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HOUSE OF REPRESENTATIVES

**STANDING COMMITTEE ON PRIMARY INDUSTRIES, RESOURCES AND
RURAL AND REGIONAL AFFAIRS**

Reference: Management of Commonwealth fisheries

MELBOURNE

Friday, 14 February 1997

PROOF HANSARD REPORT

CONDITION OF DISTRIBUTION

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STANDING COMMITTEE ON PRIMARY INDUSTRIES, RESOURCES
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Matters arising from Audit Report No. 32 1995-96 Commonwealth Fisheries Management: Australian Fisheries Management Authority.

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WITNESSES

BARKER, Mr John Francis, Policy Adviser, Fisheries Division, Department of Natural Resources and Environment, 6/250 Victoria Parade, East Melbourne, Victoria	372
BARRETT, Mr John, Committee Member, Small Fishing Boat Operators Association, PO Box 430, Lakes Entrance, Victoria	443
BOLDING, Mr Brian Stanley, President, Small Fishing Boat Operators Association, PO Box 430, Lakes Entrance, Victoria	443
BUCKLESS, Mr Stephen Joseph, Manager, Ironnet Pty Ltd, 8 Yule Street, Eden, New South Wales 2551	460
CLIFTON, Ms Karen Lee, Executive Officer, Victorian Fishing Industry Federation, Suite 7, 20 Commercial Road, Melbourne, Victoria 3004	389
DAVIES, Mr Thomas Gary, Chief Executive Officer, Lakes Entrance Fishermen’s Cooperative Society Ltd, Bullock Island, Lakes Entrance, Victoria 3909	433
JOHNSTONE, Mr John Edward, Acting Director of Fisheries, Victorian Fisheries, Department of Natural Resources and Environment, 250 Victoria Parade, East Melbourne, Victoria	372
MIRIKLIS, Mr Michael, Managing Director, Jack Miriklis Marine Pty Limited, 12/13 Fishmarket, Footscray Road, Footscray, Victoria 3011	421
NICHOLLS, Mr Saxon Herschel, Employee, Bannister Quest Pty Ltd, PO Box 132, Belmont, Victoria 3216	405
NICHOLLS, Mr William Herschel, Director, Bannister Quest Pty Ltd, PO Box 132, Belmont, Victoria 3216	405
SUTHERLAND, Ms Nanette June, Company Secretary, Sutherland Enterprise Fisheries Pty Limited, Po Box 484, Portland, Victoria 3305	454

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AFFAIRS

Management of Commonwealth fisheries

MELBOURNE

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Ms Bailey (Chair)

Mr Adams

Mr Causley

Mr Andren

Mrs Stone

Mr Broadbent

The committee met at 9.30 a.m.

Ms Bailey took the chair.

[9.30 a.m.]

BARKER, Mr John Francis, Policy Adviser, Fisheries Division, Department of Natural Resources and Environment, 6/250 Victoria Parade, East Melbourne, Victoria

JOHNSTONE, Mr John Edward, Acting Director of Fisheries, Victorian Fisheries, Department of Natural Resources and Environment, 250 Victoria Parade, East Melbourne, Victoria

CHAIR—I declare open this ninth public hearing of the inquiry by the Standing Committee on Primary Industries, Resources and Rural and Regional Affairs into the management of Commonwealth fisheries. In June 1996, a report by the Auditor-General on the management of Commonwealth fisheries was presented to the parliament. The report was then referred to the committee by the House of Representatives.

Our task now is to review the audit report and to inquire into the matters raised by the auditors. We will report back to the House with recommendations for any government action that may be necessary to redress either the problems identified in the audit report or any problems that the committee itself may discover. We come to this inquiry with open minds about the auditor's findings. The evidence we are taking at these hearings and the written submissions that have been made to us will be important contributions to our review of the issues.

The committee appreciates the contributions it has received from the public, the fishing industry and government agencies. Today we will hear from representatives of the Victorian government and from industry participants based in Geelong, Melbourne, Lakes Entrance, Portland and Eden.

Before proceeding, I must say that committee proceedings are recognised as proceedings of the parliament and warrant the same respect that proceedings in the House of Representatives demand. Witnesses are protected by parliamentary privilege in respect of the evidence they give before the committee. Witnesses will not be asked to take an oath or to make an affirmation. However, they are reminded that false evidence given to a parliamentary committee may be regarded as a contempt of the parliament.

The committee prefers that all evidence be given in public, but should witnesses at any stage wish to give evidence in private they may ask to do so and the committee will give consideration to the request. I welcome representatives from the Victorian government's Department of Natural Resources and Environment. We have received a submission from you and have authorised its publication. Do you wish to make any changes to that submission?

Mr Johnstone—I have no changes but would like to make a short introductory statement which I think would set the scene.

CHAIR—Please do so.

Mr Johnstone—Firstly, I would like to thank you for the opportunity to appear here today. Whilst this review is focused on Commonwealth fisheries management and the Australian Fisheries Management Authority, it is important to recognise the different situations which are faced by Victoria and the

Commonwealth in pursuing the common goals of sustainable fishery and its management. The covering letter to the Victorian submission indicated that many of the fisheries management issues being faced by AFMA are also shared by other fisheries agencies, and our submission noted that some of these are general issues and some are specific to AFMA.

Throughout Australia, all fisheries management agencies are committed to working together to address common fisheries management issues. This approach is particularly important to Victoria because we share boundaries with South Australia, Tasmania, New South Wales and the Commonwealth. Such fisheries include the Rock Lobster Fishery, the South East Trawl Fishery and the Southern Shark Fishery.

Victoria has a long history of working constructively with our neighbouring states and the Commonwealth in the management of these fisheries. One of the major differences between the Commonwealth and Victoria is the composition of our fisheries. There are a small number of Commonwealth fisheries in southern Australia. These are offshore fisheries covering large areas with fishes based in a number of different states. On the other hand, Victoria, in addition to a small number of offshore fisheries, is responsible for the management of a number of smaller inshore fisheries, particularly those based in our bays and inlets. This means that the Commonwealth and Victoria often need to adopt different management regimes to manage our respective fisheries.

At the same time, it is necessary to work closely on addressing jurisdictional issues relating to the management of particular fisheries and implementing national fisheries management policies. A number of jurisdictional issues between the Commonwealth and Victoria will soon be resolved. Six draft offshore constitutional arrangements are close to finalisation, with implementation currently planned for mid-1997. These arrangements will assist the Commonwealth and Victoria in ensuring that the fisheries for which we are responsible are managed in accordance with the principles of ESD.

In managing fisheries within the ecologically sustainable development framework, there are two issues which are particularly important to success: research and consultation. These were mentioned in our submission. In terms of research, each jurisdiction has programs in place to address specific management issues for the fisheries for which they have sole responsibility. Where fisheries are managed by more than one jurisdiction or where there are multiple beneficiaries of the fishery, it is important to have an integrated approach to develop our funding for research priorities.

The existing process of state and Commonwealth fisheries research assessment boards provides the focus for industry consultation at a local level before the views of all states and the Commonwealth are brought together for consideration at the national level. It is a sound process for addressing the competing needs of the states and the Commonwealth in terms of research. This process also provides for funding under a range of research categories.

It is important for all jurisdictions at this time to recognise the growing interest of the general community in fisheries management. It is particularly important for the community to know that fish resources are being harvested with minimal impact upon the environment. To this end, we must all consider the need for additional research in this area.

On the issue of consultation, both the Commonwealth and Victoria have strong commitments to consulting with the fishing industry. The Commonwealth has the management advisory committee process. Victoria, due to the different nature of our fisheries, requires a different structure with the recently established expertise based Fisheries Co-management Council being introduced to provide advice to the minister on any matters specifically referred to it. This council will be supported by a number of specific fishery committees more along the line of the MAC structure in the Commonwealth. In addition, Victoria has four recognised peak bodies—commercial, recreational, aquaculture and conservation—with whom consultation occurs on matters relating to their particular area of interest.

In conclusion, Victoria looks forward to continuing to work constructively with the Commonwealth and other fisheries agencies within Australia, particularly with respect to our shared fisheries resources.

CHAIR—Thank you, Mr Johnstone. In your opening statement to us you have made mention about the integrated approach that the Victorian government wishes to pursue and the consultation. Could you tell us firstly your view of the partnership management style of AFMA and how the Victorian government finds that management style?

Mr Johnstone—As I said, Victoria shares a range of boundaries with the Commonwealth and with other states, and it is particularly important to recognise that fish cross boundaries. We have a long history of working in consultation with the other states and the Commonwealth to address specific issues. I suppose a good example from our point of view was an issue in the South East Trawl Fishery where we had some problems with recording where certain fish stocks were being harvested from. To assist the Commonwealth, Victoria introduced a negative endorsement on licenses to stop our fishermen from declaring some deep sea quota species as being taken in the shallow of Victoria waters.

Alternatively, you have the Commonwealth who have worked with us to ensure that, whilst the King Crab Fishery, which is essentially a component of the Victorian Rock Lobster Fishery, is still managed by the Commonwealth at this time, they recognise that under the proposed OCS arrangements that fishery will become part of the Victorian fishery. They have moved to limit the number of non-Victorian licence holders obtaining access to that fishery. There are good examples of where ourselves and the Commonwealth have worked closely together to redress issues of relevance to one or the other.

CHAIR—In your submission you mentioned the need to broaden the membership of the MACs and that you wanted them to be more flexible; can you firstly tell me the role that the Victorian government is playing in the MACs and just how you would want to see those broadened?

Mr Johnstone—At the moment Victoria is represented on SETMAC, the South East Trawl Management Advisory Committee. Recently in the past we were the state representative on the Southern Shark Fishery Management Advisory Committee.

I suppose it is worth drawing on the Victorian situation just for a moment. The Fisheries Act 1995 with which we work basically sets up more of a flexible structure where we appoint an expertise based council to address all sorts of issues including: commercial, recreation, aquaculture, conservation, fish marketing, traditional fisheries, research—I have missed a couple. There are a large number of components

that they can discuss. They are supported by specific fishery advisory committees which get into the specific fisheries themselves that the Commonwealth has set up. But the legislation is not prescriptive. It just says they must be expertise based committees. In many ways I think that is a good approach. It is something that we would promote.

In terms of the actual MAC structure, our submission has indicated that there are times where some greater flexibility in the make-up of those committees could be desirable. The consultative committee for Bass Strait scallops is a good example because it would not fit within the MAC structure. There is an increased number of people on that committee that would not fit within a normal MAC. It has representatives from both our department and Tasmania as well as an increased number of commercial representatives. It works very well which, in many ways, is why it has not been taken into the MAC structure. So it is really just looking at increased flexibility.

Mr CAUSLEY—Are the representatives elected or appointed by the fishing industry?

Mr Johnstone—The fishing industry—

Mr CAUSLEY—The fisheries themselves and on that advisory committee—

Mr Johnstone—On that consultative committee, both the Tasmanian peak body and the Victorian peak body are asked to nominate people for that committee.

Mr ANDREN—You seem in your submission to be concerned somewhat about the objectivity of the MACs; is that right?

Mr Johnstone—Yes. What we noted there is that there is a perception that MACs can be dominated by industry. We just have to be aware that is a perception which has been raised from time to time. The Commonwealth is aware of this and, in determining the MAC structure, it has been looking at addressing these sorts of issues. Our submission indicated this perception and noted that greater flexibility may allow such issues to be resolved.

Mrs STONE—You mention the word ‘perception’ and you also use the word in your document, Mr Johnstone; is it your feeling that that is reality? What is the Victorian government’s judgment?

Mr Johnstone—The Victorian government’s judgment and our policy is that we should have a more flexible approach to setting up these structures—

Mrs STONE—So you agree with the perception—

Mr Johnstone—so that we can address any issues which arise and we are not bound too closely. If we are faced with a situation where we can be criticised for a MAC or one of our fishery committees being dominated by industry, we can consider that. If that is an issue, then we can address it in terms of our membership.

Mrs STONE—So at the moment do you think the MACs that you are associated with are dominated

by commercial interests?

Mr Johnstone—No, I have not said that. I have noted that there is a perception. It would be inappropriate for me to give you my views.

Mr Barker—It is worth noting that consultation by the Commonwealth does not only revolve around the MACs and the consultative committees that have been set up. There are large numbers of ad hoc committees that have been set up from time to time to deal with specific issues—such as the Gemfish Working Group and other things like that. These groups have called on an expertise base which is perhaps a bit more flexible and wider than that which is constrained by the more formal structure of the MACs. Perhaps it is worthwhile considering the need for the formation of these and giving some legitimacy to actually drawing this expertise in at a higher level where it is formally recognised.

Mrs STONE—It sounds like where the MACs are not as useful as they need to be, the industry or the states go off and form another consultative group.

Mr Barker—No, it is not the industry going off. AFMA and the Commonwealth have recognised that there are needs for particular working groups to be established to achieve particular goals in relation to particular issues which arrive in fisheries management. You have a tiered structure of consultation taking place whereby you have MACs at a very high level and consultative committees, which are not funded equally with MACs but perhaps have a little more flexibility in the membership that they involve. Underneath both MACs and consultative committees, the Commonwealth has sought to establish working groups which tackle particular issues or tasks within a tight time frame.

CHAIR—Is it your recommendation to suggest a different structure?

Mr Barker—We can talk about the Victorian structure, which perhaps recognises the need to draw in a larger number of stakeholders at higher levels of advice and decision making.

CHAIR—What do you mean by higher levels? I do not quite understand what you mean by that.

Mr Barker—We have a Fisheries Co-management Council in Victoria, which is seen as the principal or primary body to give advice to the minister. In setting that up, the membership must include expertise from commercial fishing, recreational fishing, traditional Aboriginal fishing, aquaculture, conservation, fisheries science, fisheries marketing and fish processing. The act specifies that that expertise must be on that council.

Underneath that council, and established by that council, are a number of specific fisheries management committees which are set up to manage particular important fisheries like the abalone fishery or the rock lobster fishery. They are completely flexible in the expertise they can have on those committees. They are established by the council to help advise the council before it provides its advice to the minister.

We are recognising that there are a larger number of stakeholders than just commercial operators that need to be involved in decisions which affect different people's livelihoods or interests.

Mr Johnstone—In setting up that structure, in my introductory talk I pointed out that Victoria has a different range of fisheries. We have stronger links with the recreational sector, who are competing within bays and inlets for the same resource with the commercial sector as well as the conservation interests in terms of ensuring that we have sustainable fisheries and competing interests of aquaculture. Therefore, that broader based council is required to address that whole range of issues and draw across the advice of all those committees, pull it together, consider it and make balanced advice to the minister.

CHAIR—Some of those, of course, do not come under Commonwealth jurisdiction.

Mr Johnstone—That is right.

CHAIR—One of the criticisms that has come before this committee on a regular basis has been the question of AFMA ensuring economic efficiency. The audit committee found little evidence to indicate that there had been a significant improvement in economic efficiency in Commonwealth fisheries or in the extent of the overcapitalisation identified in the 1989 policy. Could I ask you to comment on that. Could you also provide us with your definition of what economic efficiency means in the fishing industry.

Mr Barker—Victoria is not involved in achieving economic efficiency in the same way that the Commonwealth is. That is because our fisheries are often shared between a larger number of stakeholders, some of whom are not interested in economic efficiency. For instance, if recreational fishers are sharing a stock in bays and inlets, they are not interested in the objective of economic efficiency. They are interested in totally different objectives. When you have shared stocks, you have to manage them in a holistic way.

Additionally, Victoria manages a larger number of part-time fishermen—small-scale, almost lifestyle fishermen. We did not manage them for the ends of economic efficiency. We are very different from the Commonwealth in so much as we do have this very much more diversified number of stakeholders involved.

CHAIR—I understand that, but do you have any comments on AFMA and its role?

Mr Johnstone—It is important to note that one of the goals in terms of working within an ESD framework is economic efficiency, but there is also sustainable management of fisheries and so forth. It is very difficult at times to pursue one of those goals without having to bring the others along with it, and you may be seen to be not progressing as quickly with respect to one area as you can in another. So we have to look at the total picture in terms of management of a fishery, the history of that fishery and obviously the change which AFMA inherited when it came into force in relation to where a number of fisheries have got to. So in addressing those issues economic efficiency is only one of the issues that they could pursue.

Mr ANDREN—In your submission you say:

It is not clear that quota management can lead to economic efficiency within a multi species fishery . . .

What alternatives would you see for achieving economic efficiency other than quota management?

Mr Johnstone—In Victoria we are not bound by any policy in relation to whether we should pursue

input or output controls in relation to our fisheries generally. What we do is consider the best approach to the management of each particular fishery. A good example of output control would be Victoria's abalone fishery, which is single species, high value and well managed under a quota system. Alternatively, there are other fisheries where that form of management would not be the most desirable. What we are really saying is that the circumstances in relation to each fishery need to be taken into account, and you need to adopt the best management regime that you can to meet your range of goals, which include economic efficiency.

Mr ANDREN—Would you be supportive, then, of an OCS arrangement that divested control of the deep-sea fisheries to, say, AFMA?

Mr Johnstone—As I said, we have six draft arrangements prepared at the moment which we are looking to introduce later this year. Those arrangements do pass control of the deepwater species to AFMA, under two arrangements. One is proposed to be a trawl fishery arrangement, and AFMA will assume responsibility for the trawl method of catching. The other is for all methods other than trawl fishing. So we intend to pass jurisdiction to AFMA.

Mr ANDREN—Do you have any opinion as to why there is so much resistance, it seems to me, for New South Wales to facilitate the OCS arrangement?

Mr Johnstone—I think it would be best if you discussed that with New South Wales.

CHAIR—If the control passes to AFMA, what would be the Victorian government's position on increased cost recovery for managing that fishery?

Mr Johnstone—AFMA have a policy in relation to cost recovery, and I suppose it is worth noting that the management committee of the Standing Committee for Fisheries and Aquaculture were given the job of considering cost recovery principles across Australia and drawing together the existing status of all states and territories in relation to cost recovery. AFMA is, in many ways, further ahead than a lot of other states, including Victoria. We are aware of the policy, the framework, that they work within. Knowing that framework, we are obviously prepared to enter into these OCS arrangements.

Mr Barker—Most of the Victorian based operators that fish in Commonwealth fisheries at present will continue to fish under the proposed OCS arrangements which are going to be entered into. Very few Victorian operators with Victorian licences will now have to pay Commonwealth fees because the intent in the arrangements is that existing fishing patterns will be largely preserved under the new arrangements, with the offshore boats, which generally fish in Commonwealth waters, continuing to be managed by the Commonwealth and the smaller operators, who fish in generally in-shore areas, continuing to be managed by the state. However, state fishers that are intending to up their fishing of species in deeper waters have been advised to apply for Commonwealth licences. It is a matter for them to decide whether or not they are prepared to pay the greater costs that might be involved for them to have a share of the off-shore fisheries.

Mr CAUSLEY—Can I go back to what we were discussing before in relation to efficiency and the assessment of efficiency. Why should any bureaucrat, state or federal, assess efficiency of an operation? Surely it is different in every operation.

Mr Johnstone—Yes, it is. I suppose all I can really do is point to the principles of ecological sustainable development. Economic efficiency is one of those principles. It does not mean that economic efficiency has to be the overriding principle. It is just one of those which should be put together in a total package of management arrangements to achieve sustainable fishing.

Mr CAUSLEY—That would mean that you assess a quota, you set a quota and the ITQs then would develop the efficiency, wouldn't it?

Mr Johnstone—That would be one approach you could take, yes.

Mrs STONE—I have a couple of questions which follow on from what Mr Causley was just saying. You state in your submission under one of the recommendations:

Socio-economic considerations should be recognised in legislation as a basis for decision making.

We all understand commercial imperatives, but what do you mean by socio-economic considerations as the basis for decision making? Can you spell out exactly what you had in mind there?

Mr Johnstone—I suppose that goes back to our co-management council, which we spoke about, and the need for us to consider the broad range of inputs from the community, recreational fishers, traditional ones, et cetera. It is important that those interests are taken into account in determining balance decisions.

Mrs STONE—Could you give us examples of what you mean by that?

Mr Barker—In Victoria, because we manage fisheries which have a very much broader base of stakeholders we are much more aware that we have to think about not only the commercial catching of fish but what happens to the fish after they are landed. We also have to be aware of the competition for use in shared waterways such as Port Phillip Bay, where you have yachtspeople and aquaculture taking place. In Victoria it is common for us to deal not only with the catchers of fish but also with local governments, planners and the EPA. We also have to deal with catchment and land protection bodies because we are dealing with inland waterways. We have a much greater awareness, I suppose, of the effects of fisheries management on other people's interests, even if they are not directly interested in fisheries as such.

Mrs STONE—I see. I understand that. You also say that the statutory nature of AFMA's fisheries management plans often means that they are difficult to implement and modify once in place. Again, you refer to the statutory nature of AFMA. In what sense do you see that that creates problems?

Mr Johnstone—In Victoria our management plans, which we are working on developing, are not meant to be instruments of subordinate legislation. Quite clearly we make that distinction. What they do is draw together the issues, make recommendations and set a time frame action plan for implementation of it. That can include the development of legislation and particularly regulations which will support and implement the act, but there are other actions as well which do not require that. For instance, codes of practice could be included within that.

What it means is that your management plan can be more flexible and that it can be adapted to meet your changing requirements. What we have to recognise is that in fisheries things do change regularly and you need to keep up to date. Your management plan can change. If you then do need some amendment to legislation as a result of that, that is fine. You can then go and do that, but it is better if you do not have to amend legislation when you are not doing it for a regulatory requirement.

