and the exercise of the precautionary principle". This requires that stocks be maintained at a sustainable level and, where necessary, rebuilt to ensure maximum inter-generational equity. It also requires managing fisheries so as to minimise the impact of fishing on biological diversity and ecosystem habitat.

This was the first Commonwealth Act to contain a direct reference to ESD principles in its Objectives. As stated earlier a number of States have now followed suit. It is ironic that the major pieces of Commonwealth environmental legislation are yet to come up to speed on ESD principles.

The Commonwealth fisheries industry operators have been able to work- quite effectively within the fisheries legislation and are happy to ensure management plans are consistent with the Objects of the Act. AFMA has structured its operations to ensure each managed fishery can report annually against the main Objects of its Act (see AFMA's various Annual Reports).

3.3 Institutions and Co-Management Model in Fisheries

The Australian seafood industry has been at the forefront of progressive and sustainable fisheries management regulation internationally. One of the success stories in this effort has been the creation of the co-management model and the emphasis on shared responsibilities that has enabled a relatively light handed set of regulations to evolve. This situation is now under severe threat because of the pressures to load-up fisheries regulations with additional layers of bureaucracy and red tape, ostensibly in the name of environmental protection.

The explicit and opportunity costs of creating new layers of authority in fisheries management need to be weighed very carefully before being seriously contemplated. It is ASIC's understanding that the current Government is committed to the concept of light handed regulation with outcomes delivered through market mechanisms and consultation rather than by edict.

The Draft Oceans Policy looks critically at the impacts of various ocean users on the environment and whether there is a need for further regulation.

Far from coming away from the Oceans Policy exercise with a negative report card, the seafood industry was able to demonstrate to a sceptical government and environment movement that here was the basis of a success story in resource management.

Perhaps the most satisfactory outcome has been the public recognition of the vibrant co-operative arrangement between the industry, scientists, conservationists and fisheries regulators. The fishing industry calls this the co-management model and is, for all of its warts, fiercely protective of it.

There was a concerted attempt during the early stages of the Oceans Policy process to impose some form of mega-regulator over the top of the marine environment that would have effectively killed the co-management model. At this stage at least, such institutional vandalism has been fended off.

The industry commits large amounts of voluntary time, energy and dollars towards working within this model - in management work, assistance to scientists involved in stock assessment and fishing gear trials, payment of levies and in people development.

The industry's enthusiasm for the co-management model in fisheries is based on its support for a set of generic management principles. These are (in part):

provision of specific fisheries legislation setting policy, sustainable resource use objectives and traceable access rights;

definition of the role industry plays in providing management advice and provision of consultative arrangements;

· the provision and funding of high quality, independent fisheries research;

commitment by all participants to continuous improvement in the fisheries management process including performance reviews and monitoring; and

preparation and implementation of fisheries management plans.

There has been international recognition that Australia's attempt at an optimal model (at the Commonwealth level this is represented by the Fisheries Management Act 1991) is an example to the rest of the world. Dr Pamela Mace of the US National Marine Fisheries Service described the Australian model as an innovation that empowers fishing communities and other stakeholders to play a more active role in decision making while also being accountable for their decisions. Notice the twin characteristics of involvement and accountability.

The most important components of the co-management model are the Management Advisory Committees (MACs) and the Fisheries Assessment Groups (FAGs). The MACs are the mechanisms for consultation and for generating management action. They have the important function of identifying the problems and generating acceptance of outcomes from the management process. Fishing operators, scientists, regulators and conservationists serve on the MACs. Where applicable, indigenous interests and recreational fishers are also incorporated. If the MACs are decapitated by a mega-regulator, ownership and implementation of fisheries management decisions will go out the window.

Within the co-management model there is ample room for all those debates necessary to ensure more sustainably managed fisheries. For example, the model has fostered the development and introduction of environmental regulations such as those relating to bycatch, without the need for major institutional surgery.

In fact, the Oceans Policy draft has endorsed the fishing industry's view that fisheries are generally sustainably managed and where necessary, the hard decisions are being made.