Mrs STONE—So you are looking at less legislation and more perhaps principles agreed to and under that flexible planning.

Mr Johnstone—Yes.

Mr Barker—Also, in Victoria, we have been involved in a large number of stakeholders being party to preparation of management plans. The management plan is seen not as a final product in itself but as a living document with ongoing dialogue taking place continuously into the future to finetune the management.

Mr ANDREN—You say AFMA needs to distinguish between research and monitoring more. Can you spell that out a bit more?

Mr Johnstone—I suppose one of the issues that is being worked through at the moment is the setting up of our catch and effort monitoring programs between Victoria and AFMA. What we have to do is be quite clear that that is our monitoring program and the importance of it. It is assessing and keeping record of catches, effort and so forth. We need to make sure that we distinguish that research should be focused on addressing our management issues and implications for management and assisting us in developing better management arrangements.

Mr ANDREN—There has been a heck of a lot of money spent on research for apparently relatively little gain it seems, looking across the broad tone of the submissions. Have you got any ideas or have you put up any suggestions to AFMA on maximising or reorganising the research structure in the industry?

Mr Johnstone—That is a comment that could be made in relation to research and probably across more agencies than just AFMA. I think with the MAC structure, the advisory committee structure, that we have in Victoria, there is a lot more industry input into developing the research program. That is very beneficial because what it is doing is getting the people aware of the issues, involving them in setting the research priorities with hard targets. I think something that we do need to do as fisheries agencies generally is to be aiming to ensure that we spent our money wisely on achievable programs of research that can assist us in helping future management.

CHAIR—Could I just ask you to be specific in terms of that research? Is part of the research actually identifying the level of fish stocks?

Mr Johnstone—It depends on the management arrangements that you are implementing and on the species itself. Yes, it is quite common that you would need to do research into the level of those fish stocks.

CHAIR—So the Victorian government does not have an overriding principle that sets goals, or even

guidelines, for the money it spends on research?

Mr Johnstone—Yes, we do. We actually have developed recently a five-year strategy for research which basically outlines our aims over the next five years.

CHAIR—What is the priority of that five-year plan?

Mr Johnstone—There are a number of priorities. Again, because of the broad nature of our fisheries, we have research focused on stock assessments, on utilisation of the resource, some environmental programs. Basically, it is a total package which you could not really say that there is one part that is more important than the other. What is important is that you have this research in the range of areas that you require to pull together a total package.

CHAIR—I wonder if you could perhaps provide the committee with a written run down of exactly the research program that you have outlined for your five-year plan?

Mr Johnstone—Would you like a copy of the five-year plan?

CHAIR—Yes.

Mr CAUSLEY—You have read the audit report, have you, on AFMA? Have you seen the audit report?

Mr Johnstone—Personally, I have not.

Mr CAUSLEY—They were very critical of AFMA in that they really had not done enough research on stocks. It was a very critical report. Some might call it academic, but the fact is that the report was more or less saying that AFMA had failed, that it could not make decisions because it did not have any idea of what the stocks of fish were. Could you give the committee an idea of what an audit might entail in your jurisdiction and maybe some off the top of your head guess at the cost and how you would recover that cost?

Mr Johnstone—Your first point was focusing on AFMA and the style of research they do and whether or not they have done enough in the right area. In developing your research program what you have to do is consider your management arrangements for the fishery. Those management arrangements—again, input and output controls or a mixture of both—will determine the sort of research that you need to undertake. Within Victoria, again with the range of different interest groups, our cost recovery policy, which is currently being considered at the moment, will have to consider the appropriate level of input from all those sectors.

Mr CAUSLEY—Is it possible for you to do an audit of fish stocks?

Mr Barker—It is very difficult when you are doing stock assessments to actually put your finger on a number of things. One reason is that most stocks vary very substantially from year to year and are linked to environmental changes. Even if you can put your finger on what a stock level might be in a pretty stable

state, it is very difficult to then separate the mortality of the fish stocks from environmental causes and separate that as distinct from fishing mortality.

It is very, very easy to spend large amounts of money and not actually gain a great deal in terms of final facts that might be known about a fishery. A number of fisheries in Victoria have been studied for decades now and are still continuing to be studied. A lot of management decisions continually have to be made in the absence of large amounts of very, very detailed data about stocks. That is the same for fisheries management not only in Australia but around the world.

Mr CAUSLEY—That leads on, of course, to the precautionary principle, and I think that was probably mentioned in the audit report as well. Precautionary principle is one of those lovely modern terms that means all things to all people. It could mean to me paralysis. What do you see as the precautionary principle? How far would you take it? I might not get up in the morning because I might get run down by a bus. That is a precautionary principle.

Mr Johnstone—A precautionary principle in terms of fisheries management is ensuring that in the absence of available data you err on the side of caution to ensure that you have sustainable fisheries. You are better off to harvest a little less—

Mr CAUSLEY—Caution within reason.

Mr Johnstone—Yes.

Mr ANDREN—It strikes me that we are missing out on an enormous resource in terms of research and that is the fisher himself or herself. Do you not agree that the fishers are perhaps our greatest research resource but they are reluctant to contribute because of quota bycatch, dumping of non-target species concerns, the competitive nature of the industry, the OCS imbroglio and such? Do you agree that they could be a far greater source of research into a resource we know nothing about?

Mr Barker—In Victoria, fishers have quite often been involved in providing inputs into research and also into helping to set priorities for research programs.

CHAIR—How was that achieved—getting the research from the fishers?

Mr CAUSLEY—Catch and effort data—something like that?

Mr Barker—They provide catch and effort data. That is a requirement of all Victorian licensed fisher persons. Quite often the scientists establish an informal network with particular fishermen in the field that they are studying. There is also more formal links established between researchers and industry. We now have a new Fisheries Co-management Council and fishery management committees but in the past we have had a number of advisory committees. I have been on the Abalone Advisory Committee. Each year the research and monitoring program is discussed in detail and at length with members of the industry and they help set priorities for the forthcoming year.

Mr ANDREN—But for a variety of reasons, both commercial and environmental perhaps, there seems to be impediments to their sharing this data with AFMA.

Mr Johnstone—What is important is that fishers are all aware of the data that is being sought, the reason that it is being sought, what sort of program it is a whole part of because what they need to see is what the outcome might be. If they are aware of that, then that is when they are quite happy to be involved and to provide advice because they know the outcome that you are striving to achieve. If you are not clear, then there could well be a reluctance on fishers to say, ‘Well, what are the outcomes that we are looking at getting here and what will be the impact upon me?’

As John has pointed out, we actually have a good relationship with a number of the fishers in Victoria. In particular—just a good example and quite simple—fishers have been helping us in terms of tagging various species. That is an important component. It does not sound much but for each of the fishers they are pleased to be involved. It is important work on our behalf and it is being done efficiently.

Mr ANDREN—Is AFMA pro-active enough in getting the message out to each and every participant in the industry?

Mr Johnstone—I must admit I could not personally answer that. I know that through the MAC structure obviously they have considerable consultation with industry. How far that goes out to individual fishers I think would probably be something you would be better asking those fishers themselves.

CHAIR—Would the Victorian government be supportive of a more formalised structure in setting up research, the amount of money spent on research and the results of the research? It seems to me that there are numbers of different groups and some state governments that are all engaged in their own research. Some of it on an ad hoc basis. Some of it on a more formalised basis. Would the Victorian government be supportive of a more coordinated research program?

Mr Johnstone—What we need to be aware of is that there are state based fisheries as well as shared fisheries. Obviously, there are going to be circumstances where priorities within the state will require each state or the Commonwealth to address specific issues in relation to one of their fisheries. There is a process in place at the moment with the fishery research advisory boards established within the states which are looking at the programs which have multiple beneficiaries. All the states which are going to derive some benefit from a research program have the opportunity to provide input in terms of its level of importance. That is then drawn together at a national level. I think that is what you are really trying to get at—a process of assessing these programs across the board and ensuring that we have a consistent approach.

Mrs STONE—You seemed to be concerned, in fact you expressed a concern, that AFMA has to remain a partner in co-management arrangements between states. You state:

Currently AFMA cannot hand over jurisdiction of a fishery to two States to co-manage. Under the relevant legislation AFMA has to remain a partner in such arrangements even though this may not be administratively desirable or efficient.

We have just been talking about coordination and cooperation. You have suggested that in some state fishery

areas maybe there is no Commonwealth direct interest. Can you give us more detail about that? It would have seemed to me always important that the Commonwealth, given the fact that fish do not understand borders and so on, needs to be there. Is it a problem of administrative efficiency you are particularly concerned about or more the issue that the Commonwealth does not share all fishery interests?

Mr Johnstone—In that circumstance one of the issues there is, say, the Bass Strait Scallop Fishery. That is an area where the Commonwealth has expressed a desire for the states to manage that fishery, but it goes outside of both Victorian and Tasmanian state borders. We both have jurisdiction out to 20 miles but there is still the area of Bass Strait. The way the legislation is developed in terms of OCS arrangements is that the Commonwealth is not able to pass joint jurisdiction to the two states. Victoria and Tasmania both retain an interest in that fishery and wish to do so.

Mrs STONE—What would be your preferred situation? That you and Tasmania shared jurisdiction over that section without Commonwealth involvement?

Mr Johnstone—That is an option which we cannot address because of the legislation as it stands.

Mrs STONE—But that is your preferred outcome.

Mr Johnstone—I am saying that it is an option that has been discussed. In terms of our negotiations on OCS arrangements, the Commonwealth did express a desire not to continue to be involved in the management of that particular fishery. What I was saying was that the options available to us were limited by the legislation.

Mrs STONE—Again, we get back to that problem of the legislation not being sufficiently flexible. That is what you were talking about before.

Mr CAUSLEY—Do you believe that would resolve the problem?

Mr Johnstone—Yes, it would. In terms of that amendment to the legislation allowing two state agencies or more to manage a fishery, yes, that would get around that problem that AFMA are faced with in not being able to withdraw from the management of the fishery, given that both states wish to remain involved.

Mr CAUSLEY—That probably was not the question. The question was: do you think you and Tasmania could agree on the fishery?

Mr Johnstone—Yes, I believe we could work with Tasmania to manage that fishery.

Mr ADAMS—Are there any scallops left in Port Phillip Bay?

Mr CAUSLEY—The Victorians have eaten them all.

Mr ADAMS—How many fishing organisations are there in Victoria that you deal with?

Mr Johnstone—What we really do in terms of negotiation with our fishing industry is to focus our consultation through the VFIF, the Victorian Fishing Industry Federation. That is the commercial peak body. Whilst we obviously encourage dealings with individual fishers—we encourage them to ring us—we do focus our consultation through that body. They have a number of subcommittees set up within that to which they can refer specific issues.

Mr ADAMS—Are there other bodies that exist outside the one in Victoria?

Mr Barker—Yes, there are other bodies. However, most commercial fishing bodies are affiliated with the Victorian Fishing Industry Federation. I think there are about 18 or 20 bodies that are affiliated with them. There are also a number of coalitions of fishers that appear from time to time and disappear again that do not become affiliated with the VFIF. That is a constant that we have to live with in Victoria. There are also one or two others that have been around for quite a while and have made a conscious decision not to affiliate with the VFIF for their own reasons.

Mr ADAMS—Do you think the fishing industry has a bit of a PR problem, that they are continually being seen by the public in a bad light, that they are really rapers and pillagers of the seas?

Mr Johnstone—You could well be referring to the sorts of issues that are under way in Victoria at the moment. There has been a strong push from the recreational sector based on their perception of the impacts of commercial fishing to address the issue of commercial fishing in our bays and inlets. I believe that in many ways the ball now is in the hands of industry to really take the opportunity to put forward the benefits that they provide to the community in terms of providing fresh fish, particularly. The more they can do in that area the better for them.

Mr ADAMS—Do you think a national focus on that is important as well?

Mr Johnstone—Yes. There will be different issues within states but a national focus is also important.

Mr CAUSLEY—Do you have a marine national park in Victoria?

Mr Johnstone—Yes, we have a couple of marine parks. To fully answer your question, at the moment the Land Conservation Council is completing its marine and coastal report, in which they will recommend a number of additional marine parks. That will then have to be accepted by government.

Mr CAUSLEY—Are there any proposals in AFMA's jurisdiction?

Mr Johnstone—No, those are located within the three-mile limit for which Victoria has responsibility. Within the memorandum of understanding that will accompany the OCS arrangements, AFMA has indicated their willingness to consider introducing suitable management arrangements for those zones for the methods and the species which they manage.

CHAIR—Do you wish to make any closing statements to us?

Mr Johnstone—No.

CHAIR—In that case, thank you very much for appearing before us today.

[10.22 a.m.]

CLIFTON, Ms Karen Lee, Executive Officer, Victorian Fishing Industry Federation, Suite 7, 20 Commercial Road, Melbourne, Victoria 3004

CHAIR—I welcome the representative from the Victorian Fishing Industry Federation. We have received a submission from you and have authorised its publication. Do you wish to make any changes to that submission?

Ms Clifton—No, I do not.

CHAIR—Would you like to make an opening statement to us?

Ms Clifton—Yes, I will. Basically, from the Victoria Fishing Industry Federation's point of view—we are the peak body that represents the commercial sector here in Victoria—there are two key issues. One is the big issue, which is the model of AFMA which has been emulated throughout Australia—the philosophy. The second issue is the action area, which is the operating side of AFMA.

Our concerns with the philosophy are that the AFMA model seems to be a good model and it is being emulated around the states. I am sure that prior to my being here my colleagues would have discussed what has happened with co-management in Victoria. We are moving to a similar AFMA structure. Other states have done the same sort of thing. Our only major problem with that is that there seems to be a move in this changeover to diminish the involvement of industry. We believe it is the involvement of industry in these bodies which is the key to make them work. One of the thrusts that seemed to come through in the ANAO report was that industry seemed to be a problem. It is our belief that industry is a saviour to these bodies.

The second major issue is the operating or the action side. We have some major concerns about the size of AFMA, as in numbers of employees. That relates to cost—the costs of management to the fishers, the costs per fishery and the communication of the AFMA material to the fishers and vice versa.

CHAIR—Following up on those opening remarks, I notice that you have said in your submission that it is the view of the industry that they do not have nearly enough representation on the board and that their further involvement would greatly enhance the work. That obviously goes to the heart of one of your criticisms. Can you tell us what extra representation you need. We actually have had witnesses before us who have said the opposite of what you have said—that there is too great an industry representation and influence.

Ms Clifton—If we take the AFMA board, for example, as it stands at the moment, you have one practising fisher on it and that is it. Mr Stuart Richey is the person. From industry's point of view, when you are discussing things which relate to the industry, obviously, you only have one person to feed the whole of industry. That is at the board level.

When it gets down to committees, you do not actually represent the group that you come from. So if you are representing the western abalone divers, you do not represent them; you represent abalone as a whole. It is a change of focus for people. So you may have someone representing abalone but not

representing all the views of abalone or that group, for example. Abalone is not one that they manage, which is why I used that example.

The committees now have a number of government people on them—researchers, scientists and economists—and they are now involving environmentalists. So you get to the list and you end up with only one seat for an actual fisher. They are sort of being pushed out by the numbers, and it is happening more and more frequently.

Mr CAUSLEY—How is industry input coming in? How do you get the input and the feedback from the industry itself?

Ms Clifton—This is what the problem is. If you take the example of one fisher on a committee, that person is supposed to be taking a corporate view and not representing the group that he comes from. So if he comes from, for example, a shark group, he is not representing the views of his shark group, he is supposed to be representing the groups overall. But it is very difficult for that person who is actually a fisherman, who has to go out and work, to also be expected to be able to communicate with all those diverse groups underneath him. It is a large responsibility, so you need more diversity to be able to share that load amongst people.

How it would normally work is that you would try to organise a prior meeting to get the views of everyone to go through to the meeting. Unfortunately, and talking about communication, on a timing issue, often the information does not come through fast enough to be able to do it. Often papers are only available on the day, therefore, that totally negates any possibility of doing that sort of thing. So the communication issue does become a problem and a frustration to people.

CHAIR—In the case that you have presented to us, that one fisher is only getting the information on the day and so does not have the opportunity to consult with the other fishers that he is meant to be representing?

Ms Clifton—Absolutely not. In some cases, as these MACs, as you call them, have progressed, people have become more confident in their duties and have said, ‘Right, if it is being presented today, we cannot discuss it.’ In some cases there is no choice but to discuss it because it is a really urgent issue, so they have the pressure put on them.

It has been quite a learning curve for people, but there have been some very unreal expectations on people, particularly fishers, in that they have to be able to provide information and all this feedback and involve views from a wide variety of people—often not just fishermen but perhaps agents, retailers and all sorts of other people as well. It has been a lot of work, especially when the numbers are being cut down to just maybe one or two fishers on a committee.

CHAIR—Have you made this criticism known to AFMA?

Ms Clifton—Yes.

CHAIR—And what response have you had?

Ms Clifton—It has been a common response from industry all around Australia about industry involvement. In the beginning when the MACs were first set up, they did have more industry representation. But, as I say, now that the positions have changed and other stakeholders have been brought in and are therefore taking up seats, there has been a lessening of the people, and the industry people have been the ones to go.

Our response is that nothing really has changed, nothing has happened to it. We are very concerned because information is not getting through. As a peak body, we do not get the information ourselves either. There have been many times where I have had to ring AFMA and ask for agendas of meetings, as we did not even know the meeting was coming up. Fishermen ring us to say, ‘I have heard there was going to be a meeting of so and so; what are they discussing?’ They may give us the agendas, but we do not get the background papers. So we cannot go out and canvass people and get their views to be able to provide to the person who is sitting on that committee either, which is not helping the communication link.

Mr CAUSLEY—You have said categorically that ITQs are not working in many fisheries. Given the audit report’s comments on AFMA’s knowledge of the fish stocks, surely quotas have to be set. How else would you manage the fishery?

Ms Clifton—ITQs are not the only way of managing the fishery.

Mr CAUSLEY—How would you do it?

Ms Clifton—It depends on the fishery, it is all horses for courses. One of the things with some of the fisheries—and this is where it comes to the issue of cost—is that the cost of managing those fisheries is getting to the stage where it is going to be more than the fishery is actually worth.

An example would be our shark fishery. It is worth \$15 million. The cost of managing that now are way over \$1 million. It is just getting to a case where the economy of scales have been moved totally and it becomes totally uneconomical.

With the issue of quotas, it just depends on the fishery. The fishery where they have had the biggest problem with quotas, as you would be well aware, is the South East Trawl Fishery. It is a fishery which I am not an expert on and you will be having several speakers this afternoon who are, and they will be able to fill you in in great detail.

It just depends very much on the individual fishery. You cannot use a certain management method on other fisheries because it suits one fishery. It depends very much on the type of fishery, the gear, the people involved and the area. So a blanket approach is not the way to go.

Mr CAUSLEY—You mentioned the shark fishery and I can only assume the cost in surveillance is because the industry cheats. How else would you manage the fishery? You did not explain to me how you would do it.

Ms Clifton—I do not think you can surmise that, because there is a lot of surveillance, the industry cheats. I think you will find that most of the costs with the shark fishery are on management. For example, there are a number of staff in AFMA involved in running that small fishery, which seems to be an absolute overcapitalisation of people actually on the spot there. You do not need that many people. A lot of money is spent in that fishery on research because it is the same issue—they need to bring in management.

They have been looking at management plans for that fishery for over 10 years now. Every time you start to talk about management you ask, ‘What have we got? What are the fish stocks, et cetera?’ You never have enough scientific information, so then you go to the next realm and we have to get some information. Therefore, you need research—which, as mentioned before, is very expensive in fisheries. They have looked at having some economic work done as well—that is, valuations—and then you get into enforcement and surveillance.

When all those costs add up, they are astronomical. The only way the fishermen can pay these costs is by going out and taking more fish, so you end up with a catch-22 situation. They start off with the aim of having a sustainable fishery, which is in everyone’s interest, particularly the fishers because it is their future. They are being forced, through cost pressures, to try to take more of the fish purely to be able to pay the costs which are imposed upon them, and these costs have been rising every year.

Mr CAUSLEY—So would you have a restricted entry fishery?

Ms Clifton—That is one option they can have.

Mr CAUSLEY—So those remaining in would pay those who have to go out?

Ms Clifton—That is one option that could be on the cards. If we are talking shark, this, as I say, has been discussed for the last 10 years. There are lots of different views as to how it should happen. These are not easy questions for people. As you can see, it has taken 10 years.

Mr CAUSLEY—I know.

Mr ADAMS—It is not easy for the management authority either, is it?

Ms Clifton—That is what I am saying—for anyone. Fisheries management is difficult.

Mr ADAMS—And the data shows that gummy sharks have gone down considerably, while school sharks have stayed the same, but because they are caught together, it makes it rather difficult to divide it out. You were talking about the cost of surveillance. What other tools are available to the management authority in that fishery?

Ms Clifton—What is happening with a lot of fisheries now is that they are actually moving towards self-management and are run by codes of practice. The industries which are relatively small and contained can manage themselves, and that is how things should move. I think in the future that is the way it should go and that is the major way to contain costs.

CHAIR—You have been critical of the actual structure of the management. Can you comment on the level of research? Are you satisfied with the amount that is being spent on research? Are you satisfied with the way in which the research is being conducted? If not, can you suggest to us a structure that might ensure a more coordinated approach for research?

Ms Clifton—The first thing to say with research is that research has changed quite drastically in about the last three years. Part of that has been because most of the money for fisheries research comes from the Fisheries Research and Development Corporation—the FRDC. Part of FRDC's move has been to further involve industry and to make the research more focused. Prior to that there was a lot of research done and often the results were not published or taken heed of et cetera. Now there is a lot more accountability being brought in, so the research is changing and becoming much more accountable and focused. Part of that is due to the fact that the research dollars available from various funding agencies, universities, et cetera, have been cut; therefore, people are forced to make better use of the money.

The speakers before you mentioned industry involvement in research. In Victoria they have just started what they call stock assessment groups. Previously they had been purely scientist based—that is, scientists all talking together. Now they have actually started to involve industry, and the change has been quite remarkable. They have realised that there is a huge resource out there which is industry, and they are out there day in day out and they have a remarkable knowledge. Most of the industry keep very detailed log books and have enormous history which they have been able to input into the process. That has helped to validate the data and make the data a lot better.

They have also been able to be involved in planning the research so that issues that are required for management can be addressed whereas in the past a lot of the research that had been done had been rather esoteric—something the scientists wanted to study. Now it is being forced to be focused to actually be useful, and mainly in management.

I do believe the structures are getting better, although there is still a way to go. But the way to certainly improve them is by industry involvement, because there is a vast knowledge out there. One of the previous issues raised was a bit of a reluctance by industry to provide some of this data. Part of the reason for that is them having been bitten. They thought they were doing the right thing and providing all this information and then they were cut down to pieces. The vast majority of people are more than happy to provide their advice and their information. They have a wealth of knowledge out there. In the past they have been ignored.

CHAIR—Do you think that with the way in which AFMA has developed, much of that industry distrust has been lessened?

Ms Clifton—I think it would depend on which fisheries you came from. With some of the fisheries there would be a considerable trust with AFMA. It has been built up and often it comes through individual personalities. Perhaps with the management team involved in one area, they have built up quite a rapport with the fishers and they trust the people and, therefore, there is a very good flow of information. In other areas where there has been litigation there have been some bridges probably built between the industry and various sectors of AFMA—be it at the management or the managing level—and the communication processes are not

working so well. It depends very much on the areas you are involved in.

CHAIR—Do you believe that it would be appropriate for the FRDC to coordinate the research? I understand that, roughly, the FRDC knows about 60 per cent of the research but a good 40 per cent of the funding going to research is either being conducted in academic institutions or some other pilot programs. Do you think there is a need to try to tie it in? Would the FRDC be an appropriate body?

Ms Clifton—You are absolutely right. So much money is spent in the area of research. It is very difficult to know what is going on where, and especially to be able to use it. It is silly starting a new program if somebody over here has already started it or has done it and it has not worked. The FRDC is getting better at this but it still has a fair way to go. I do believe that it should all be coordinated. It should not be a very difficult thing. There are not that many institutions that can do fisheries research. We are getting down to the academic institutions and the various state research bodies. The various state research bodies have had to lift their game because the FRDC has put on fairly strict criteria for them to be able to get funding and the FRDC seems to be their main funding body, so they have had to change as well.

It was mentioned before that Victoria does have a new five-year research strategy. This is about the first time the industry has been able to find out where Victoria's research money has been going, for example. The other states have probably been in a similar stance. Therefore, I think it is important to know exactly what is happening, because we have very limited funds. There may be some state specific issues but the vast majority are across the board. So there is, I believe, an important role there, and that should be very useful for industry.

Mr CAUSLEY—I wish to follow on with that before I go back to another question. With the research money, the industry does put their levies towards research. What input do you have in the decision making on what research programs are done?

Ms Clifton—Each of the states has a research advisory body. In Victoria we actually run the secretariat for it and we have some industry people on the committee. It has taken a while to get these things up and running properly and for the information to be able to filter out and to get industry to put up research ideas. For the first time this year we actually have an industry project from the fishermen, which will be going up to the FRDC. It is actually the highest priority for Victoria. It has taken a long time to get that sort of change. We hope that this is the start of many along those lines.

Mr CAUSLEY—Going back to your relationship with AFMA, the audit report had quite a bit to say about that. In fact, I think they said they believed the industry had an incestuous relationship with AFMA. In fact, you probably had them cowed that decisions were made because you had an undue influence over AFMA. I am just putting that to you as the devil's advocate, I suppose, but what would you say about that?

Ms Clifton—As you mentioned, the audit report certainly seemed to criticise the industry greatly, and we found that to be rather insulting. The costs of AFMA, because they are into cost recovery, are paid for by industry. Surely when you have an industry that is paying, they should have some say. We also have an industry which has all the knowledge—the practical based knowledge. Therefore, to have proper management you need to involve the practitioners and to enhance that knowledge and to be able to tap into that

knowledge. There is no point in having AFMA as a purely bureaucratic model in Canberra. What is the point of that? We are talking about running these coastal communities where these people are based, in a wide variety of different states and different situations. You need to get down to the people who are actually involved. By cutting industry out, you just have the old bureaucratic structure you had in the past, which did not work.

Mr CAUSLEY—Where do you think the audit report got that idea from? I did not actually see in the report where anyone had put it forward. Was it just an assessment by them?

Ms Clifton—I would imagine it is probably a view held by some of the bureaucrats in Canberra. I am sure it would make their life considerably easier if industry were not there. Part of industry's role in most of these things is like that of a watch-dog—keeping them honest. If you did not have someone nipping at your heels all the time and forcing things along and being involved, it would make your life easier.

Mr CAUSLEY—So you would reject the proposition that AFMA always makes decisions that suit you?

Ms Clifton—Absolutely. I am sure that if you asked that question of some practising industry people they would make sure you understood that point clearly.

Mr ADAMS—Would you agree that fishers have sometimes abused the sea?

Ms Clifton—I guess that could be said of almost everything we have done in life. Things change, and you have got to realise that fishers have changed drastically as well.

Mr ADAMS—Has the fishing industry ever made any mistakes in the past?

Ms Clifton—Of course they would have made mistakes; everybody makes mistakes. How else do you learn? But the thing is that they have learnt from those mistakes, and they are changing.

Mr ADAMS—And do the MACs play a role in the changing circumstances of what has been happening, as a management tool?

Ms Clifton—The MACs should be playing a role in what is happening to make things change. Part of that is the education of all the people who sit around the MACS, getting them to understand the perspective from everyone else's point of view and being able to reach some consensus. All this change—this move to stakeholder management, having everyone involved, coming to a consensus, all feeling comfortable with decisions—often means you cannot make a decision, but it does mean that people are getting involved.

Mr CAUSLEY—Are the right people being involved in that?

Ms Clifton—That is always an interesting question; there would be some who would say 'yes' and there would be some who would say 'no'. You do not know how you work out the right people. Often you do not know if someone is going to be a good contributor until some time after they have had some

opportunity to participate in the committees. It is not easy. We do find that it is hard to get a lot of people to participate in these committees because of the time commitment involved and the fact that they actually have to go out and work. It is not work that they can put aside and do at a different time; they have no choice as to when they can go and work.

Mr ANDREN—I have just a couple of questions. You say that AFMA is at the forefront of world thinking on managing fisheries, yet many of the submissions and the audit report itself suggest otherwise. Is AFMA so good only because the rest of the world is so bad?

Ms Clifton—I was thinking about this before, it is always the tall poppy issue. One advantage Australia has got is its youth. We are a long way from the rest of the world. Whereas we like to criticise our fisheries, by comparison, on a world basis, they are actually well managed. Part of that is because of the youth aspect. There are some positives with AFMA. Industry were very enthused when AFMA came about, as a change from AFS, because it was going to bring in a new broom; there was to be change; things were happening. Things still have to happen. There is still an amount of criticism and there is plenty of room for improvement, but I believe it is going along that way. At the moment, industry certainly has some criticisms of it, though.

Mr ANDREN—World focus is on our industry in relation to conservation, particularly after the world congress in Brisbane and follow-up press, which was not too enamoured with the industry. Given the high expectations out there, with the co-incidence of this inquiry being held at this time, do some of AFMA's critics within the industry, including the fishers, need to re-appraise their criticisms and pull together in the interests of industry unity? Otherwise those divisions might be interpreted as real inefficiencies.

Ms Clifton—The question was raised before about industry PR, and it all goes hand-in-hand. The situation with the World Fisheries Congress was most unfortunate, because it was believed to be the best congress out; it was well run and a really good focus for Australia. Unfortunately, due to some overseas dollars and some media people, the congress was able to be hijacked and a bad slant was put on things. Because of that—you are quite right—a bit of a juggernaut has started and industry is being targeted left, right and centre.

It does make it difficult when there are concerns about AFMA. Often concerns are raised to be positive, to get things to change, to help correct the situation. It is difficult for them to try to get that to happen, because these people are hurting in the hip pocket, this is costing them, and they cannot afford these fees, et cetera. So they have every right to complain. But the bigger picture, which is industry unity, et cetera, to fight off this perceived threat from the world green lobbies—which is where it is coming from, along with some global financial interests—is a difficult one for them to comprehend.

Mr ANDREN—What global financial influences are there, apart from the environmental lobbies?

Ms Clifton—Some of the environmental ones are actually fronts for companies such as Unilever, et cetera. The other area is the recreational side of things, with tackle organisations, et cetera. We have huge imports of those sorts of products into Australia, which is really affecting our balance of payments. Some

very, very big money comes through from quite a few different areas.

Mr ADAMS—Would you have detail of any of that for us?

Ms Clifton—Now?

Mr ADAMS—Now, or could you submit it to the committee?

Ms Clifton—I can submit some information to you. You are aware of the worldwide fund for nature and the Unilever campaign that is all happening in Canberra in the next couple of weeks?

Mr ADAMS—Yes.

Ms Clifton—I will provide some information on it for you. I should say that it is very difficult to keep up with all these issues. Things are happening everywhere, and you need to be on top of it all. Something will be happening in the States that will have ramifications here in the next week. It is very difficult for people to keep up. It is very difficult to expect industry, who are out there on the water, to be aware of all these issues.

Mr CAUSLEY—I do not want to harp on this particular point, but I think it is important. I earlier put the proposition about this audit of fish stocks; frankly, I have great problems as to how you would do it. It seems to me that the audit report sees this as being very simplistic: you just go out there and count fish. I asked the government about this, but the industry might be closer to the problem. Do you think it is possible to do such an audit? I suppose this is a very hard question to answer, but would there be some idea of costs and of who should pay?

Ms Clifton—I think in saying ‘audit’, the audit office actually means decent stock assessments—knowing exactly what you have got out there. That has been extremely difficult. Unfortunately, any sort of marine research is so expensive because, firstly, you cannot physically see what you are doing; secondly, it moves; and, thirdly, it changes with the environment and the cycles over the years, et cetera. Marine research is extremely difficult. To actually do an audit and find out how many gummy shark you have got is difficult. You can come up with estimates; they are ‘best estimates’ and they get changed all the time. That is where it becomes difficult—in setting what the target is going to be. All you can really do is have a best estimate. It is not like, in accounting terms, you can go in and audit a company, because it is not finite.

Mr CAUSLEY—Or count sheep.

Ms Clifton—Yes, it is a moving thing.

Mr CAUSLEY—There is some experience in New Zealand, and that a much richer fishery, but the methods are pretty expensive.

Ms Clifton—Often it is easier if you have got a fishery which is a very high value fishery and it is your one major fishery. It is easier, for example, in the Western Australian Rock Lobster Fishery. There is plenty of money for research and everything else. But when you are talking about smaller, diverse fisheries,

that is where a lot of money is expended in research and that is where the cost becomes out of kilter. You need the information, and the fisheries may not be worth that much on a bigger scale, but they are valuable to that state and to those people who participate in them. The costs are just so expensive. It is often when the fisheries are in some sort of trouble that you desperately need all this money, and there is no way to actually pay for it then. So fisheries research is very difficult.

Mr ANDREN—And it is also picks up that point we made with the government that the industry themselves are the best research resource.

Ms Clifton—They are an excellent resource, and more needs to be made of it.

Mrs STONE—You began by saying that your two concerns related to the model of AFMA and its operations. You have told us that you are concerned that there is not enough industry input, but what else concerns you about the actual model of AFMA at this point in time?

Ms Clifton—I am not so concerned about the model. I think the philosophy of the model, how it is supposed to work, is probably right. As I said, it is being emulated in all the states around Australia. It is in the actual implementation of the model—the operating side, which is the board, the MACs, and the communication through to industry—that we have some problems with.

Mrs STONE—Yes, you have described those in some detail. In terms of the Victorian state fisheries administration, have you any concerns about what you perceive to be the communication and the joint management work between the state and the Commonwealth?

Ms Clifton—To be honest, I am not really sure what joint management work there is between the state and the Commonwealth. In some areas we are aware of it. When it comes down to working out a cost for, say, the shark budget, we are aware that the enforcement is not done by the people in Canberra but is actually contracted out to the state governments through the staff at the local level. We are aware of top level negotiations with regard to OCS, for example. The Victorian ones have still not been signed; that has been going on for quite a number of years. As for other issues in between, I am not really sure what their involvement is.

Mrs STONE—So you have got no comment which could assist us in terms of potential improvements?

Ms Clifton—No, I don't, because I really do not know what the government-to-government linking is.

CHAIR—AFMA has been quite severely reprimanded by the audit report in terms of reaching its objective of economic efficiency. For example, just a little while ago you talked about the small fisheries and the level of research, et cetera. Can you provide us with what you believe to be a definition of economic efficiency in the fishing industry?

Ms Clifton—That is a bit of a tough question.

CHAIR—AFMA has been finding it quite tough too, I believe.

Ms Clifton—I believe industry would see economic efficiency as being something that they could afford to pay for. I guess that basically comes down to having a management regime. They are not against management, and they are not against programs like enforcement or research, but they have got to be able to afford it. So for them, economic efficiency, which would mean that they could perform at their best level, would be costs which they could afford. Once they are faced with these ever-increasing costs that they cannot afford, they are forced to go out and try to take more fish to be try to meet these costs, and all that is going to do is lead to a collapse—probably on both sides.

CHAIR—So the sustainability of the stock is an important component of the definition of economic efficiency?

Ms Clifton—I would believe so, yes, because sustainability of the stock is the key for the industry; that is their future.

Mrs STONE—What is your interface with the recreational fishers in Victoria? Clearly, in the bay, for example, we have a great deal of competition between the recreational and the commercial fishers.

Ms Clifton—In Victoria we have set up the recreational peak body, which is a body to emulate ours. We were on the working party to help set that up. It runs in a different sort of structure to our group, but there is a body there which we liaise with on various issues.

Mrs STONE—Do you have any concerns about, for example, the ability to monitor the recreational fishers' catch and research taking on board the sorts of catch the recreational fishers are having compared with the sort of data that is collectable from the commercial activity?

Ms Clifton—Absolutely, because we are not comparing apples with apples. What we find in the press are these exaggerated values for recreational fishing and how much recreational fishing is worth to the community et cetera, which include the caravans, trailers, hotels, all sorts of things, compared with to the commercial sector, which is valued at only the landed cost and does not take into account anything else. Two different things are being compared, but the only figures which were ever used are those two separate figures. So we are not talking the same ball game at all. We have some major problems about that. Yes, the figures they use just for recreational fishers can be up to 500,000. I do not know where those numbers come from. They are pulled out of a hat. You do not have the justification for these figures. So the actual numbers are very important.

As regards research, it is also very important. There are a number of species in Port Phillip Bay, for example, where the recreational catch is far greater than the commercial catch. Of course, these sorts of things have an important implication for management and also cost, as the commercial fishery is a managed fishery—it is organised—and the recreational fishery is totally disorganised.

CHAIR—So what is your recommendation for overcoming these problems?

Ms Clifton—Obviously there needs to be organisation in the recreational sector. You may well be aware that our new legislation in Victoria has allowed for a recreational fishing licence. That will at least allow people to know numbers. It also allows information to be passed on to people as regards rules and regulations, et cetera. Some projects are starting on a multicultural basis, particularly for the protection of shellfish around the bay, in the Vietnamese communities, for example, the importance of sustainability and not taking shellfish, et cetera. Those sorts of programs are all happening, with a very large education campaign on that side. The reason why things are different from 30 years ago is that in the last 30 years there has been absolutely an exponential growth in recreational fishers. Whilst you may have been the only person on a pier previously, there are now 100 other people behind you. So things have changed, and people are not taking that into consideration—to say nothing of environmental conditions, which have changed also.

Mr ANDREN—You mention the problems with ITQs in multi-species fisheries and that input controls are often much more effective. Do you think the industry could ever achieve consensus on the mix of input and ITQ, or whatever the quota control might be?

Ms Clifton—Industry will achieve consensus. It will have to. At some stage it will have to come to the crunch and things will happen. It happened perhaps in the past. Some of them have got it wrong, and they can change. But there are plenty of fisheries that are running very well where industry is happy with the management, they have a very good relationship with AFMA, and things have worked out. The Bass Strait scallop one runs very well and industry would be happy with it. The management issue, whether it is Tasmania, Victoria or AFMA, is a different issue altogether.

Mr ANDREN—Are you not implying that the best way to go seems to be imposed downwards instead of coming up from the industry?

Ms Clifton—Many would believe it is imposed from above rather than there being a bottom up approach, which is the way we believe it should run. I believe this change of it coming from the bottom up is starting to flow through, but it is taking quite awhile.

Mr ADAMS—In relation to having a bottom up situation, the fishing industry does not have any compulsory levies, I do not think. We do not have a compulsory levy as we do with other primary industry in Australia.

Ms Clifton—The fishing industry does have compulsory levies at a state level. So they have a compulsory levy to pay for us. What you are talking about is a national levy. For example, our national body is the Australian Seafood Industry Council, ASIC, and it has no money whatsoever. Therefore, for a PR campaign which is desperately needed—

Mr ADAMS—This is what I was leading to.

Ms Clifton—I thought it might have been.

Mr ADAMS—Do you believe that we need a national focus from the fishing industry's point of view?

Ms Clifton—There has to be, because there is just no money around to do anything. It is almost impossible for us to even come up with some brochures to put some of the facts down about the commercial recreation issue in Port Phillip Bay because we just cannot find the money to do it. For example, at the World Fisheries Congress the green lobby spent large numbers of dollars on the campaign against AFMA in particular, because it happened to focus on the audit report. They flew in media from Geneva and all sorts of things—huge amounts of dollars—whereas we had difficulty raising \$10,000 Australia wide to be able to have some brochures to actually present the case of the Australian fishing industry.

Mr ADAMS—Do you think there is an awareness that there is a lot of focus on the fishing industry in Australia and that people will have to respond positively? They are also up against maybe the recreation fishers, who do make up enormous numbers. Therefore, in political terms they probably have a fair bit of influence. Do you think there is an awareness in the fishing industry that that is the case?

Ms Clifton—The awareness is growing. We have had a number of industry forums with the other states. This issue is very common to all of us, but I do not think people realise the enormity of it. A lot of this sort of work has been done in the states in particular and also in Europe where these people have been very active. What has happened is that some of these green groups have decided to focus on the marine area, and they have also decided to focus on Australia. All these things are culminating together and the industry is being hit from all angles.

Mr ADAMS—They are coming from the basis that the resource is being depleted. I think you would agree that world fisheries are in a bit of a mess. Therefore, they are coming from the basis that public opinion is certainly against the fishing industry. Do fishers in Australia have that awareness?

Ms Clifton—The awareness has certainly grown. It has taken quite a while for people to understand that but, yes, that information would certainly be flowing back through their individual MACs, where some of the people, if not their area, are being personally targeted. But with no money it is very difficult to try to counteract the balance. And you are quite right: something does need to happen on a national basis because it is very costly and you have to have a united campaign. So it is a big issue for the fishing industry.

Mr BROADBENT—Karen, do you think that you have been discriminated against in regards to the funding that goes to certain green groups or that you are not afforded the same benefits from government?

Ms Clifton—That is certainly true. There is another area where I think industry is often discriminated against. Often it is difficult for industry to obtain some of these grants and funding from different areas because people do not seem to think that industry can manage the funds. They do not seem to believe that industry has the capacity, et cetera. I think that industry has been greatly underrated in those sorts of areas. It is an area in which I believe they do very well. I do believe that other groups have certainly benefited far greater than industry.

The fishing industry is the fourth largest primary industry, with \$1.6 billion in exports. It is good news. We have a wonderful product from a health point of view, for nutrition and all sorts of things, but it is very hard to get that message across.

CHAIR—Where is the impression coming from that industry cannot manage the funds?

Ms Clifton—Lots of the funds are actually tied, but they are basically government to government.

Mr ANDREN—Given that you have this pressure from the international environment movement, and given that the object of the exercise should be ESD, from whichever direction you are coming from, is there any merit? Are Greenpeace, for instance, or WWF doing any of their own research into biomass of stocks in the fishing grounds? If not, why should they not be challenged to come up with their own figures if they are expecting industry to?

Ms Clifton—We have set up a working group with the peak environment groups—this is ASIC, the national body—and we meet with them prior to our meetings in Canberra. In fact, we met with them the week before last in Sydney. We try to get common ground where we can all work together. You are quite right: the bottom line is we want sustainable fisheries for everybody. That is in everyone's interest. They are willing to work with us on a number of issues, and I think that would be very positive. Getting funding for things like some of the research areas is always a bit difficult, but one option is that these groups could tap into some of the money to use it in a positive sense to try to provide some figures which can go on the table, which we can all use.