Fisheries management is as much an art as it is a science requiring a high level of acquired expertise and support by scientific research and industry input. This is where the FAGs come in.

FAGs are the expert groups helping to set sustainable management arrangements for each fishery. Scientists and industry combine to generate catch and effort data and **gear and fleet dynamics**. They produce annual fishery assessment reports on the state of the stock and the performance of the fishery. Any problems within the fishery are identified and these set research priorities and expenditures for the fishery. The work of the FAGs is therefore critical as the first step in balancing the need for a viable industry and the sustainability of a fish stock. With the help of the commercial fishing industry and through learning-by-doing, fisheries assessment is now becoming less of an art and more of a predictable science.

The bottom line here is that ESD shouldn't be used as a Trojan Horse to impose unworkable regulatory burdens on industry, particularly where there are vibrant management models in place. If it isn't broken, don't fix it!

3.4 Examples of Good Environmental Practice

ASIC believes the best way to tackle the environmental pressures on seafood resources and marine habitats is through fisheries management changes rather than closing down access to fisheries or radically reducing target catch effort. The following examples of industry's efforts encapsulate this approach and are being pursued through management structures already available to regulators, the industry and other interested parties. There is no need for further layers of institutional control.

3.4.1 Bycatch of Turtles in the Northern Prawn Fishery

The Northern Prawn Fishery (NPF) is a trawl fishery located in Commonwealth waters off Australia's northern coast. The fishery comprises nine commercial prawn species. The gross value of the fishery is around \$115 million. The fishery is managed through a combination of input controls: limited entry, seasonal closures, permanent area closures, gear restrictions and operational controls.

The trawl grounds are also the habitat of five species of marine turtles, and other 'monsters' such as rays and sharks that are occasionally caught as bycatch in trawling operations. Otter Board Trawling was recently examined as a 'key threatening process' under the Endangered Species Protection Act 1992. The Scientific Committee under the Act (ESSS) recommended against the listing of trawling. The ESSS is calling for additional information about the relative impact of trawling on turtles compared with feral animal predation on eggs. The ESSS also recommends that industry continue to voluntarily introduce effective Turtle Exclusion Device (TEDs) programs to ensure the impact of trawling is minimised.

The prawn trawling industry has seriously considered TED programs for some time and has been heavily involved in designing and trialing appropriate gear for the fishery. Furthermore, the management advisory committee for the fishery, NORMAC, has elected to make compulsory TEDs on all trawlers in the fishery from the start of the year 2000 fishing season. The detailed management measures under the Bycatch Action Plan are:

advice on handling turtles caught in trawls to be included in the handbook issued to all boats at the start of the season each year;

- measures to be introduced by the year 2000 to protect any species found to be particularly vulnerable to trawling;
- the promotion to trawl operators of information on bycatch reduction and the consequences of not taking effective action;
- the development of educational and information packages about bycatch and what can be done to reduce the impacts of trawling.

More recently still, the Queensland Commercial Fishermen's Organisation's Trawl Committee has voted to use BRDs (including TEDs) in specific problem areas or hotspots for turtles in Queensland State prawn fisheries.

3.4.2 Seabirds and the Tuna Fisheries

Tuna are highly migratory species widely distributed throughout the waters of the southern oceans, including the Australian Fishing Zone. In Australian waters the most common tuna caught are Southern Bluefin Tuna, Yellowfin, Albacore and Bigeye. The different species are taken by a variety of methods including purse seine (principally for on-growing SBT), pole and line, longline and trolling.

Seabird bycatch (particularly of Albatross species) by tuna longlining has been raised **by the industry and environment** groups as a significant issue. The bycatch of seabirds during oceanic longline fishing was accepted and listed as a key threatening process under the Endangered Species Protection Act 1992 in 1995. A Threat Abatement Plan has been developed and introduced through a working group that involved representatives from the tuna industry. In addition, the use of tori poles/lines (to scare seabirds) has been mandatory on longline vessels south of 30 degrees since December 1995 under the Fisheries Management Act.