CHAIR—Thank you very much. Would you like to make a closing statement to this committee?

Ms Clifton—I guess I should say it is not all gloom and doom. We may have been critical of AFMA. It is doing its job. We just believe it can probably do it better. I think that we have a different perception here. AFMA has different clients. It is beholden to the government and also other groups, so the information and its performance in relation to those people is different from how industry believes it should be behaving. We believe we should have a lean, mean efficient machine up there which is not going to cost a lot of money and works really well. That may not meet AFMA's criteria to fit in with the government's agenda. So I guess it is a difficult issue. We are not totally against AFMA, and in many ways we would be supportive. We would just like to see improvements, particularly on the cost side.

CHAIR—Thank you very much for appearing before us today.

[11.25 a.m.]

NICHOLLS, Mr Saxon Herschel, Employee, Bannister Quest Pty Ltd, PO Box 132, Belmont, Victoria 3216

NICHOLLS, Mr William Herschel, Director, Bannister Quest Pty Ltd, PO Box 132, Belmont, Victoria 3216

CHAIR—I welcome the representatives of Bannister Quest Pty Ltd. We have received a submission from you and have authorised its publication. Do you wish to propose any changes to the submission?

Mr W. Nicholls—No, we do not.

CHAIR—Would you like to make an opening statement?

Mr W. Nicholls—Yes, I would. I am a career fisherman and I have been fishing for 30 years. The emphasis of my fishing career has been in the catching of table fish for the fresh fish markets of Melbourne and Sydney. By way of background, I started fishing as a deckhand. In 1971 and 1972 I took myself to the college of fisheries in St John's, Newfoundland, Canada. That was part of the Memorial University at St John's. I did 12 months there and finished up with a certificate of technology in fishing gear technology.

From there I came back to Australia. I worked for a firm called Southern Ocean Fish Trawlers in Western Australia, which brought English trawlers out to work in the Great Australian Bight. Then, with a family organisation and family company, we built a 26-metre vessel called the *Margaret Philippa*. With that vessel we started fishing in the South East Trawl Fishery in 1978.

Since that time we have been fishing continuously in that fishery, except for a short period of time, which started in May 1991, when I had my companies put into receivership by the State Bank of South Australia. We directly attribute this receivership to the behaviour of AFS/AFMA and the way they went about the process of going from the boat unit system on the management of the fishery into the ITQ system that we have in the South East Trawl Fishery.

By way of background to the establishment of the management plan that is presently in the fishery, I and Michael Puglisi were the South Australian representatives on the original task force that brought in the limited entry criteria and the boat unit system. At that point in the proceedings I dropped out. I had no input into the introduction of the ITQ system.

As I said, I started with one vessel—the *Margaret Philippa*. In 1991 our family business had three trawlers, ranging from 26 metres to 35 metres in length, and we had a fish processing factory in Georgetown, Tasmania. In 1991 I had over 100 employees. We exported fish to the United States and also to England, the UK. At that time we were also in the process, with the Mizraki organisation, of getting the kosher certification for the export of fish to the United States and Israel, and also for the Australian market. Since that time, we have been involved in virtually continuous litigation from 1991 until now.

We have learnt a lot about how systems work. We do not come here with a chip on our shoulders. We accept that things work or do not work. We are not trying to come here and tell AFMA or anyone how the system should work. But we would actually just like to draw for you some observations about how the system is working and how we believe it is not working the way that it should.

CHAIR—Perhaps that would be a good place to start, Mr Nicholls. Certainly you are a man with a vast range of experience in the fishing industry. This committee notes the litigation process in which you are currently involved, and you will appreciate that we cannot debate or discuss those matters with you. Thank you for your comments about the fact that you are here with goodwill. We are certainly a committee which is wanting to learn as much as it can about the organisation and structure of AFMA and how they affect fishers like yourselves.

Mr Nicholls, you have said that with your vast years of experience you are interested in explaining to us how the system now operates. Perhaps you could just explain to us how, in your opinion, you believe the management structure of AFMA—which has developed into a partnership between AFMA and the industry with other stakeholders—works.

Mr W. Nicholls—First of all, I would not go so far as to say it is a partnership; if it is a partnership, it is a most unequal partnership, in my view. The inequality in the partnership—if I may just touch on that first—comes from the fact that we have an organisation called SETMAC.

The Senate put out a report on how they believed SETMAC should be structured. I think in that report the Senate conclusion was that the fisheries members of SETMAC should be representatives of the fishermen, that they should be democratically elected and that AFMA should not have a right of veto over whom they are. The reality is exactly the opposite.

Without casting aspersions upon the people who are the members of SETMAC, I believe that they are trying to do a job. But the reality is that they are appointees, they owe their position on SETMAC to AFMA, and I believe they are not acting in the interests of the criteria set out in the act. I believe that they are there, looking after their own perceived interests on where they think the management of the fisheries should be going.

This comes back quite precisely in our case to the big boat/small boat argument. Of the fishermen representatives who are on SETMAC at the moment, not one is an adherent to the fact that the act should be enabling us to operate as efficiently as possible with the quota that we own. I believe that you have heard many arguments for keeping small boats; I doubt if you have heard a good word for big vessels in all the time of these hearings.

The fisheries membership of SETMAC is not representative of owners and those who have a big investment in the fishery. For instance, as a family we own about 2,200 tonnes of fish in the fishery. It represents, I believe, eight per cent or more of the total fishery. We do not believe that we in any way at all are represented on SETMAC.

CHAIR—How then do you respond to the criticism from the Audit Office which has said that the

MACs are dominated by industry?

Mr W. Nicholls—I respond to that criticism by saying that the MACs are dominated by a section of industry, and it is a small boat section. The MACs are not dominated by all the industry participants per se.

CHAIR—How do you view the general membership of the MACs?

Mr W. Nicholls—I can only talk on the South East Trawl Fishery: I think it is terrible.

CHAIR—Why do you think that?

Mr W. Nicholls—I think it is terrible because in our case, for instance, where we have the big boat-small boat argument, there are people who, regardless of what the acts say their responsibilities are, quite publicly say, ‘No way on earth do we want big vessels in the fishery’—full stop, no further debate. Fundamentally, in our view, that is a means of breaching the Trade Practices Act, by not having the fish caught in the fishery. If the fish are not caught in the fishery, it means that the markets are starved and the prices are sustained at higher levels. That is a fundamental breach of the competition rules of this country.

Mr CAUSLEY—Surely that is totally contrary to the independent quota system, is it not? There should be some other boat controls. The ITQs are designed so that either a small person or a big person can operate efficiently, depending on what it is they are going to do.

Mr W. Nicholls—That is fundamental to the operation of ITQs. It was the cornerstone upon which the QI team went around the various ports trying to sell the scheme. Also, to quote them at the time, it does not matter if you use a dinghy or the *Queen Mary*—they were the words used—you can go and catch your fish in the most efficient way possible.

In our case, we own 2,000 tonnes of fish. We used to operate three trawlers. I can catch that fish efficiently with a 46-metre vessel, which is one vessel. Instead of having 25 people at sea on three vessels, I can do it with 12 people at sea on one vessel. I can burn 5,000 litres of fuel a day, instead of burning 10,000 litres of fuel a day across those vessels. We are being told by everyone we come across that we have to be internationally efficient, we have to get with the competition, we have to behave in a competitive manner—and we are dealing with an organisation that is absolutely, completely and utterly, anti-competitive.

Mr CAUSLEY—You are saying that they are fiddling in the system.

Mr W. Nicholls—I think you would have to look at it like that. I have brought some letters here today, and I will just expand upon this very quickly. They are trying to say now, having introduced the ITQs—and there are a whole series of affidavits about—that it is a mixed control fishery. Our answer to that is: if you believe that it has to be a mixed control fishery, you cannot have your cake and eat it. It is either ITQs, or it is input controls; you either have output or input. To say that it is a mixed fishery is making a mockery of it, because all that you do then is perpetuate inefficiencies. It does not help the fish, although it destroys the people, and it brings fish to the consumer at a price way beyond what it should be.

Mrs STONE—So you are saying to us that it is the input controls that force you to keep three boats at sea, when the efficiencies would suggest that it would be better to have one big one. Is that what you are saying?

Mr W. Nicholls—Yes, against the quota that we hold.

Mrs STONE—So what would be your preferred model of control for these fisheries? If you were God for a day, what would you do to manage these fisheries in a sustainable way?

Mr W. Nicholls—It is purely output. There is room for large and small vessels. But to try and keep it just particularly as small vessel is not right. The only other things you need to know are—and it means that you will have to have a knowledge of the actual thing you are trying to manage, because I think there is quite crass ignorance within AFMA about what they are trying to manage—where your spawning grounds are and where your juvenile fish are. You also have to have a good knowledge of mesh sizes needed, to ensure that you are not destroying juvenile stock.

Mrs STONE—After that, in terms of quotas, you would use all output controls for management?

Mr W. Nicholls—Yes, I would, so that people could then go and work out their structure, how they want to live, where they want to be and how they want to catch their fish.

Mr CAUSLEY—What is the problem? Is it an inherent fear of the big boy in the industry? Is it AFMA's reacting to the pressure from people on the map?

Mr W. Nicholls—I think perhaps you should read the correspondence; I have quite a deal of it I have passed up to board members.

CHAIR—Mr Nicholls has provided a number of letters which have been tabled.

Mr W. Nicholls—As I said earlier, we have current litigation going with AFMA. It is precisely on the topic of being able to bring in a vessel of over 32 metres.

By way of background to that litigation I will just tell you this. AFMA had a stated and published policy that, on 1 January 1995, vessels of over 32 metres were to be allowed to be brought into the fishery. When my son and I were at the South East Trawl Fishery conference in Batemans Bay, Richard Stevens specifically told us that we would be allowed to bring in a vessel over 32 metres.

In December of that year, the board did a complete backflip. They came to the conclusion, using the term 'special circumstances'—which fundamentally was a cop-out—that the only time you could use a large vessel was on the spawning grenadier run. So what they expect you to do is invest \$5 million in a decent vessel to be able to catch fish for four months of the year and then go and park that vessel in the garage for the next eight months of the year while you drive around in a runabout. I would not consider that to be the promotion of efficiency.

In the transcript of the evidence that we have had in this case, which is a public document, two things are very clear. I refer you to Mr McColl's evidence. He goes to great lengths to describe the structure of the MACs. You will pick it up very easily. I will pass this up at the end. Just in a nutshell, he says that the fishermen representatives on the MACs are not there to represent fishermen; they are there because of their fishing experience and the input they can have into the decision making process. But then he says that the state representatives are there to represent the states.

I think at the end of the day when you have read that, it is clear that it is just an exercise in semantics, and it does not go anywhere near complying with the recommendation of the Senate committee in their finding earlier on. I really believe that what you have had is the tail wagging the dog by way of SETMAC telling AFMA what to do.

Mr CAUSLEY—You are saying that there is really no industry input into policy, there is no discussion about how these things can be managed and it is just coming from above?

Mr W. Nicholls—There is industry input into the management of the fishery coming from the small operators who are looking after vested interests and getting listened to. I do not believe that there is any input going into the fishery by way of representation—unless people are doing it privately—from people who are big enough to operate a corporate or a semi-corporate operation.

Mr CAUSLEY—But have there been meetings where the general industry view can be discussed, debated and argued about these changes in policies?

Mr W. Nicholls—Have you ever tried to run one of those meetings?

Mr CAUSLEY—Yes, I have, on a few occasions.

Mr W. Nicholls—They are the most awkward meetings to run.

Mr CAUSLEY—But it is only from there that you get a broad view.

Mr W. Nicholls—The broad view—and I think everyone would come to this opinion—is that there are two sections in the industry. There is a section in the industry operating small vessels that would like to treat it as a lifestyle—live in a home port and not have to travel and, if the fish are not on their doorstep, that is the failure of management, without taking into regard the seasonality and the nature of fish. Then there are those who are willing to operate what I would call a corporate or semi-corporate fishing operation, where you are willing to travel to where the fish are, work them on their seasonality and take them when they are most abundant.

CHAIR—Just following up on that point, could you tell the committee how, in your view, AFMA has been successful in dealing with identifying stock levels; and what, from your industry viewpoint, is your attitude to the level of research in identifying stock levels?

Mr W. Nicholls—I think their track record is very bad.

CHAIR—Do you feel industry is listened to in this regard?

Mr W. Nicholls—Not always. I think sometimes but not always.

Mr CAUSLEY—They should not be entitled, should they?

Mr W. Nicholls—No. I think the stock levels have to be ascertained on a proper scientific footing. I think there is probably some room for anecdotal information from fishermen because they are actually at the coalface all the time. I think we have to have an industry that is absolutely completely and utterly sustainable. I do not believe that we have the right to go and decimate the fishery for the sake of a short-term gain.

I actually wrote my first paper that I published, which was a public document, in 1978. I was discussing fisheries management at that time and that was well ahead of anyone at AFS or anyone in the scientific community in Australia from the point of view of discussing fisheries management.

CHAIR—Could I refer to your submission where you say that you notice the use of log books as an information source but the fact that non-quota species are not recorded? Can you comment about that?

Mr W. Nicholls—We are dealing with an organisation that is trying to say that this is an input and an output controlled fishery. If these non-quota species are so important—and they have had five years to get their act into order—why haven't they first of all at least put out a small brochure with a picture of the fish we are supposed to be trying to identify?

When you read Dr Rayn's evidence in this transcript that I am going to pass to you, he tells me there are 300 species. I would like to know what educational program they have put into place to tell us what those 300 species are? It gets a step worse than that. The Director of Fisheries, Mr Richard Stevens, is meant to be an educated man—we hope he is. When he was asked on the stand to name one other specie of fish outside the 16 quoted fish species he could not name one other specie of fish in the South East Trawl Fishery, yet he is the senior bureaucrat in charge of managing that fishery.

Mr ANDREN—Given that you have suggested that ownership of fishing rights should be independent of vessel ownership and given the understandable concerns you have about limits on vessel size, can you not appreciate the feeling that it is very much akin to the family farm and the corporate farm situation? There is a very real feeling among the smaller operators in the industry that corporate ownership, particularly this area of transferability of quotas outside vessel ownership, could get to a point where the industry is controlled, if you like, by those who have absolutely no knowledge of what a fish is?

Mr S. Nicholls—The first thing to note is policy. The New Directions policy document states that it is policy to have some autonomous adjustment of the fishery. That is necessarily going to mean that some people are going to have to leave the fishery, and that is a natural function of over capitalisation.

My own view is that it is inevitable that the fishery is going to corporatise. It is simply because of the large amounts of capital which are needed to go fishing. It costs \$10 million to buy a new boat and it is way beyond the capital requirements even for a family farm. I think that is going to drive the corporatisation of

the industry.

Mr ANDREN—I guess there is another line of thought, too. In one of the other submissions I noted that the smaller operator can perhaps be more efficient—at least the three watt versus the 10 watt technology. It does not necessarily mean that bigger and newer is better.

Mr S. Nicholls—No. The stage we are at now is where the small operators have to stop doing as they have always done and just catch fish. Their market is in fresh, high quality sort of stuff. The larger trawlers, who are the bulk fishermen, who catch fish in bulk, have their market in more frozen fish. It is generally equal to or lower grade. The point of it is that everyone has to adapt to these changes. My view is that there is a niche for everybody. Small vessels are the right vessels to exploit the inshore fisheries. Large vessels are the right vessels to exploit the offshore fisheries.

Mr ANDREN—So you are talking about perhaps the smaller operator evolving into a niche market longline operation, rather than trawl.

Mr S. Nicholls—Yes.

Mr ANDREN—And providing a prime fish akin to that individually wrapped apple that might be produced for the Japanese market.

Mr S. Nicholls—That is exactly right. I think I drew their attention to the Bay of Fundy in Nova Scotia where exactly that has happened. You have the large trawlers working offshore run by most of the public companies and then generally all of the small and individual fishermen tend to fish in the bay itself and they are doing the very high quality fish for the Boston market. That does not preclude the larger vessels from doing quality fresh fish either.

Mr ANDREN—Given that we are dealing with a resource that none of us have got a handle on, does it not suggest though that the bigger the operation the more demand there is to exceed ESD?

Mr S. Nicholls—No. The reason is this—and I hope I made it clear in my submission: ESD is about regulating the amount of harvest and that does not mean you do not include the side effects of fishing such as lost gear on the seabed and the rest of it. The point of using large vessels is that the market has chosen large vessels as the most efficient way to take the fish off the west coast of Tasmania, whereas the market may have chosen small vessels as being the best way to take the fish closer inshore. In that sense, the hardware used to take the fish is in no way related to the ESD objective. They are independent. The ESD objective is achieved by setting the amount of fish taken, having regard to the side effects of fishing. The efficiency objective is achieved by the market then choosing the best way to take the fish.

Mr ANDREN—I understand exactly what you are saying. From your point of view, it is micro-economic reform. You see it in the trucking industry—bigger trucks, B-doubles, the whole thing. But there is another bottom line here, isn't there, that I have been looking at in terms of other industries perhaps? You said yourself that you have got three boats out there employing, what was it, 100?

Mr S. Nicholls—We did have 20 to 25 people, roughly.

Mr ANDREN—You are not obliged to employ anyone. I am not suggesting that. It is a rationalisation of the industry and it is happening worldwide. Therein lies the nervousness of the other fishers, the other part of that industry, that they will be rationalised out of existence, as indeed is happening in many industries. But you are saying that you should be allowed to put the *Queen Mary* out there if you can afford to.

Mr W. Nicholls—It is government policy that this is what should be happening. It is government policy in its future directions that we have to become efficient. The point I would make is that in all of this process that has been going on we as a family have lost, we believe, something like \$20 million in the destruction of my other business, in the destruction of my processing business, because we were cut off from fish in losing the three trawlers. If you are talking about who has been hurt in all of this, we have been hurt phenomenally as a family. Along with that has been all the stress and the trauma involved. We have virtually been involved in continuous litigation for the last five years. I have had to do that just so my family can survive.

Mr CAUSLEY—The principles of quota, though, if you are a small operator is that you should be able to sell your quota. What has happened to the price of quota over the last few years?

Mr S. Nicholls—This is a point I raise in here, too, and it is a very important point. The problem at the moment is that the quota is not generally transferable, so it does not really have a decent market value. The reason it is not transferable at the moment is that the fishery is still managed by a permit. Say you were going to cough up \$5 million to buy some quota, what are you buying? You are buying an amendment to your fishing permit.

That is hardly a secure investment, particularly given AFMA's history and previously AFS where they just destroy these rights with a stroke of a pen. I want to talk about Mr Steven Jackson later on. It is a terrible term but he is a low ranking AFMA staff member. We get letters from him threatening to cut our permits often and all of that sort of thing. We have millions of dollars tied up with them and this man has the power to do it. We do not even know who he is. Certainly he is hardly on the board of AFMA.

Mr CAUSLEY—For what reason? Why is he going to take away your permits?

Mr S. Nicholls—The correspondence has been passed to you—the letters from us and the letters from him. He wrote to us with a statement that he had received a complaint from a rock lobster fisherman. The complaint was that we had trawled through this rock lobster fellow's gear. Then in his letter he says, 'If these sorts of things continue we have to review your conditions of access.' They can do that. I wrote back because we were very concerned. In my view, the letter was defamatory anyway.

We wrote back and said, 'Tell us who sent the report and we will go and talk to them straight away.' They would not tell us who sent the report and they did nothing essentially. I eventually got hold of the fellow who wrote the report. His name was Mr Rodney Trelloggen. He said that it turned out that Mr Jackson had actually solicited this complaint from him, according to the excuse that Mr Jackson gave Mr Trelloggen, so that he would have an excuse to put an observer on the vessel. To me that sort of thing is quite

unacceptable, that you can have so much capital tied up in access to a fishery yet it can be so capriciously and arbitrarily affected. That is the reason why the permits are not transferable.

Mr ANDREN—Are you suggesting that the situation was manufactured—

Mr S. Nicholls—Yes, it was.

Mr ANDREN—because of your current litigation and such things to embarrass you or to quieten you?

Mr S. Nicholls—I do not think it was personal. I think, essentially, AFMA likes to have control of the issues, if you like. Certainly, the large vessel issue with all of the litigation going on, particularly with ourselves, they were losing control of it. I think they feel as though they have to wield the big stick.

Mr ANDREN—They want to discredit the big vessel?

Mr S. Nicholls—I think it was a pretty pathetic attempt at that, yes. I explained the whole thing reasonably cogently, and I would say convincingly, in here. It is under the ethics section towards the back, on page 33. I outline the letters and the dates and the rest of it—the correspondence is there. That is the reason why the quota is not transferable. It is not a right worth purchasing.

Mr CAUSLEY—So that works against the small operator?

Mr S. Nicholls—That is exactly right. These people cannot exit the fishery because they have not got a right worth selling.

Mr W. Nicholls—If you were the director of a company where you have got your fundamental fiduciary obligations to your shareholders, I think that under the way that it is structured at the moment you could very easily finish in the dock if you were to buy that quota and then it was to be cancelled because you had not acted with proper due diligence. The structure is so third worldish that there is nothing there.

Mr S. Nicholls—Sovereign risk is a very big problem in the fishery. Everyone is talking about security of tenure to land with Mabo and the Wik decision. We carry 100 times more risk with the quota because they are creatures of administrative law; they are not creatures of property law.

Mr CAUSLEY—Can I go back to the quota system? I do not want to get involved in any of the litigation you are having with fisheries but there was a lot of dissatisfaction with the quota in the first place. I think AFMA lost a case over it.

Mr S. Nicholls—Yes.

Mr CAUSLEY—When they set that quota up, from what I take it from your evidence so far, the quota that was given was considered an asset.

Mr S. Nicholls—Yes, that is right.

Mr CAUSLEY—Independently transferred.

Mr S. Nicholls—And certainly in the New Directions policy document it was to be a private property right.

Mr W. Nicholls—When we had boat units there was absolutely no question that they were property. We were told because they did a selling job on us as the industry that what we were getting was a replacement. In other words, we were getting more property to replace another lot of property. The reality was the pea and thimble trick—nothing. We had an issuing system for the quota that was absolutely fundamentally flawed down to the point where there is a bug in their computer system and when they find the bug in their computer system they are not even honest enough to confess to it and adjust the quotas accordingly. That is terribly bad from the point of view—

Mr CAUSLEY—Catch history—what was the problem?

Mr W. Nicholls—As we understand it, from the latest report put out—

Mr S. Nicholls—The Trebeck report to the minister.

Mr W. Nicholls—The Trebeck report and from discussions we have had, the bug in the computer system was assigning one person's history to another person and then the quota was getting issued willy-nilly around the place. I will give an example. We had done calculations ourselves because I had concentrated for more than 10 years on catching blue grenadier and blue grenadier alone. We worked the west coast of Tasmania and we hardly ever left the place.

Our calculation was that, based on our catch history and the number of boats we own, the units we own and things like that, we believed we were entitled to something like 30 per cent of the blue grenadier. Then when we looked at the quotas when they were allocated we were horrified to see that boats in Sydney, Ulladulla and around the place had all got blue grenadier. These people have never seen a blue grenadier. You can actually talk to the fishermen up there. They think it is a bit of a joke.

Mr CAUSLEY—So they were allocated across the board?

Mr S. Nicholls—That is right. With the original quota allocation formula, there was a bug in the computer program that did it. The result of the bug was it allocated the wrong quote to the wrong people, so people who had never caught blue grenadier on the basis of catch history were still getting it. It was a very serious problem and has not really been remedied.

CHAIR—How quickly was that situation rectified?

Mr S. Nicholls—We found out with the Trebeck report which was out before Christmas this year—

Mr W. Nicholls—It was only at Christmas this year that we have found out that the bug existed.

Mr S. Nicholls—Four years after it actually happened.

Mr W. Nicholls—We have wondered why these people were getting grenadier quota, for instance. I know in the past I have asked for the original print-outs on our quota allocation. I have always been told they are available but we have never received them. Perhaps now, having read the Trebeck report, this may be a reason why. We do not know for certain, and I am only surmising, but it is absolutely certain according to the Trebeck report that there was a bug in their computer system and they have done nothing to rectify it. I think that perhaps they may have made an attempt to rectify it with the Wesley report in that the Wesley report said that there ought to be a re-allocation of quota where there were no losers, only winners. In other words, they did not have the courage to take away quota from people who received it wrongly but they were going to dish out a bit more.

Mrs STONE—What proportion of the quota did you end up receiving in that instance of blue grenadier? You said that you thought on your history you would end up with a third. What did you end up with?

Mr W. Nicholls—In the original allocations we finished with about 700 tonnes out of 5,000.

Mrs STONE—Seven hundred out of 5,000.

Mr W. Nicholls—We presently hold about 1,500 tonnes out of the 10,000—so 15 per cent.

Mr BROADBENT—Have you been buying that grenadier quota?

Mr W. Nicholls—No, we still have our original quota holding. We have never purchased any quota, although we have sold a little bit. I have sold a little ling and a small amount, just a few tonnes, of grenadier. But we have never purchased quota. We still have our original holding virtually intact.

Mr BROADBENT—There is a contradiction there. You said there was a bug in the system four years ago that has not been fixed and you feel that you probably should have got more, yet you have sold the quota you have had. The quota you have had, the little bit of it, you have sold.

Mr S. Nicholls—The fish that was sold was fish that we were not frequently catching.

Mr W. Nicholls—When we lost our vessels through receivership, we did not fish from 1991 until last year because I was not in a financial position to get other vessels. We purchased a vessel based on the policy that was in place at the time and based on the belief that we would be able to catch all of our quota, so we purchased a 46-metre vessel. That actually could lead into, if you were ready, a couple of other observations about the board structure and the way the board has behaved.

Mr BROADBENT—I am more interested in the overall structure than the history of the receivership or the boats.

Mr W. Nicholls—I understand that, yes.

Mr BROADBENT—Has the problem of the bug in the system been addressed?

Mr S. Nicholls—No, it was not revealed until Christmas this year.

Mr ANDREN—You based your expectations on historical catches, is that right?

Mr W. Nicholls—Yes.

Mr ANDREN—You expected 30 per cent and did not get it. You got 15 per cent and the other stuff was spread around. So you have not bought any of that quota at all and you do not intend to buy any of that other quota?

Mr S. Nicholls—That depends on what happens with the permits in the future.

Mr ANDREN—Sure. You are also arguing that the quota itself becomes a saleable commodity to generate capital for the industry and that it does not matter who owns it. Is that what you are getting at?

Mr W. Nicholls—It should not matter who owns the quota at all, because it is available to be leased on a seasonal basis. If people do not own quota and they want to operate vessels in the fishery, their requirement is to have a permit and they are readily purchasable or can be leased. From there, if they want to go fishing and they want to lease fish and it is economically viable for them to do so, they should be allowed to go fishing in that manner.

Mr ANDREN—So your argument is that the quota, that saleable thing, can reach a value that can generate the sorts of resources that will not leave people under-capitalised in the industry?

Mr S. Nicholls—I think quotas should be an asset just like owning land so it is suitable for, say, a super fund to own. It is something of value and worth selling. That is how you are going to achieve the autonomous adjustment of the industry—by having transferable licences that are worth owning. New Zealand is probably the best example. They got it right years ago. They had an initial problem with the allocation but, basically, it is an asset now which is as good as owning land.

CHAIR—Time unfortunately has really got away from us. I would invite you to make, if you wish, a very short closing statement. I just remind you that the committee does have a large body of evidence from you.

Mr S. Nicholls—Yes, thank you. I had intended originally to speak for half of this, but time has got away from us. There were just three broad themes that I wanted to develop very briefly and have the committee note.

CHAIR—If I could ask you to be brief.

Mr S. Nicholls—The first point is that I think the best way to fix most of the problems in the fishery is to improve the quality of the AFMA staff. They just do not know enough, and I cannot understate how

many problems that has caused. If you look at the adjustment program suggested by Senator Parer, that has cost you \$10 million. If you had the right people who understood what was going on, you would not even need to pay that money. That is the first point.

The second point—this is also something that I think is important for the committee to note—is that in AFMA at the moment there is a lack of transparency in the decision making. I do not think AFMA is pursuing its statutory objectives the way that it should. These are all arguments that I have not had the opportunity to develop, but they may be found in here.

My father has alluded to the MACs and the conflicts of interest which abound. The industry and, somewhat ironically, the environmental movement, have a common interest—that is, no-one wants the stock overfished. If the stock is overfished, the fisheries shut. Where do you go with your boats? All of the other fisheries are now shut too. You essentially tie it up and let it rot and lose money. So it is not in anybody's interest to overfish the stock. However, commercially, the small vessel operators use SETMAC and the MACs to make what are, essentially, anti-competitive, protectionist recommendations. It really hurts people like us and it really hurts the Australian people because they are paying \$4 a kilo for blue grenadier as opposed to 80c.

CHAIR—With respect, I think you have actually made these points.

Mr S. Nicholls—There is another thing I want to flag to you, because it is going to be a big problem. There are a lot of people in the industry who deal in superior knowledge. It is almost a form of insider trading. It is a problem that has not happened yet, but I think it will become a big problem in the years to come. For instance, knowledge of a forthcoming stock assessment is worth millions of dollars. If they are going to cut the quota in half, and you know three weeks or a month in advance, that information is worth an enormous amount of money. There is no protection in the legislation to deal with that sort of thing at the moment. It is a reform which I think should be made.

Similarly, there are people close to AFMA dealing in superior information with the log book information. It is very unfair to people like us. We do not have that information, yet they do. The legislation does not address that either. I talk about superior knowledge and insider trading in here as well.

The final point is on the broad topic of transparency, or lack thereof, and the development of the new fisheries—Macquarie Island, Herd Island and Macdonald Island. We have been quite fairly cut out from the development of those fisheries. I think it is a big problem. I think I should draw to your attention, for instance, the fact that the permits for Herd and Macdonald Islands were advertised in the *Australian* last weekend, yet the Austral leader is in New Zealand, with the crew currently making preparations to sail down there and fish. So they obviously know they have got a permit down there, yet none of the permits have been issued yet. I feel that that is quite unfair to us. It is certainly not illegal; the legislation does not deal with that. That is the final point I want to raise with the committee. It is quite a serious—

Mr ADAMS—That is a serious allegation.

Mr S. Nicholls—It is a very serious allegation, and I am aware of the gravity of it. Nonetheless, to make it clear, that is information which has come to us second hand, but it is information which has come to

us nonetheless.

I really would have liked the opportunity to talk more about the environmental aspects of large vessels, particularly pelagic fishing. Small vessels cannot pelagically fish.

CHAIR—I think we have given you a pretty fair hearing. If at a later stage you want to submit anything further to the committee, you have the right to do so. Thank you for appearing before us today.

Mr W. Nicholls—Could I just pass one last comment on about Macquarie Island. We were interested in taking our vessel to Macquarie Island.

CHAIR—Mr Nicholls, with respect, I think we have really given you more than a fair hearing.

Mr W. Nicholls—Thank you very much.

[12.15 p.m.]

MIRIKLIS, Mr Michael, Managing Director, Jack Miriklis Marine Pty Limited, 12/13 Fishmarket, Footscray Road, Footscray, Victoria 3011

CHAIR—I welcome the representative of Jack Miriklis Marine Pty Ltd. We have received a submission from you and have authorised its publication. Do you wish to make any changes to that submission?

Mr Miriklis—I certainly do not.

CHAIR—Would you like to make an opening statement to us?

Mr Miriklis—I did not really have an opening statement, but I would like to support something that Mr Nicholls has just put. I would like to table a document which was faxed to me only last week. It is a copy of a letter that had been sent to AFMA concerning the Austral leader going to Macquarie Island and Herd Island.

It does concern me that the running of AFMA has been like an informal social club.

CHAIR—Firstly, perhaps would you like to outline your major concerns for us.

Mr Miriklis—My major concerns are that I do not think the people running AFMA have any idea how to run a business. Management and AFMA seem to be incongruous. They just have no idea of management.

CHAIR—You make that statement. Could you just put a little more flesh on those bones for us.

Mr CAUSLEY—Is it because of decisions they take that affect the business and they do not understand how those decisions affect the business?

Mr Miriklis—Yes. I have some documentary evidence from AFMA and the Tuna Boat Owners Association, for example. I noticed with interest that in their submission the Tuna Boat Owners Association said that their losses due to these issues—which were enforcement procedures of AFMA and policy issues of AFMA—have been tens of millions of dollars in the last three years. In the south-east trawl, AFMA admits that the GVP of the fishery has dropped from \$60 million to \$50 million.

Mr CAUSLEY—Because of their decisions?

Mr Miriklis—Yes, because of their decisions. By the year 2000 we will not have a fishing industry.

Mr CAUSLEY—So how have the decisions they have taken affected the industry in that way?

Mr Miriklis—I think it gets down to people being reluctant to invest. Our family had fish processing

facilities. We could not see a future in it, so we closed our fish processing facilities. That is one of seven factories that was shut in south-eastern Australia in the last three years.

Mr CAUSLEY—Because of lack of product?

Mr Miriklis—Lack of confidence.

Mr ANDREN—Can you list those factories for the record?

Mr Miriklis—You have the Poulos factory in Margate, the Manettas factory in Margate, our factory in Maryborough, Victoria, Will Nicholls's factory, of course, in Bridport, Trident seafoods in Tasmania and McLaughlins had a factory in Tasmania. That is six.

Mr ANDREN—That is close enough.

Mr ADAMS—Was there a loss of fish to be processed or a reduction?

Mr Miriklis—Reduction was one thing, but lack of confidence was another. For example, you may have 10,000 tonne ITQ of blue grenadier. People will not invest in fishing vessels to catch the grenadier if they are not sure of selling the product. People will not build factories to process grenadier if they are not sure that they are going to recoup their investment. You already have biologists flagging their intent to cut the TAC next year, rightly or wrongly. What sane man is going to plough \$3 million or \$4 million into a processing factory?

Mr ADAMS—And these were factories that were already operating?

Mr Miriklis—Even the operating factories.

Mr ADAMS—So you are saying that those factories stopped working because people were unsure of the quota or the amount of fish that they were able to catch to bring into the factories?

Mr Miriklis—They were unsure of the future direction of the industry. If you are not sure that a quota will be stable, increased or decreased, you are not going to put money into plant and equipment.

Mr ADAMS—But any fishery could be affected one way or the other, couldn't they? Fisheries go up and down through environmental aspects or because fish disappear—sometimes we do not know why they are not there.

Mr Miriklis—When you have been in the industry for three generations, you are quite prepared for things to go up and down. But you cannot second-guess the human element, and the human element is in Canberra.

Mr CAUSLEY—Are there any processing plants still operating around the area?

Mr Miriklis—I think Patuna are on reduced production in Devonport, and there is one factory at Georgetown in Tasmania. They are the last two.

Mr CAUSLEY—The last two—

Mr Miriklis—The last two major processing factories.

CHAIR—We have heard conflicting criticism: the audit report actually criticises AFMA for having too heavy an emphasis on industry; yet other witnesses before us have said that there is not enough industry input into the management. What is your view on this?

Mr Miriklis—I have got a mixed view. AFMA does take the view of industry, but you have to be a member of the right club.

CHAIR—Which is what?

Mr Miriklis—If you are in the South East Trawl Fishery, you have to be a member of SETFIA. If you are not a member of SETFIA, your view seems to be downgraded or not accepted. You are not deemed to be equal with your fellow fishermen. I might be a bit of a radical; I am not interested in being a member of SETFIA; but, then again, I am against compulsory trade unionism—and compulsory conscription as well. I do not elect to be a member of industry bodies. I find that I can make phone calls; I am land based; I can communicate with public servants; and I generally get the information I want. But it does not mean that my voice carries any weight.

CHAIR—Is there a process that you could suggest, because while you may not like to be a member, perhaps others in your position may whereby they can have a greater say and they can be listened to. Is there a process which you could suggest to us?

Mr Miriklis—When you only have, say, in the South East Trawl 140 licence holders, I do not see why AFMA cannot directly poll all of the 140 licence holders—even though there are 140 licences, there are not 140 licence holders. So you can come up with a weighting where my one licence and my so many tonne of quota are worth so much of a vote and Will's 2,500 tonne of quota and three permits worth so much of a vote. Every fisherman then gets a say.

Mr ADAMS—This is about management, is it?

Mr Miriklis—It is about management. At the moment you have got fishermen spread, especially in the South East Trawl but in any fishery, over thousands of miles and some of us feel disenfranchised. Every fisherman in this room probably feels disenfranchised.

Mr CAUSLEY—It is a little bit more complicated than that though, isn't it, because there are other players that are now putting their say into the proposals for management, such as the amateurs, environmentalists and people like that? Do you think that the industry should have a majority in the management of the fishery?

Mr Miriklis—We are asked to pay the bills, so I feel we are obliged to have the majority of the say.

Mr CAUSLEY—What I am getting at is that these people have a high media profile and a high political profile. It comes back down to this term we have been discussing through the morning of the ‘precautionary principle’ as to what quota should be set and what access there should be to the fishery. Would you like to comment on some of those aspects?

Mr Miriklis—The green lobby is a higher profile industry than my industry. My industry, unfortunately, only feeds people and, unfortunately, I am realistic enough or pessimistic enough to think that after seeing statistics through the year that the world got down to less than 120 days of grain. In the future, countries and governments are going to go to war over my industry. We have had the example in Canada in the last two years of Spanish boats being seized and tied up. We are one of the last forms of free protein.

CHAIR—We have had some evidence before us that people have had a problem, for example, in even finding out when a meeting is being held and they have not been notified until the last minute. Has that been your experience?

Mr Miriklis—It does seem to be a problem. You will get notification on a Monday of a meeting being held on a Thursday. For example, last year there were two pretty crucial meetings—one to discuss the stock assessment of eastern gemfish and one in Adelaide to discuss the stock of western gemfish—where I was only advised less than a week prior to the meeting. I made sure I got to the one on western gemfish because that concerns the day-to-day running of my fishing vessel. Although I am a stakeholder in eastern gemfish, I was not that concerned about attending the conference on eastern gemfish in Canberra because I knew there were other fishermen up there whom I had confidence in to represent me.

Mr ADAMS—But you have said that you do not believe in organisations. One of the issues we have as evidence is that the fishing industry—

Mr Miriklis—Well, those people—

Mr ADAMS—Just let me finish: the evidence we have is that getting an overall view of fisheries from the fishing industry from a national perspective is sometimes very hard and even from a research perspective. You have given evidence here today that you want to be a free agent and you do not believe in belonging to any organisations. It gets a bit difficult to get into management if you have that view—do you understand what I mean by that?

Mr Miriklis—What I have done is to retire from selling fish so I can devote full time to running a fishing boat. That is just a problem that has been forced upon me by AFMA. I was quite happy selling fish in a wholesale fish market and managing a fishing boat by cheque book. Now I find I have not got the time to sell fish because I am running to meetings. As far as relying on another fisherman to represent me in Canberra, he was a close acquaintance of mine. I was not relying on the association to represent me.

Mr ADAMS—Do you have the idea that maybe the management of fisheries is getting more complex?

Mr Miriklis—I think we are getting overmatched.

Mr ADAMS—That could be true. But by becoming more complex, therefore it is going to take more effort from industry to put its position and to continue to keep on top of the issues that come up from government agencies, conservation movements or whatever. Do you accept that as being a reality?

Mr Miriklis—Like I said, the personal demands made on my time are such that I have given away everything else to attend to AFMA-like problems.

Mr CAUSLEY—What you are really saying is that you are an independent operator and you really cannot afford the time to go to these meetings, but you are being forced to go to more and more meetings and, before, long you will be out backwards because you are attending too many meetings.

Mr Miriklis—What I am saying is that I am fortunate that I have had someone else to run another business so that I could devote 24 hours a day, seven days a week to running around to meetings—not every fisherman is in my position, unfortunately.

Mr CAUSLEY—I understand that. It is fair to say that, because this is a movable feast and keeps on going, it is very difficult for the average person in the industry either to keep abreast of the meetings and have their input or to pay anyone as an advocate.

Mr Miriklis—For an average fisherman, it is almost impossible. If you are an average fisherman in, say, Bermagui, you have got to make a conscious decision whether to tie up the boat and go running around to meetings or go to sea. One brings in bread, but the other one takes bread away.

CHAIR—You have been highly critical of the money that has been put into research but there is still very little known about the level of fish stock. I think every witness who has appeared before us has acknowledged that the research and identifying stock levels is absolutely critical. Can you perhaps, from an industry viewpoint, give us an indication of where you see the problems with this?

Mr Miriklis—I do not think that anyone has ever sat down with the industry and asked them what sort of research do we want. After all, we are great believers that fish come and go: where do they come from and where do they go to? They are the first questions we want answered. How many are there? That is another question we want answered.

CHAIR—Are you saying that there is too much academic research into the marine environment rather than identifying these bread and butter issues?

Mr Miriklis—Well, you have almost got research into what sort of research we are going to do.

Mr CAUSLEY—These are papers that can be presented at conferences, are they?

Mr Miriklis—You have BRA, you have CSIRO, you have the Victorian Institute of Marine Sciences and you have New South Wales fisheries all putting in input. It is probably the greatest growth industry in

the fishing industry in the last 15 years.

Mr CAUSLEY—So it is more about scientists' egos than anything to do with practicality.

Mr Miriklis—I believe so. If I had to stand up in a court of law and say that, I would say it in a court of law.

CHAIR—So, not only are you saying to us that industry does not have the input but you are not really having any say in the priority of the research; is that right?

Mr Miriklis—Not only do we not have a say in the priority of the research, but it appears to me as though the scientists have to have a crisis fishery every year to get ongoing funding.

Mr CAUSLEY—It is called an ambit claim.

Mr Miriklis—Last year's crisis fishery was blue warehou. They have already flagged that the next crisis fishery in the South East Trawl is going to blue grenadier. Five years ago it was orange roughy, and 10 years ago it was gemfish. Yes, it is an ambit claim. If we ask them to put up or shut up, I have never seen them put up.

CHAIR—Given that industry contributes to that research, how can that research dollar be better spent? What process can be put in place so that industry has a greater say?

Mr Miriklis—I am not quite sure. You certainly need fishermen having a greater say in places like FRDC. First of all, I think that having the research under so many different branches and departments must be an administrative nightmare. How much is it costing us? It is like funding Aboriginal housing—how much money filters down to the research; how much money is lost in the bureaucracy? I do not think we are getting dollar for dollar our full value.