The Threat Abatement Plan aims to reduce the bycatch of seabirds during oceanic longline operations in the AFZ within five years by:

- prescribing the appropriate modifications to fishing practices or equipment; providing for development of new mitigation measures;

educating fishers and the public; and

- . collecting information necessary to improve knowledge of seabird-longline interactions.

The plan also means that fishers operating longline vessels in the AFZ will adopt a voluntary Code of Practice that requires adoption of seabird mitigation measures including:

- puncturing swim bladders on bait fish;
- use of bait casting machines on all suitable vessels;
- use of tori poles and bird lines when birds are encountered during line setting in **fishing north** of 30 degrees South;

- selection of fishing gear which minimises the probability of seabird bycatch;
- promoting safe release of all seabirds caught alive on longlines; and

promoting correct use of appropriate measures.

3.4.3 Dugongs and the Gill Net Fisheries

In recent times the debate about the impact of gill net fishing in Northern Australia for barramundi and other species on dugong populations has come to a head. A recent

push by the GBRMPA to ban net fishing in several large areas along the Queensland coast on the basis of claims about dugong mortality was averted. However, the debate has led to the establishment of a chain of dugong sanctuaries in the southern Reef region (between Cooktown and Hervey Bay).

At the same time there was a nomination under the ESP Act to list gill netting as a key threatening process. This nomination has been assessed by the ESSS and rejected. The difficulty with the nomination, like that of otter board trawling, is that the term gill net may refer to many types of nets such as ring nets, tunnel nets, set pocket nets, bottom set nets and river set nets to name but a few. This lack of definition unfairly tarred a range of fishing activities some of which have no impact on dugong.

However, as with otter board trawling and longlining, the industry has adopted a range of voluntary procedures to limit impact of fishing. The Queensland Commercial Fishermen's Organisation has produced a Dugong Conservation Strategy in 1996 in cooperation with conservation groups and management agencies. QCFO's strategy aims to minimise the potential of dugongs becoming entangled in commercial mesh nets and maximise the chance of survival if a dugong does become entangled.

A number of management strategies are outlined. These focus on education and training, the development of an industry code of conduct (about designing, deploying, and monitoring nets), monitoring and research on population changes, risk identification and mitigation, and legislation and compliance. There is now a very popular endangered species handling course being run through the industry's own training council.

3.5 Lack of Economic Data

If in fact government agencies do eventually fully consider all the aspects of ESD before decisions are made, the policy balance will need to be informed by rigorous economic, social and ecological data. The economic data on the seafood industry is generally poor. ABARE does an excellent job in presenting data on a range of variables but it is constrained by the quality of the data being collected at the State and Territory level. There is a major project underway through the Fisheries Research and Development Corporation to remedy **this situation**.

There is also a shortage of good economic analysis of the multiplier impacts that the commercial industry has on local, regional and national economic wellbeing.

The industry is concerned that its impact on the economic and social wellbeing of the country is unknown and therefore understated. Obviously this is a major problem if ESD principles are to be used effectively for judging policy options.

Again, echoes of the early stages of the forestry debate are beginning to be heard. Ultimately some \$120m has had to be spent on correcting the information shortages

that have underpinned past forestry decisions. No one wants to see a repeat of that type of exercise in the marine environment.

3.6 Role of Property/Access Rights in improving environmental outcomes

Closely linked to ESD and resource access debates is the question of property or long term access rights for fishers. Numerous reports over recent years have recognised the importance of secure fishing access rights in achieving economic and ecological sustainability within fisheries. 'Property Rights' do not mean a form of freehold or leasehold ownership to areas of oceans or to fish but relate to a right of long term access over timeframes conducive to sensible investment.

In the extreme case, a total lack of secure access rights results in producers imposing an external cost on other fishers by driving stock down below optimum levels and shortening seasons. It is recognised that this competition may result in poor quality and poor prices and can lead to excessive investment in vessels, gear, processing and distribution infrastructure. It also stymies exit and entry to the industry thus undermining economic efficiency within the sector.