Mr CAUSLEY—Would you agree that there is a need for what I loosely term pure research and there is a need for practical research?

Mr Miriklis—Yes, there probably is a need for pure research. We do not understand ecosystems. Fishermen would like to understand ecosystems, because if you can find plankton, plankton might mean fish. If we are killing off our inshore fisheries, what effect is that having on our outside fisheries? What killed the pilchards last year and what effect will that have on our future fish stocks? So there is a need for pure research but there is also a need for specific research on our specific fish stocks.

Mr ANDREN—I notice you are critical of the operations or the need for accountability of the operations of the *Southern Surveyor* and I guess I have picked this up too that it does not seem to either have the time. But there seems to be an economic imperative on it to earn cold hard cash elsewhere in the world as much as research at home.

Mr Miriklis—The *Southern Surveyor* hurts a little bit for people involved in the south east fishery

because the *Southern Surveyor* was—how could I put it?—a con on the government of the day: we need this big research vessel because these rapacious fishermen have found this orange roughy resource off Sandy Cape in Tasmania and we need a large vessel to do all this work on these orange roughy. So CSIRO got their fancy research ship; we got cutbacks in orange roughy; and we have not seen the *Southern Surveyor* anywhere around doing any, as far as the industry is concerned, meaningful work on roughy. We are paying for it in cutbacks but we have not seen any work from it.

What is CSIRO doing with her? I believe that she spends most of her time up off the North West Shelf doing cruises. Last year when she was in the south east fishery, she was running up and down in 15 fathoms off Bermagui, snagging a little beam trawler with a little TV camera, looking at what effects trawling has on inshore fisheries.

CHAIR—Could it be, do you think, that the research is actually being conducted but industry is not getting to hear the results?

Mr Miriklis—If industry is not hearing the results, how can we tell them whether we agree or disagree with the quality of their research.

CHAIR—But the problem may not be the lack of research in that orange roughy area; the problem may be a breakdown in communication.

Mr Miriklis—The problem probably is in part a breakdown in communication. We are supposed to have fishery assessment groups or FAGs—I am a bit worried about that terminology—and we are supposed to have MACs. But even the government representatives do not get the information out to the industry in general—

Mr ADAMS—But that industry itself has to take some responsibility for getting its own information together and circulating it among its own industry. People within that industry have to come together and somehow circulate—isn't it part of yesterday's world where the government agency sent everything out and did all that? Isn't it time for industry to have its own body that is able to do that?

Mr Miriklis—No, because you will always have people trying to glean an advantage in any situation. You probably do need unbiased reporting. But industry associations do not give you unbiased reporting, they give you filtered down versions of their version of the truth. Unfortunately, the government organisations are also the same. I would rather take the government version than take the industry version.

Mr ANDREN—Do you think AFMA needs to have its own research capability?

Mr Miriklis—I believe that AFMA needs to control its own research capability and that the industry should be more forthright in telling AFMA what sort of research it needs.

CHAIR—But doesn't that come back to Mr Adams's point that industry has to assert itself?

Mr Miriklis—Industry probably would have to assert itself but, unfortunately, the industry has always

been—it is pretty hard to get on with a bloke now just because you have got AFMA if you did not get on with him 16 to 20 years ago.

Mr ADAMS—But isn't that because there are a lot of people like yourself in the industry that are very individualistic?

Mr Miriklis—It has always been that sort of industry; we have always been individualistic.

Mr ADAMS—I take that point but what I would assert to you is that times are changing.

Mr Miriklis—Times may be changing, but unfortunately it is the sort of industry where I may respect Will Nicholls' view, but I certainly do not have to agree with him. That sort of attitude still prevails in the fishing industry and it is not likely that we could then come together in an association and put together a consensus view.

Mr ADAMS—If the world overruns you, you cannot really complain that you have tried?

Mr Miriklis—I am stubborn enough that I do not let the world overrun me.

Mr CAUSLEY—Can I put to you that if in fact a quota was an asset, would not the industry be more likely to protect that asset and you would need less control?

Mr Miriklis—If a quota was an asset, you would need less control, but you are hard pressed to sell to the industry that the quota is an asset.

Mr CAUSLEY—We heard that, but it was in fact a bankable asset and you could see that that was your share of that industry, you would be more likely to try and preserve that industry.

Mr Miriklis—Strangely enough we are all in the business of trying to preserve our industry.

Mr CAUSLEY—I am not suggesting that you are not, but I thought that that might be a better incentive.

CHAIR—An added incentive.

Mr Miriklis—We have seen off most of the foreign invaders, the ones who jumped in on orange roughy, went broke or got out. We have gone back to family owned companies. In fact 80 per cent of the people who owned licences in 1988 are probably still your main players in 1997. The investors have come, been, gone, lost their money or ripped it out and got out.

Mr CAUSLEY—You were saying about research that you do not believe a lot has been achieved with the money that has been spent. But in the orange roughy fishery, the research has certainly shown that the fish is a slow growing fish and it does not breed until a certain stage. In fact from the catch history too, the catch has gone down. I do not know whether it has plateaued, but it has gone down. Surely that type of

research did come from there?

Mr Miriklis—I do not think that there is anything been proved categorically at St Helens, for example, where the majority of the research went into it. They have not proved that the amount of fish at St Helens in 1996 was less or more than the amount of fish at St Helens in 1992 or 1993.

Mr CAUSLEY—The catches have gone down, have they not?

Mr Miriklis—No, your quotas have gone down.

Mr CAUSLEY—You reckon it is the quota?

Mr Miriklis—Your allocation has gone down. Only in the south, have your catches gone down.

Mr CAUSLEY—I thought there was a fall in the catch before quotas came in. Initially there were big catches of orange roughly, then it fell off dramatically and that is when the quotas came in.

Mr Miriklis—No, all the cut-backs in effort have all been driven by government. In 1989 at St Helens the minister on the advice of AFS stopped the vessels from catching. I think it was 45,000 tonne or 40,000 tonne. In 1990 we were put on a TAC. In 1991 we were on a TAC and in 1992 we were on quotas. So we never knew what the extent of that resource was. Once we went on quotas, there was no incentive. The orange roughly do not spring up at St Helens on 13 July every year. Where do they come from; where do they go? But when you are on quotas, there is no incentive to go looking.

Mr ANDREN—Their evidence on the late breeding of that particular fish was crucial research, was it not?

Mr Miriklis—I do not think it was crucial. In fact I was discussing it with a good friend of mine, an ex-director of fisheries in Tasmania and fishery biologist. I said, 'All this evidence, how conclusive is it?' He said, 'Well, it is not very conclusive at all. You take the otolith study, ask them how they know whether the otoliths are one a year or two a year.' So I did and no-one could come up with an answer. So we have an aging facility in Queenscliff at approximately 150 years old, which could be 75 years old. I do not know.

Mr ANDREN—I would imagine that the CSIRO has been hugely embarrassed. It did not bring this on itself. What has been reported as a gross overestimation of the biomass. Where did this come from if they were not admitting an error in their research, which it seems they did?

Mr Miriklis—They were greatly embarrassed, but what did it cost them?

Mr ANDREN—Well, a lot of credibility.

Mr Miriklis—It cost us dollars.

Mr ANDREN—Sure, but it cost them a lot of credibility. The sort of research you want them to continue on your behalf, have they got any credibility in your eyes to do that?

Mr Miriklis—I have not got too much confidence in any biologist in Australia at this moment, bar none. I could not name one working biologist that I would have confidence in his results.

Mr CAUSLEY—But there has been some controls, because I have seen the technology used in catching orange roughy and the fish do not stand a chance.

Mr Miriklis—Fish always stand a chance; God gave them tails. There does have to be some controls, depending on what outcome we are looking at. You will not find a fisherman who wants to fish the fish down to economic extinction.

Mr CAUSLEY—The problem you have got though, if I am right again with the theory, is that the theory is that they are congregating on those sea mounts because they are spawning, are they not?

Mr Miriklis—That is quite correct.

Mr CAUSLEY—It is a very vulnerable time. If you put too much effort into it, you are bound to affect the biomass.

Mr Miriklis—You will affect the biomass. Like I said, you will not find a fisherman who wants to catch them down to economic extinction, and we certainly will not catch them down to biological extinction. That is an impossibility that even the scientists will agree with me on. If we catch them down to economic extinction, we are out of business.

Mr CAUSLEY—Just shifting tack a bit to bluefin tuna, really the industry has improved since the quota system came in, has it not?

Mr Miriklis—I do not know whether the industry has improved. It all depends from what perspective you look at it. If you look at it from the fact that our catches of tuna have dropped markedly over seven or 10 years, but our net return from Japan has gone from a cannery price of \$2.50 to \$35 a kilogram. Industry will look at it from the dollar value and the dollar value has improved.

Mr CAUSLEY—What about numbers?

Mr Miriklis—Numbers? I do not know. Numbers may mean nothing. The numbers may be coming from halfway between here and South Africa. Something biological may have brought them back, especially with a fast, long distance swimming fish like tuna. Without wanting to speak about a subject I do not know a great deal about, I would not want to put too much great faith in the numbers of tuna world-wide at all.

CHAIR—That might be an appropriate moment for us to cease. Would you like to make a very brief closing statement to us?

Mr Miriklis—No, I will pass.

CHAIR—Thank you very much for appearing here today. The committee will recess now and we will reconvene at 1.30 p.m.

Luncheon adjournment

[1.36 p.m.]

DAVIES, Mr Thomas Gary, Chief Executive Officer, Lakes Entrance Fishermen's Cooperative Society Ltd, Bullock Island, Lakes Entrance, Victoria 3909

CHAIR—I welcome the representative from the Lakes Entrance Fishermen's Cooperative. We have received a submission from you and have authorised its publication. Do you wish to make any changes to that submission.

Mr Davies—No, Madam Chair.

CHAIR—Would you like to make an opening statement to the committee?

Mr Davies—Yes, I would like to. Madam Chair, as a preliminary to any submission I believe that it is important that the committee be aware of certain matters. I believe they are aware of them anyway, but I would like to mention them again. In this whole business of fisheries management we have this inevitable dichotomy between rural and urban dwellers and, in most instances, neither side understands what the other is saying.

From the point of view of the fishing industry, you have a large number of very independent, resilient and tough-minded people who work in a dangerous occupation, do their own thing and do not have time to go to meetings. Consequently, when they are submerged beneath masses of paperwork written in bureaucratic English, they do not really understand what the message is. On the other hand, when they communicate with the bureaucracy, in lots of cases the bureaucrats do not understand where they are coming from, because it sounds as though they are being selfish and self-centred in their attitudes. I only say that because I believe that the root of a lot of problems in the fishing industry, and in fact in all rural industries, is that the communication system breaks down from time to time.

In point of fact, that is the role that I see for myself. Although I run a number of companies all owned by fishermen and I am on an innumerable number of fisheries committees, I see myself as performing the role of interpreter and attempting from time to time to explain one side to the other—and not always being successful.

CHAIR—Firstly, what is your opinion of the change of the structure? People have referred to AFMA being involved in a management partnership, with industry being one of those partners. With your knowledge of the industry, do you see that as a step forward? We will then go to some of the specifics of the structure and how it might or might not be working efficiently.

Mr Davies—I see it certainly as an admirable objective to aim for, but it of course has not been achieved to this time. I believe that the number of upsetting matters that have affected fishermen, particularly in southern Australia, over recent years have engendered an even greater lack of credibility in terms of AFMA as far as the fishermen are concerned. After all, here we are in the south-east trawl, we are six years into the fishery, yet we have no management plan, no stability and an inordinate amount of litigation going on.

So you can understand what I am saying: certainly it would be great to see that partnership but it has not come yet because the Australian Fisheries Service originally caused a great deal of fear and suspicion. Until that is removed and there is some stability, it will be very hard for industry to accept what they are being told and to take a full share in the partnership.

CHAIR—You are aware of the draft management plan that has been released but, before I ask for your comments on that, I want to come back to this problem of communication. Many witnesses have said to us that AFMA inherited a problem. In relation to the structure that was put in place, in particular the structure of the MACs, what is preventing the information getting to industry and vice versa? Why isn't the industry able to feed its views directly into the MACs and therefore into the complete management structure of AFMA?

Mr Davies—I think in all rural dwellers in Australia there is a somewhat hidden fear of the people in suits from the city. That is a rather simplistic way of looking at it but, quite frankly, there is this dichotomy I spoke about between rural and city people. In rural Victoria, 50 per cent of households have a gross income under \$25,000 a year. When you tell city dwellers that, they cannot believe that people can live on that sort of money. You have two different kinds of people—one that is inordinately suspicious of the other, and the other from the city, or the bureaucracy, tends to be somewhat patronising. It is very difficult for them to have a harmonious relationship.

CHAIR—With respect, is what you are saying an accurate representation? I happen to represent a very large Victorian rural electorate, and sometimes it is a perception rather than the reality. Sometimes I often liken it to a family with three children—two sisters and a brother. The brother is the youngest and thinks that he is not special, he is unloved and he is missing out but, in fact, it is often a perception rather than the reality. Could I ask you to consider that analogy in your own case. If you are saying that that is the reality, can you give us examples of that?

Mr Davies—I see it as an attitude in the fishing industry. If you go up the New South Wales coast, you will find that a large number of the people there are of Italian origin. Again, they are exactly the same as the largely Anglo-Saxon population of Lakes Entrance. They are wary of Canberra, they are wary of promises that do not seem to be kept by governments generally, they feel that they are having a very harsh time because they read in the paper that someone has got another enormous contract, someone has got this or someone has got that, Kerry Packer made \$250 million yesterday and so on. All these things are fed to people by the media, and it gives them the idea that they are missing out.

You may not consider that it exists. Presumably because it is your seat and you have been there a while, you are a much respected person and naturally people warm to you. But imagine it from the point of view of someone from Canberra in a suit walking into your electorate and saying, 'Here I am, I'm the man from the government and you can trust me.' Quite frankly, the difficulty is, I believe, that consultation is being carried to extreme degrees because of this fetish of consulting with everybody. Of course, at some stage someone has to make a decision, otherwise you keep on going round in circles. If you do not do anything until everybody likes it, you will never do anything because that is impossible because half the people will not understand it anyway. So we really have all this going on.

I believe that it is also fair to say that there has been so much litigation against AFMA over the southern fisheries and there is more to come that they are almost gun shy because now they are almost afraid to finalise anything until they make absolutely sure that it is watertight and that the AAT will not end up managing the fishery, as it seems to be doing at present.

Mr CAUSLEY—This is not just in the fishery. We are probably just a little bit to the side of it, but it is important. It is manipulation of public minds, particularly in city electorates, where the big political vote is, to get an agenda across. The people who are pushing some of these agendas do not necessarily have a great interest in managing the resource, whether it be fisheries, forestry or whatever, but they have an agenda. It is generally a problem that we have, but what is the answer to it?

Mr Davies—As I said, I believe that consultation and communication in bureaucracy generally has become too convoluted and too extreme. I believe that the rural Australian is pretty straight up and down and he just wants to know what is right and what is wrong, he wants yes or no, black and white. In the fishing industry people live with disaster and risk losing life or limb as part of their normal daily routine, so they can take bad news. But it is like death by a thousand cuts when there is instability and they may or may not lose their licence, they may or may not be able to catch fish. It just drives people to distraction.

Mr CAUSLEY—The media says that you have destroyed the fishing stocks.

Mr Davies—The fishing stocks belong to me and you and every other Australian. All the fishing industry do is harvest the resource for the community; it is that simple fact. If we do not want to eat fish we can import it all—which will do our balance of trade the world of good.

That is another thing I become very distressed about. The fishing industry is worth \$1.8 billion a year to Australia, of which \$1.4 billion is exports. It keeps on ending up as the wart on the backside of some other department which is relatively removed from it. For example, in Victoria the fisheries department has been part of the conservation department for years, and to me that is like putting the RSPCA in charge of an abattoir—the two are really not harmonious, even at a federal level.

Without decrying Senator Parer in any way, fisheries is tacked on the back of resources, which is largely mining, et cetera, and it is a primary industry. So fisheries never seems to get the attention it deserves because fishermen do not go around finding the funds to get into the media and state their case and tell people how wonderful they are; they just get about their business. As a result they are very easy targets for anyone who can manipulate the media.

Mr CAUSLEY—Yes, but in New South Wales they are a separate department and it does not stop the department of the environment trying to close them down.

Mr Davies—I understand that, but at least it makes them feel that they are more important and not just something that someone keeps in the backyard and pokes with a stick occasionally.

Mr CAUSLEY—If we get down to the problems that are associated with the management of the fisheries, and I think you have made some comments about AFMA's predecessor, are you referring to the

way the quotas were set in the first place? Is that what you think were some of the problems that were associated? Is that what you are referring to?

Mr Davies—Yes, because, after all, the whole basis of quota is—and all the experts say this—that you should not introduce a quota system unless you have got a pretty reasonable idea of how large the cake is. Now I can tell you that I knew John Kerin quite well, and I know what his ideas were about fisheries management. He produced that white paper, and in the white paper he did suggest that quota management was a method of fisheries management that could be looked at or should be looked at, but the point is that from there on it was embraced as basically the only alternative. Now the experts, if there are any such—self-styled anyway—would suggest that you should not be introducing quotas unless you know how big the cake is that you are cutting up.

I was on the South East Trawl Management Advisory Committee—I was for some years; I am not any longer—at the time when quotas were being introduced. So we asked the scientists to tell us, for the 16 species, what the biomass was so a total allowable catch could be determined. They said, ‘Right, we will come back late in 1991 and tell you.’ When they came back they said, ‘Well, we’ll make a guess at two of the species; the other 14 we have no idea at all, but give us \$20 million and we will go and make an attempt to do something over the next five years.’ Now I know this for a fact. So consequently there was an attempt to cut up something when no-one had any idea at all about how much fish was out there.

At the same time in the old AFS there used to be this paramount idea that fishermen are all looters, rapists and pillagers and, given their heads, will catch all the fish in the sea today and leave none for tomorrow. Now all the fishermen I know would like to think that their great-grandchildren will be able to continue in this fishery as their own grandfathers’ did—and I would remind you that most of these fisheries lasted for a hundred years before there was ever fisheries management. Most of the problems in them come from an attempt to manage something and introducing a form of management which is mathematically logical but has absolutely no relationship to the fishing industry. Fish are not logical. They cannot believe that if they are on that side of it there is a line, and they are in New South Wales and they are there and they are Commonwealth over here. The fish do not speak the same language. But it all sounds very real and realistic when you are talking in Canberra and you are drawing lines on the water here and lines on the water there. It is all nonsense.

Mr CAUSLEY—But probably decades into the future we will not know what the biomass is, so don’t you have to take the precautionary principle?

Mr Davies—Therefore, as I say, you are not supposed to introduce quotas unless you know how much you have to give out, otherwise what are you doing?

Mr CAUSLEY—How would you manage it?

Mr Davies—You would manage it by some other system—a system of input controls or by giving competitive TACs or something like that. At the same time, you see, the moment you start introducing restrictions you tend to engender more effort. As an example, the Commonwealth introduced closures in the Southern Shark Fishery a couple of years ago. What that meant was that people used to go to sea twice a

month and catch shark, so they got another skipper and their boat stayed at sea 24 hours a day seven days a week because they thought that the next move would invariably be a closure for six months of the year. They felt they had to go and catch all the fish before they got closed down altogether. So what I am saying is that a lot of these well-intentioned management ruses in the end can sometimes do more damage.

Mr CAUSLEY—But input controls are a bureaucratic nightmare, too.

Mr Davies—Of course. But in my opinion where the trawl fisheries, for example, went wrong was when they allowed the machinery to grow larger. If none of the trawlers in the South East Fishery were longer than say 70 feet—I do not know what that is in metres, unfortunately—and they had kept the machinery that size, you would have had the natural conservation factors of wind and weather which prevent vessels like that working around the clock. But of course with the blow-out of machinery and the size of the vessels that are running around these days, and new electronic equipment, the fish do not have much chance. At the same time, the fishermen want the fish to be there tomorrow. There is this perception that they do not, but they do; I am convinced of that. They are actually very nice people, but they are much maligned.

Mr ADAMS—They are very nice people, Mr Davies, but we have had evidence and people have told me individually that when the orange roughy were on their full spot and somebody needed another 10 tonne they would drag in another 50 tonne, then fill the 10 tonne and drop the 40 over the side. Those sorts of stories abound in the industry. Would they be true, or would they be false?

Mr Davies—I would say they would be true, but you must understand why that happened. I was at a SETMAC meeting when the then chief fisheries scientist of CSIRO announced that he had found off Patrick Head an aggregation of orange roughy of at least a million tonnes and that there were seven similar hills around Tasmania, but the thing was that he felt he had not put enough noughts in the equation. That precipitated the orange roughy gold rush. And in New Zealand there was an enormous orange roughy resource so it was reasonable to imagine it was the same in Australia. People had to go and buy much larger vessels, much larger gear—because, remember, with orange roughy you could be trawling as deep as 5,000 feet under the water. So you are using completely different gear.

When you talk about the amount of fish they catch, of course, you can see on an electronic screen that there are fish down there but, until you actually pull it up, you cannot go down 5,000 feet and see what you have got because the fish are all tightly coagulated nose to tail down there. It is like the Japanese: when they buy a fish they must think that we can go out one day and pick the two-inch this day and the six-inch the next, that it is like picking apples off a tree. It is just not like that. You are probably doing that in 60-knot winds and 20-metre swells. So it is not all ham and eggs for breakfast.

CHAIR—A lot of the problems that you have highlighted, Mr Davies, also highlight the need for accurate research. We have had a number of criticisms, and you yourself have said that there are no accurate stock assessments. Can you give us some ideas on what industry's view is on targeting research, and how should this happen?

Mr Davies—Let me give an example of the sort of thing that is happening today. I said that the fishing industry is worth \$1.8 billion a year to Australia and \$1.4 billion in exports. Most of those exports are

the big number fisheries like abalone, southern bluefin tuna, northern prawn and western rock lobster—\$55 a kilo live in Hong Kong, for example. The point about those particular species or kinds of fish is that Australians do not eat them, they are the exports, so that is where all the big money is. Consequently, a lot of the research has been directed at those big ticket fisheries.

In fact, one of the senior scientists from CSIRO told us at a fisheries conference that they were probably going to go away from doing any research in the southern fisheries because it is such a penny-ante fishery—it is only worth \$60 or \$100 million or something—not even worth worrying about. What worries me is that those are the fisheries that Australians consume themselves. That is our scale fish and our flake, et cetera. So what you have got—although they may not be as big as these other fisheries in terms of the amount of money they engender—is that they are so important to Australia because without them we have no fish to eat. It is a question of priorities and directing research funds.

You see, research does not seem to be holistic enough; it seems to be too disparate. There is a bit here and a bit there and a bit of funding here and a bit there. I believe that most of the senior scientists who should be doing the research—the best qualified people—spend most of their life trying to find funds to keep their facilities open.

CHAIR—So do you think that the research effort should be centred in one authority?

Mr Davies—Yes, I do. I believe it should be centred in one authority. I believe that that authority should have very strict priorities and try to decide what they are going to do. This may sound ridiculous, but I know from being involved with some research organisations that quite often at the end of the day, when there is a deadline for applications for funding to go in, scientists run around trying to think of something that they might get funds for so they can whip them in and keep on working, if you like.

It is all about getting this global view. The whole problem with Australia, if you do not mind listening to me saying this, is the fact that we are doing things that we should have done yesterday or worry about tomorrow, whereas, on the other hand, the Asians are looking 100 years ahead. They are planning that far ahead. We are not doing anything in a global manner or in a long-term manner because we always seem to be picking up the pieces or putting out bushfires.

In the last 12 years in the fishing industry I believe that my employers have spent something like \$60,000 a year for me to go to meetings. A lot of them are a waste of time and useless. On the other hand, if you do not go to them all, one day someone comes up with some idea which ends up creating more chaos because people keep on seeing the narrow parts of the thing and making ad hoc arrangements without standing back and looking at the whole picture.

CHAIR—What other means does industry have of putting in its input, whether it be towards setting priorities for research or for changes to management structure, other than by going to meetings?

Mr Davies—They do have other options, but at the same time, when they do that, they are giving up the opportunity to make a living themselves. This is the difficulty: you are asking people to stop work, go without income and go to these meetings. When they get there, you have the fishermen on the one side and

on the other side you have a team of people, normally with two or three degrees, who are extremely articulate. Then you have this communication problem.

CHAIR—So what changes would you make to ensure that industry's views are getting through?

Mr Davies—I believe that there should be more commercial orientation about the government bodies that are dealing with these rural industries. John Kerin promised us that AFMA would be a commercially oriented body, but AFMA—this is not meant to be insulting—is just like any other bureaucratic office in Canberra. The difficulty is that there are some very nice people there, but I do not believe they necessarily understand either the psyche or the objectives of the fishing industry. There is still an inherited view that the fishermen have to be treated like naughty children and penned up, otherwise they will eat the whole cake.

Mr ADAMS—What other industry in Australia operates without having a central body to deal with a government agency which is appointed by government to manage the public resource? Is there another industry that you can think of? The National Farmers Federation exists, the forest industry has some and the retailers.

Mr Davies—I do not have any problem with the central body; I guess I am talking about the philosophy under which that body should operate.

Mr ADAMS—I am asking you for an opinion. My belief is that the fishing industry does not have a national focus. It does not come together; it scatters itself by going to meetings all over the place, in your words, but it does not have a central body to channel its views through to government. Would that be correct?

Mr Davies—It is absolutely correct. I have a great problem with the state situation in Australia, having been a New Zealander once upon a time. The state governments are caught in an inordinate amount of problems in the fishing—

Mr CAUSLEY—You destroyed it over there, didn't you?

Mr Davies—New Zealand is not doing too badly economically, Mr Causley. Look at the current situation. We have AFMA trying to negotiate an offshore constitutional settlement with New South Wales, Tasmania, South Australia and Victoria so they can have the quota system. You have New South Wales digging its toes in and saying, 'We are not going to sign anything.' You have Tasmania saying, 'We'll sign but we want control of this and we want control of that.' Victoria has just lost another director of fisheries and they are not quite sure what they are doing. South Australia probably has not found out that it is being negotiated yet. Without being unkind—of course, I am being facetious—you have all these people mucking around with something which is a common resource. The fish do not know that they are supposed to be controlled by Bob Martin rather than Warwick Parer.

Mr ADAMS—So what I am getting at is that with AFMA, we at least took the management authority away from the politicians—away from the political process. So the decision making process is away from the minister's office, more so than it was in the previous regime. Would you agree with that?

Mr Davies—I would say that you still have a situation where most of the shots are called by the Department of Primary Industries and Energy policy division, to where any correspondence to the minister is referred. Therefore, you have bureaucrats—some of them ex-AFS—who are still playing a role in writing correspondence that has an impact on fisheries management.

Mr ADAMS—What about state management? Is that done out of the office of the minister? Do you think that is too close to the ministerial decision making process? Would it be better to have a step away in management at a state level?

Mr Davies—There is a tendency to treat fisheries management as though it is some sort of arcane rite. I was told prior to Christmas that there are close to 30 fisheries management positions vacant in Australia, because you cannot find fisheries managers. Fisheries management is not all that difficult because, after all, the only people who can possibly be experts in terms of what you are actually dealing with are marine biologists. The management processes are only a matter of sound commonsense. It has all become too esoteric in the way people regard the thing.

I would rather see it run on a more commercial, business like basis. Let's get down to making commonsense decisions and not be worrying about what happened in Canada or Nova Scotia, where they do not consult industry at all. The people who know most about the fishing industry are the fishermen themselves. If you have been at sea for 40 years you can say, 'This sort of thing happened in 1983. I can remember from my log books that we had these sorts of climatic factors.' When the scientists go out now, they rush out and look through a little window in time and say, 'Gosh, there's no fish there today. You must have caught them all. Hey, let's put some restrictions on.' It is just not commonsense. You have to look at things on a long-term basis to get the true picture.

Mr CAUSLEY—I am a bit confused about this. I understand you would prefer AFMA to make decisions on behalf of the industry but, unfortunately, in our world there are other players at the edges. There are the environmentalists, the amateurs, the NIMBYs, and whatever; they want to have some input into management as well.

Mr Davies—Yes.

Mr CAUSLEY—But you do not want quotas. You are not quite sure what you want in place. Yet the media is saying that the resource is declining. I am a bit confused as to what your proposal is.

Mr Davies—No-one knows whether the resource is declining or not. I can tell you that water temperatures in eastern Bass Strait have been inordinately cold for the last 12 months and, therefore, fish have not turned up in their normal patterns.

Mr CAUSLEY—So you do not want any controls at all?

Mr Davies—I believe there should be minimal controls because, at the end of the day, the harvesters of the resource are the people who know what is best for the resource. I suggest that artificial management constraints can only engender greater effort.

CHAIR—Thank you, Mr Davies. That is all the time we have today. Would you like to make a brief closing statement?

Mr Davies—Just to say that I believe that communication is the major problem. If there are any villains in the fisheries management area, it is the research apparatus—and it is probably not their fault; they have not been directed. It is just that quite often in the fishing industry you feel that it is a vehicle racing downhill and there is no-one at the wheel.

CHAIR—Thank you.

[2.04 p.m.]

BARRETT, Mr John, Committee Member, Small Fishing Boat Operators Association, PO Box 430, Lakes Entrance, Victoria

BOLDING, Mr Brian Stanley, President, Small Fishing Boat Operators Association, PO Box 430, Lakes Entrance, Victoria

CHAIR—Welcome. Is there anything you wish to add about the capacity in which you appear?

Mr Bolding—As well as appearing as president of the Small Fishing Boat Operators Association, I am appearing as a professional fisherman from Lakes Entrance, with interests in the South East Fishery and the Southern Shark Fishery.

Mr Barrett—I am also appearing as a fisherman. I have been an active fisherman for 30 years and I am currently involved in shark fishing, crayfish and inshore trawling.

CHAIR—Thank you. We have received a submission from you and have authorised its publication. Do you have any changes you wish to make to that submission?

Mr Barrett—There is just one. In our submission headed ‘Restructuring the Southern Shark Industry’ we refer in the section on the study of industry catch to the catch and effort for 1991-1994. We would like to change the figures, because they have been updated by the 1995 assessment. It should be 1995 instead of 1994, and the figures should be 71 per cent by current A10 vessels, instead of 60 per cent, an increase of 12 per cent by A6s and a decrease of 20 per cent by the B5 sector.

CHAIR—Would you like to make a brief opening statement?

Mr Bolding—Yes. We formed our association in 1990 as a result of dissatisfaction with our peak industry representatives and through the urging of various ministers and people in the bureaucracy because we had to go through peak industry organisations to be heard. We formed an association, affiliated with the Victorian Fishing Industry Federation, in an attempt to access the decision making process.

In the ensuing years we have put in numerous submissions, and spent tens of thousands of hours of our own time and our own money in travelling and attempting to interact with the decision making process. We have weathered the decline of the AFS and the rise of AFMA. In short, our opinion is that AFMA has been a complete failure. It is absolutely no better than what we had before. The structure and the way AFMA runs are not delivering the objectives that were set out in its legislation—and this is obvious.

We have heard various opinions on the state of southern fish stocks. I emphasise that we are talking primarily about southern fish stocks—our area of expertise. In my opinion some species in southern fisheries are undoubtedly in a bad way; they are under threat. Management needs to be undertaken to ensure sustainability. This had led to the introduction of the quota scheme in the SEF and an ongoing scientific debate in the Southern Shark Fishery on stock assessment.

The social implications on fishers over the last decade have been quite horrendous. Put simply, fishermen, particularly in the Southern Shark Fishery, have been in a position where they have been held in restraint of trade; it is a case of: 'Can't buy, can't sell. Give us a few more months and we will have a management proposal up.' The Southern Shark Fishery started a management plan in 1988. Here we are in 1997, still going, and the stock itself has been scientifically analysed worldwide and shown to be in a bad way.

The reason this has dragged on and on is that the structure of AFMA does not allow for decision making. The formation of AFMA as a statutory organisation was put in place, in our opinion, so that ministers could absolve themselves from responsibility and shove the so-called complex problem away. For the *Hansard* I would like to point out that in the Southern Shark Fishery there are about 150 or 60 operators. In the South East Fisheries there are 140-odd, and in the non-trawl fisheries, there are probably a few under 200. So, we are looking at about 500 people to manage in four states. Yet, we seem to have had this explosion in bureaucracy from AFMA to the various BRS, ABARE and CSIRO, whereby, the complexity of management seems to have outstripped the numbers of participants, and the costs to do all this have grown exponentially.

In my view, quota is a sensible mean path to go down as far as managing fisheries that are in crisis. What other alternative do you have? You can have rush and grab. That allows big boats to rush out and grab the fish before the little boats can leave port. Therefore, we are finding that in 1997 southern fish resources are still unmanaged and no-one is prepared to make the decisions.

I find the structure of the AFMA with the board of directors unworkable. It does not work. Obviously, it does not work because they have not made any decisions. They have tampered with the edges. We have suffered endless inquiries, committees and litigation in the SEF. AFMA would blame the AFS for all the woes, but that was five years ago. Surely, if an authority cannot get its act together in five years, you have to start to question its ability to do so.

It has got to a stage with vested interest within the fishing industry that fishermen are not only at odds with bureaucrats, they are at odds with each other. What we have is a squabble over the community's resource. With the new directions policy that John Kerin put in place and with emphasis on the move to quota, the smart fishermen realised that the resource was up for grabs—private ownership—therefore, vested interest plays a large part in fisheries management. It is in fishermen's vested interest to make sure that we do not have management so that we do not have to change our patterns. It is in the vested interest of certain individuals that if they can force other individuals out of the industry, then they will be, in the end, the beneficiaries.

We have put in endless submissions to countless ministers. We have had Kerin, Crean, Lee, Beddall, and Parer now, and we have prophesied all the problems to this committee sitting here today examining complaints about AFMA. We wrote down these complaints five or six years ago and passed them on. So, we feel that the structure of AFMA is not working. We have a conflict of interest, particularly at the board level of AFMA, when you have got industry representatives on the board who are in the same industry as you with their own boats. We have examples in the early days of members on the quota implementation teams, some of whom have ended up being investigated by the federal police.

The Trebeck inquiry was a classic example. Ms Gail Hewitt was on the quota implementation team. My wife and I put a submission into them in 1991 complaining about the quota plan and the inequalities that were going to be perpetuated if it were introduced. She is now the partner of Mr Stuart Richey who is the co-chairman of AFMA. She is on the trawl committees. Personally, I am not attacking them; I am personally attacking the conflict of interest as an example of effective management not happening within the structure of AFMA. We have board members of AFMA who are more concerned with stirring up the idea that fisherman should unite to fight the greens and the amateurs. These are not all good ideas, but when it comes down to actually managing the fishery, we do not seem to have any decisions. That is the problem that I find: there is no decisions being made.

CHAIR—Thank you for that. You have given us a very detailed explanation. You have explained that over several years, several inquiries, several ministers, and the different structures of AFMA, you feel that you are still not getting your point across. Can you tell us here today how you believe that you can get your point across?

Mr Bolding—I believe that I am a Commonwealth fisherman. As I said, there are probably 500 fishermen in the fisheries that I participate in. For the Southern Shark Fishery, there are 160-odd. To my mind, if you go to a quota system, if one person cannot receive the scientific advice on the stock assessment and then that quota be allocated—and allocation is the crucial question, the reason that litigation happened—by one person with a computer on the scientific TAC to 150 people, then there is something wrong. Yet, we have this massive bureaucracy to do a simple job and, as Mr Davies said before, we should let the commercial realities take over once the allocation is given out on a fair and equitable basis, particularly in fisheries where input controls were the management form before output control. Both the Southern Shark and the SEF were both input controlled. In the SEF, catch history was used on the allocation instead of the input controls. You asked me how to do it; that is how I would suggest you do it. Realise that there are only 150, or 160 people to manage. If you are going down the quota path, allocate it and let them get going. We seem to have this inability from the board level down at AFMA to make just and fair decisions and yet we have constant inquiries, hopefully, to throw up a few ideas so that the board can make decisions.

The Trebeck inquiry has just finalised its report. One of the recommendations was to spend \$5 million to buy out 50 permits to reduce effort. You think about the absurdity of spending \$5 million to buy out effort in the South East Trawl Fishery. It is a quotaed fishery. In theory the science and the managers have set a total allowable catch of X for a species. In theory, it does not matter whether one boat catches that, or 50, you cannot reduce the effort if there is a thousand tonnes to catch. Yet, we continually have these inquiries where absurd recommendations are pushed up, and over the next year or so they are tossed around through management, advisory committees, and untold other forms of liaison, and the decision is not made.

CHAIR—Some of my colleagues want to ask you some questions.

Mr ANDREN—We are trying to get towards some sort of suggested structure, I suppose, that would suit your purposes best. The MACs were an attempt and have been an attempt to democratise the process, I suppose. Where is it falling down? I know that you have spoken about the bureaucracy in Canberra. Where can you get an administration of that fishery that involves you at the grassroots, as well as all those other interests, including environment?

Mr Bolding—Basically, from the industry point of view, with the MACs, we are Commonwealth fishermen, as I said, and yet we are told we have to go through our respective state peak industry organisations. Why? If I am a Commonwealth fisherman why should I have to go to a parochial state organisation so that I can be on the peak industry infrastructure? It is absurd. There is no logical reason to have 150 people having to go through, say, in the shark fishery, South Australia, Tasmania and Victoria, to liaise through their state organisations then liaise back. Why cannot AFMA, if it is managing the Commonwealth fisheries, go straight to me? Write me a letter.

The other thing is that, as I said before, fishermen are fighting fishermen for that control of the resource. If you are going to go to an ITQ system, if there are 820 unit holders in the fishery—

Mr CAUSLEY—Units in the fishery?

Mr Bolding—Units in the fishery—that is nets, 820 nets, which has come down under the management plan, if you can weed out a couple of hundred units and then when you start dividing your units back into the tonnage, the figures look better. This is the process that is happening, that fishermen, and mainly the larger fisherman who are on the MACs, the larger catchers who have the larger boats, the multiple crews who are always out there while they are at the meetings, go out of their way to try and get rid of the smaller fishermen. And we have got documentary evidence to prove that.

Mr Barrett—The MACs are strongly biased towards the large operators. There is no question about that, especially in the shark industry. The concept of the MACs at the moment, I think there are six fishermen on there. I think four of them are amalgamated operators. We finally got after eight years a representative on the MAC, they gave us one fellow from South Australia who is a thousand miles away, and that is who we have got to represent probably a third of the fishermen. That to me is not on. If you are going to have MACs, I think it would be advisable if every person that is in the industry has a representation. You know, if he is a big fellow, or a small fellow, an independent fellow, have one of each so they can sit down and reasonably discuss out the problems. But what happens is they have their secret meetings, they take it to the committees and the big fellows push their cart.

Mr ANDREN—But would you have a MAC of 150 representatives? It does not—

Mr Barrett—No, you do not need that many.

Mr Bolding—Why it does not work is because of the allocation. While fishermen are eyeing each other off about how we can cut up the cake for our own vested interests, and we are including ourself in the vested interest issue, while fishermen are eyeing off the cake it is hard to get consensus. This is where AFMA needs to make some decisions, in particular the southern shark fishery. We were all unitised in 1988, units of fishing capacity; a unit equalled a net. We all pay the same levy per net. Yet you have got some within the industry who say, 'Oh well, those guys are not as real as what we are.' We had one MAC member last year who instigated on our southern shark that we have a transfer scheme before we would become equal, and that was perpetuated by AFMA managers.

Mr CAUSLEY—So you need the minister to make some decisions.

Mr Bolding—I think it is the community's resource and it is no good for the elected government of the day to say, 'Oh, it is a statutory authority, they'll work it out.'

Mr Barrett—What they seem to be doing to us is they seem to be reluctant to make the decision and then they say, 'Well, what do you want?' And if we want X and they agree to it, and it fails, it does not fall back on them. Rather than saying, 'All right, you have got X. If you want to buy up, sell up or get yourself viable or get out, do it.' But they are not. And, as I say, this has been going on since 1982, and up until last year it is the only year that the recommended TAC of 2,700 tonnes has not been over-caught—14 years of over the recommended tonnage of 2,700 tonnes. Why? It is there and it is in black and white.

The concept of dividing the gill net fishermen into groups was based on the levels of catch and activated to bring about the greatest reduction amongst those fishermen who are taking the most shark. That is pretty plain. That came out of the AAT appeal. Yet here we are, the 1995 figures say that the A10 amalgamated sector, the mean annual catch of the A10s has increased by 71 per cent, the A6s by 12 per cent, and the silly blokes like me down the bottom, who have been getting ignored all the way along, have decreased by 20 per cent, yet they are trying to force me out of the business.

Mr CAUSLEY—So you have had a Clayton's control. That is what you have had, isn't it?

Mr Barrett—The big boys continually have driven the cogs. This is unacceptable. A perfect example is that I went to a MAC member about three or four years ago and I said, 'Why don't you go for quota? All our submissions going back to 1988: go to quota.' 'Quota won't work,' was the blunt reply I got, 'quota won't work.' We had a plan drawn up and they would have got about 27½ tonne under our plan. 'That won't work.' 'What if you got 50 tonne?' 'It would work then,' he said. That is what you are up against. That was the answer he gave me.

Mr CAUSLEY—Don't you go on historic catch? I suppose now it is a bit late, because it has been—

Mr Barrett—We were allocated our units on our original catch in the first place in 1986-88. That is how we obtained our licences. Some people were given licence with no catch history.

Mr CAUSLEY—So if you had a quota on those allocations then you think that would be fair.

Mr Barrett—It would be the only way to solve the problem. If you make a TAC, whatever it be, on units and there are 800 units in the fishery, if there are 800 tonnes and if you have 10 units you get 10 tonnes and if you have two units you get two tonnes, and so on. If you want to buy up, sell up or get out then you can.

Mr CAUSLEY—On a TAC, do you think that the industry and AFMA have the maturity to be able to agree on a TAC?

Mr Bolding—Many in the industry have the maturity but I believe that many of the large catchers do not, because if you are catching \$1 million worth of fish per year why would you want to cut yourself back to \$400,000? This is reality. We had a stock assessment and we have had continual procrastination for five

years under AFMA. In the last two or three years after we had the musical chairs of managers we could not make a decision until we have a proper school shark stock assessment. That assessment came out in April last year, and it is a bad stock assessment. It is basically no different to what we had six or seven years ago but it has been audited by world experts.