Fortunately, the extreme case generally no longer applies in Australia as property rights have been strengthened over time. However, there are still pockets of legislative provisions which, although described as 'reserve powers', can lead to the blanket confiscation of assets and means of livelihood. ASIC is discussing these with Federal Government. Some States, particularly NSW, has some way to go in making real progress on long term access rights.

Despite progress on property rights through legislation (notwithstanding the continued existence of these 'reserve powers') there continues to be new and emerging threats to access to fisheries from other areas. These relate to jurisdictional conflict, resource allocation, native title, environmental degradation and anticommercial fishing campaigns.

Efforts to define more certain access rights as part of the Oceans Policy process has been encouraged by ASIC. The agency responsible for the policy (EA) seems reluctant to focus on property rights. The environmental sustainability benefits associated with more certain access rights needs to be acknowledged in the Oceans Policy and be set as a cornerstone for future related policy initiatives. This is particularly important because these rights will allow fishers to make short term sacrifices in exchange for long term gains, both for themselves and for fisheries and the marine environment overall.

4. Conclusions

In summary the following points can be made:

The industry supports the inclusion of resource sustainability and ESD objectives in legislation but does not see ESD as being limited to ecological concerns alone or predominantly. Economic and social factors have equal status in the definition of ESD in the ESD Strategy through COAG in 1992.

The seafood industry has seen an unacceptable increase in the level of intrusion by environmental agencies and legislation into fisheries management in recent years. Although ostensibly based on ESD principles, much of the intrusions are based on the belief that environmental values are more important in public policy decision making than other values.

There are further attempts to undermine the primacy of fisheries management agencies and legislation at both the State and Commonwealth levels through the Oceans Policy and the new Environment Protection and Biodiversity Conservation Bill.

The industry is answering its environmental critics through a series of measures to reduce bycatch of dugong, turtles and seabirds, to rationally examine the need for marine protected areas, to introduce voluntary codes of conduct into our major fisheries and to ensure the efficiency and effectiveness of the co-management model in our fisheries.

The co-management model in fisheries management works because the major players have a role in decision making and the industry feels it can 'own' the outcomes and implement tough decisions that need to be made. Any attempt to over-ride this model with new bureaucratic structures will be counterproductive and fiercely opposed by the industry.

For proper public policy choices based on ESD to be made in fisheries resource management, there will need to be much better economic and social data on the industry collected and analysed.

If there are concerns about long term sustainable economic and resource management in Australian fisheries, these should be addressed through examining the long term access rights in the sector and improving these rights. These are particularly important because they will allow fishers to make short term sacrifices in exchange for long term gains, both for themselves and for fisheries and the marine environment overall.

ASIC would be glad to expand on any of these matters needed.

Thank you.

Bill Nagle
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ASIC Ltd

2 November 1998.

ASIC Membership

ASIC is the peak body representing the commercial fishing, aquaculture and post-harvest seafood industries in Australia. ASIC's membership base comprises State and Territory seafood and fishing industry bodies, the Australian Aquaculture Forum, and Commonwealth fisheries industry groups.

The State/Territory Bodies are:

NSW Seafood Industry Council Queensland Commercial Fishermen's Association NT Fishing Industry Council WA Fishing Industry Council SA Fishing Industry Council Victorian Fishing Industry Federation, and Tasmanian Fishing Industry Council.

ASIC's Commonwealth Fisheries members include:

Tuna Boat Owners Association of Australia,
East Coast Tuna Boat Owners Association,
South East Trawl Fishery Industry Association, and
Northern Prawn Fishery Industry Organisation

The Australian Aquaculture Federation is a peak body itself representing aquaculture groups nationally. Currently membership is:

Tasmanian Aquaculture Council
South Australian Oyster Growers Association
NSW Farmers Association - Oyster Section
Oyster Farmers Association of NSW
Australian Trout & Salmon Farmers Association
Victorian Aquaculture Council
Aquaculture Council of Queensland
Aquaculture Council of Western Australia
Tuna Boat Owners Association of Australia
Pet Industry Advisory Council

ASIC's mission statement is:

" Through industry leadership and representation, provide a single united voice for all sectors of the Australian seafood industry on national issues of importance to the industry."