Industry is running out of excuses where they can say the science is not up to scratch. Whilst you have that situation where you have millions of dollars spent on research and large industry players who do not want to be restricted in catch, you will have that situation that you mentioned. Yet there are many in industry—150 or 160—who, if AFMA rang them up and said, ‘What do you reckon?’, most of them would say, ‘Go to quota. We are sick of having our lives held in abeyance for 10 years while we cannot buy and we cannot sell.’ Yet the shifty characters in the industry can go to a hotshot lawyer and do a backdoor de facto deal of a unit trust company and sell their licence. Licences cannot be sold or split and yet they are. So the honest fisherman who is a lifestyle fisherman and who is in there for the long haul is held in restraint under input controls where they are made inefficient. Yet, if you are smart, you can manipulate the system to buy and sell licences. I could go on and on.

Mr CAUSLEY—What I am getting at, I suppose, is that I am a supporter of a quota system but the stumbling block I see, and I have seen this in operation in New Zealand, is that neither side can agree, so they both go out there and do millions of dollars worth of research to prove what the TAC is, and that is just plain stupid.

Mr Barrett—Shark is the most worldwide studied fishery that has ever been.

Mr CAUSLEY—You can see what I am getting at. If AFMA does not agree with you on what the TAC is and you have a different idea, how do you come to agreement? There would be other players on the side such as the environmentalists and the amateurs—

Mr Barrett—A good point to raise is that after this assessment came out last year in Lakes Entrance, Andre Punt, who put up probably the most comprehensive analysis you could ever imagine, because he covered every extreme angle he could where he may have been wrong, he covered every conceivable issue that there was, said that basically the school shark were in big, big trouble. It was as simple as that. He said things were pretty critical. The deputy chairman stood up behind me and said, ‘I don’t think things are that bad. We don’t have to rush into this.’ That is from the deputy chairman of AFMA, so who is going to make decisions?

Mr Bolding—If AFMA can’t make the decisions and the fishermen can’t, who will? The minister won’t.

Mr CAUSLEY—That is what I am getting down to. That is the adversarial system we have which we have inherited in many ways.

Mr Bolding—Why not use some democracy?

Mr CAUSLEY—Guided democracy, you think.

Mr Bolding—Why not go out to the 128 gill net operators—we will use them as an example—and poll them?

Mr CAUSLEY—Is this on your TAC?

Mr Bolding—No, on your allocation.

Mr Barrett—The fishermen cannot set a TAC. You know that.

Mr CAUSLEY—Yes, I know. That is the problem. I have no problem with the allocation because I think that can be set. It is the TAC where I find problems.

Mr Barrett—They have been telling us now since 1982 that the recommended catch should not exceed 2,700 tonnes?

Mr CAUSLEY—Are you happy with that?

Mr Barrett—That is what we have to accept. If in two years time they find it is wrong, they might raise it or they might lower it, but give us somewhere to start. I have been fishing since 1968 in the shark industry and there is just no direction. You are running around like headless chooks because you are too frightened to make a decision.

CHAIR—Would you accept that with monitoring surveillance to ensure certainty in the industry?

Mr Barrett—Yes.

Mr Bolding—We are bearing the costs, given that we are under input controls and we have had 30 per cent net restrictions.

Mr Barrett—Forty per cent for 2½ years.

Mr Bolding—We are being forced to be made inefficient. I talked to a Ms Brown from ABARE or BRS or somewhere at a SEFAG meeting last year, and she said, ‘Oh, you’re a five-unit holder, a B class shark fishermen. You guys are uneconomic’. Someone says to you, ‘You’re uneconomic’, and then you say, ‘We’re only uneconomic because you’ve taken so much net off us that we are doing it pretty tough’. This is the problem. Go to quota, let us use a reasonable amount of gear and become efficient and allocate it on our units, because we all pay identical unit levies. The social cost of what they are doing to many families has been horrendous. Most fishermen—of the smaller variety at any rate—just shake their heads in disbelief at the social cost to their families and their businesses under these input controls and lack of decision making. It is not too much to ask that after a decade you should be able to buy or sell your business. There are people dying who are unable to sell. It is critical that decisions be made and obviously the board of AFMA is incapable of making them. I do not know about other northern fisheries or whatever; they seem to run some fisheries better than others. But south-east fishery, as you have heard today, has been nothing but a litigated shambles. In the southern shark fishery, where we have the most definitive stock assessment on shark stock

produced probably anywhere in the world, for over a year we have had this situation where we are awaiting another inquiry by some ex-AFMA employees.

Mr CAUSLEY—Is that a consultant?

Mr Bolding—Yes, consultants. They used to be the chief economist and chief biologist. I may be wrong. They are now private consultants working back for AFMA.

Mr Barrett—There were 240 projects on the go last year. Why cannot they direct their main initiatives to the main species? I think some of the trawler fellows said there are 16 species. Surely to Christ they could fix up the problems in the 15, 16 or four or five major species they have got, rather than taking on 240 new projects. They have studied this shark industry for so long and they have been telling us 2,700. For God's sake, 'Rightoh boys, it is 2,700 tonne. Do it.'

Mr Bolding—Until we know better.

Mr Barrett—The ever increasing costs are unbelievable. By 300 per cent my levies have gone up and I lost 40 per cent of my gear in that time. I lost 40 per cent for 2½ years in equities, because a little delegation of big players went to see the minister and they said, 'Oh well, blah, blah, blah.' They took 40 per cent off me. I have decreased my effort by 20 per cent, yet they have increased their effort by 71 per cent and they only take 30 per cent off them.

Mr CAUSLEY—But you are really inferring that the minister did have some input?

Mr Barrett—Of course he did. The minister made the decision, but it took 2½ years for AFMA to rectify it. We went around for 2½ years with a 10 per cent in equities and we complained about that. It near came to fisties at one stage but nothing was done. With a stroke of a pen they took it off us, but took 2½ years to give it back. That 10 per cent that we have been through now for 2½ years is now going to be used in an equation which is going to come into the timing of our catch history on our scale fishery. When we were 10 per cent less than the gear we had that is included in the five-year structure of our catch history and our allocation of scale fish and non-trawl.

Mr Bolding—We have heard a lot of criticism of science and, whilst I accept that there should be pure science and there should always be scientific endeavour to try and understand fisheries better, we were at a SEFAG meeting last year and we talking about the 16 quota species. John mentioned hapuka.

Mr Barrett—It is a deep water fish.

Mr Bolding—It is a deep water fish. We should do a bit on that. Their stocks are down. Jean Chesson, the chair of SEFAG, turned around and said, 'Hapuka, hapuka'. She could not spell the name of the fish and then said, 'We better have a look into that'. A scientist down the back said, 'Oh, well, we will knock something up and get a bit of a research program up'. This is how it seems to work. It is a very—

Mr Barrett—Jobs for the boys.

Mr Bolding—It is a flippant ad hoc way of doing science whereby scientists, naturally enough in the economic rationalist era that we live under, have to work hard to get their research funds and to keep themselves in a job. We have had an experience—I think with Dr Jeremy Prince—where he took on a consultancy for another shark fishery organisation that we were not involved with to produce a report. In the end he left the science and got into management and said that we should get no golden handshake and should be run out of the industry and a certain group favoured.

Mr Barrett—They paid him.

Mr Bolding—This just seems to be the way of a lot of scientists. If you can wave enough money under their noses they will say whatever you want.

CHAIR—We are really running way over the time allocated for you. If you want to just make one quick point then I think we will have to finish on that.

Mr Barrett—In October last year I was fishing off Lakes Entrance and I started to haul my gear up. I looked down at my gear and as far as I could see was gemfish. It is a catch that I catch but out a distance. I did not know I had caught them because you just do not know what is there. I rang the fisheries and I said, 'I have trouble here. All I can see is gemfish as far as I can see'. How many is there? I said, 'I don't know. I just started to haul my gear. There could be anything from between two and five tonne. I don't know'. What do you want to do? I said, 'They are all going to be dead'. He said, 'Well, what do you want to do?' I said, 'Well, look I will winch them up, clean them and bring them home. I will put it through the market and I will give half to research and half to myself. At least, it covers my costs—damage to my nets and that'. After about an hour of telephone calls and bla, bla, bla, 'Sorry, dump the lot.' So for eight hours I stood there throwing gemfish over the side ranging from that big to that big and not one of those fish was used in any scientific research. Now to me that is just absolute carnage. Two weeks later one of the trawlers had a 600 box shot. They did not know they were there. They pulled the string and let them go—\$85,000 worth. Is that feasible to you?

CHAIR—Could I thank you very much for coming to appear before us today. Could I also thank you for your persistence.

Mr Bolding—We have a lot of all of our print-outs of early submissions. Would you like us to table those?

CHAIR—Yes. We will certainly accept those.

[2.40 p.m.]

SUTHERLAND, Ms Nanette June, Company Secretary, Sutherland Enterprise Fisheries Pty Limited, Po Box 484, Portland, Victoria 3305

CHAIR—I welcome the representative of the Sutherland Enterprise Fisheries Pty Ltd. We have received a submission from you and have authorised its publication. Are there any changes at all that you wish to make to that submission?

Ms Sutherland—No, there are not.

CHAIR—Would you like to make a brief opening statement?

Ms Sutherland—Yes; just a brief one. With regard to the problems surround AFMA, there seems to be a policy of selective consultation within the industry, consisting of those who are consulted constantly and those who are never consulted. We are, I fear, one of those who are never consulted. We feel that decisions are being made regarding our livelihood and that we are powerless to do anything towards the decision making process.

There seem to be endless committees meeting all the time, consuming endless amounts of expenses and, in the end, achieving very little. We feel that AFMA needs some streamlining of management for a proper utilisation of resources in regard to staff and the seemingly endless number of managers who are employed there. Proper consultation with all fishermen and, most important of all, proper representation from fishermen on the multitude of committees that seem to be constantly set up to advise AFMA would be a step in the right direction.

Even the most basic of documents are hard to understand. We recently received a document explaining the rise in the 1997 levies. This was the explanation sent to all fishermen, advising them of the rise in quota levy payments and setting out the reason for such a rise. The document reads like some foreign language paper. Even the gentleman whom we contacted at AFMA regarding a translation agreed that it was difficult to understand. As a result of this, fishermen I have spoken to in Portland, where I come from, are angry that the levy has risen and that they are unable to have a clear understanding of the reasons why. We also feel that the representation of fishermen on the endless number of committees is not representative of fishermen as a whole, and that some of the smaller ports, such as Portland—I can only speak for Portland—do not have true representation of their fishermen there.

CHAIR—As you would have heard from previous witnesses throughout the day, a number of problems have been identified, and you have provided us with more evidence of that. What, in your opinion, is a way of improving this structure, so that companies like yours do not feel powerless and can feel that they are actually being heard?

Ms Sutherland—Perhaps the staff of AFMA are not equipped to deal with fishermen, in as much as each side is speaking a completely different language. Some of the people at AFMA have no idea, sometimes, of what we are talking about. The trouble is that—

CHAIR—Could I just interrupt you there for a moment? Can you give us an example of the sorts of issues that you mean? Are these day-to-day things, or what?

Ms Sutherland—Yes, I can. A fisherman I spoke to recently said he was at a meeting with AFMA staff and there was some conversation going on. One of the staff leaned across the table and said, ‘We know how much you need to break even.’ He said, ‘I am not here to break even. I am not getting up early in the morning and spending days away from my family, in order only to break even. At the end of the day, we have to make a dollar.’ At the end of the day, we are not stupid enough to believe that the fishing out of all fish stocks is the way to go, and the sooner AFMA realises that, the better off they will be.

Mr CAUSLEY—You mentioned in your submission the problem of by-catch, and it was mentioned at the finish of the last submission, which recognised it as being a problem when you have a multispecies fishery and you are likely to catch some other species that you may not have a quota for. Is it a real suggestion that, in setting quotas, a certain quota could be set aside for by-catch and then, if you happen to come across some of this species that you have not got a quota for, you could buy from that particular quota that was set aside to cover that catch?

Ms Sutherland—Yes; that would be one way of solving the problem. There seems to have been a problem with by-catch in the past couple of years. Last year we caught more mirror dory, which is not a targeted species, as a by-catch than we have ever caught in any year, ever. We spent a lot of time leasing it in and a lot of time on the phone trying to get mirror dory.

Mr CAUSLEY—Maybe I am suggesting to AFMA to have a look at the idea of balancing it over a four- or five-year period or something, because in some years you might happen to catch more of it and in other years you might not. So, instead of looking at a quota on a yearly basis, you would look at it on a longer basis.

Ms Sutherland—For the by-catch, that is probably something that could be considered.

Mr CAUSLEY—Because it is a crime just to throw the thing away.

Ms Sutherland—It is a terrible crime to dump fish. You are dumping a resource.

Mr CAUSLEY—You are killing it, anyway.

Ms Sutherland—It is dead when it comes up, or most of it is.

Mr ANDREN—I notice there was a suggestion that there should be more physical monitoring of catches and policing of fish trucks and such. How do you envisage that might be achieved? On every occasion? On an ad hoc basis, or what?

Ms Sutherland—I am not suggesting it at all. They told us that this is what they would do. I have heard this from representatives from AFMA. I cannot see the point in a management plan of having quotas or anything else, if you are not prepared to enforce it. That is money for jam. If we are just paying money for a management plan and quota levies and nobody is bothering to enforce them properly, then we are wasting our

money.

Mr CAUSLEY—Could it not be argued, though, that enforcement is going to be expensive, and so you will be up for extra fees?

Ms Sutherland—I cannot see why you would say that. There seems to be a lot of money wasted in AFMA. My suggestion is that AFMA be streamlined more and a lot of the bureaucracy removed. There seems to be an endless number of managers for every little fish that is ever caught. The money should be directed to areas where it is really needed and not spent willy-nilly on whoever feels like becoming a manager. There are too many chiefs and not enough Indians.

Mr CAUSLEY—Would it be better to try and enforce the quota system? To go out and physically check on the individual fishers is a pretty big job. Would it be better if there were a paper trail of some sort so that you could go to the outlets and say, ‘Where did this fish come from? Has it been caught by a legitimate fisher?’

Ms Sutherland—There are currently forests of paper trails.

Mr CAUSLEY—Too many?

Ms Sutherland—It is mind-boggling. There is paper going backwards and forwards from us, to trucks, to fish markets, to AFMA, and all the way back again; and it does not seem to be serving any purpose at all.

Mr CAUSLEY—You are a company secretary, so you would see plenty of it. Is there some area that could be streamlined? If you are going to have a quota system, you have to somehow make sure it is working, and you have to have some checks on it. To physically go out and check the individual fishers is just not on, and so you have to try some other way, haven’t you?

Ms Sutherland—They told us that they would be doing spot checks on trucks as they pulled in to the market. When we bring our fish in, there is often a fisheries man down there, looking as we unload—not that that would actually serve any purpose, because you can have anything you like underneath the deck. He is not down there; he is watching the fish come up on to the truck. The paper trail of paperwork, as you know, is easy. You can do anything you like with paperwork and make it say whatever you want.

Mr CAUSLEY—You are not helping me with trying to manage it!

Ms Sutherland—No. I am just saying that it should be streamlined. There must be some other way of doing it. They just cannot keep on doing this. The paper war is killing us; we are being choked with paper.

CHAIR—Have you got any suggestions as to how that could be improved?

Ms Sutherland—Yes. I have in fact rung AFMA, and I did once make a suggestion about how the books could be improved. They give us a book that we fill out and hand to the truck driver. They have

brought in a thing called a 'fish receiver' now, and you have to have a permit actually to buy fish. But the people we sell fish to are not prepared to become fish receivers and refuse to get the permits. So I got a permit in my name, and now the company sells fish to me, and then I sell fish on to these people. It is just ridiculous.

CHAIR—Could I change tack a little? In its latest annual report, AFMA claims to have achieved effective scientific monitoring and stock assessment programs. Could I have your comment on that claim?

Ms Sutherland—I must admit I have not had a lot to do with the scientists and the research side of AFMA. From what I can gather, there are too many scientific organisations having a share of the pie. I have spoken to some of them, and we have had some close relations with a Victorian scientist who actually came to us and did a scientific project, with our help. I have not had much to do with the Canberra scientists other than at meetings. I believe, from what I hear from other fishermen, that they are not too happy about it. But that is all I can say about it.

We are pretty small potatoes in the fishing industry. We have only the one boat and have been fishermen for a long time. We are not desirous of owning a fleet. We have never had any problems with the scientists but, at the same time, we feel that a lot of this scientific evidence is not based on true facts, particularly with these biomasses of fish.

Mr ANDREN—You mention in the submission that the grenadier stock allocation—10,000 tonnes—and the decision to raise that quota were never made clear. You say that the past history of catches of the species does not justify the doubling of the quota and is not made on the basis of scientific evidence. Given that you are not aware of the scientific evidence—

Ms Sutherland—I was told by one of the staff at AFMA that that decision was made to appease a 'roughy fisherman who had no market'.

Mr ANDREN—Did they say that it ran contrary to what scientific evidence there was?

Ms Sutherland—They told me it was made on no scientific basis.

Mr CAUSLEY—Your company has a quota?

Ms Sutherland—Yes, indeed.

Mr CAUSLEY—Are you happy with that quota? Do you think quotas are the right way to manage the fishery?

Ms Sutherland—Yes, we are reasonably happy with our quota. We are not happy with the way it is adjusted up and down at the whim of some bureaucrat in Canberra. This year the blue warehou quota has been cut by one-third. That was a decision made out of the blue.

Mr CAUSLEY—You do not know why?

Ms Sutherland—They did in fact consult us about that. We hold a large blue warehou quota because we did not do as much roughly fishing as everybody else. They rang us and asked us what we thought would be a suitable cut and my father said that he would be prepared to go 15-20 per cent. They cut it by 30 per cent and one of the reasons was that we did not catch all our blue warehou quota so they said that it must not be there. We did not catch our blue warehou quota because we had a major breakdown and we were unable to get out and catch our quota, and then the price fell. Nobody bothers to back these things up and find out the real reasons.

CHAIR—Is that a common practice? Do you know of other cases where other fishers have been phoned and asked what they thought was a fair cut and what they would wear?

Ms Sutherland—We were not actually phoned by AFMA. We were phoned by other fishermen at the meeting to get our opinion.

CHAIR—I see.

Ms Sutherland—Sorry, I should have said that.

CHAIR—Right.

Ms Sutherland—We have never been consulted by AFMA about anything.

CHAIR—I think that we have covered everything. Is there anything else you would like to add?

Ms Sutherland—No, there is nothing else I wish to say.

CHAIR—Thank you very much for appearing here today.

[2.54 p.m.]

BUCKLESS, Mr Stephen Joseph, Manager, Ironnet Pty Ltd, 8 Yule Street, Eden, New South Wales 2551

CHAIR—Thank you. We have received four submissions from your organisation and they have been authorised for publication. Do you propose any changes to any of those submissions?

Mr Buckless—No.

CHAIR—Would you like to make a brief opening statement?

Mr Buckless—Firstly, I would like to apologise for my boss, Neil Kelly, who is unable to attend due to illness. Ironnet Pty Ltd is involved in trawling in the south-east fishery. We own a 23½ metre vessel. It operates out of Eden for nine months of the year and Hobart for the remaining three months. Neil Kelly, the major shareholder, also owns an 18 metre vessel in partnership with his son Michael. It operates full time from Eden.

Due to various anomalies in the cooperative system in New South Wales, we operate an AFMA recognised first receiver premises, which means that we can unload, process and handle our own fish. We also handle fish from three other trawlers and various tuna boats when they appear in Eden. I do not claim to speak for the tuna industry; it is not an issue I know much about.

South East Fishery is a multi-species and now multi-method fishery, which is very complex. Upwards of 80 species are landed by most trawlers at any time of the year and any individual species management in this form is going to be very difficult. There are many disillusioned and many dissatisfied operators in the South East Fishery and they will allege at any opportunity—you have already heard some today—that AFMA is incompetent, it is inconsistent, it mismanages; in many cases I suppose it does. Just about any quota holder will have a tale to tell you of how he was ‘done’ by AFMA in the initial allocation process. All operators were virtually guaranteed a tonne per unit by the AFS representatives of those days. Very few, certainly in New South Wales, received it and more so in the more northern ports of New South Wales up to Sydney.

AFMA is not perfect. I believe it is trying to, in this partnership method that we all talk about this morning, encourage more industry participation. It does not always listen to industry. It has got to make its final decisions from industry, state representatives, environmental groups and scientists. You are never going to please everybody and that is why you are hearing so many opposing views.

We believe there are three major problems that AFMA has failed to address adequately. They are OCS, and that is mainly with New South Wales, the non-trawl sector expansion in the South East Fishery and the South East Fishery adjustment. OCS negotiations with New South Wales are once again stagnant. The minister for fisheries, Bob Martin, appeared at a meeting in Eden in the middle of 1996. He stated there that he would not attempt to settle OCS and he went on to state that he would never give anything away to the Commonwealth.

It is also interesting to note that nowhere in the upcoming New South Wales management plan is there any reference to AFMA, the South East Fishery or indeed the Commonwealth. If commercial enterprises tried to deal with each other in manners such as these, we would be out of business.

Fish do not understand jurisdictional boundaries, yet both AFMA and New South Wales claim to give species sustainability a major priority. The much publicised loopholes were exploited with New South Wales and the South East Fishery until New South Wales were embarrassed into putting trip limits on most SEF quota species in the middle of 1995, I believe it was.

But in late 1996 the madness once again returned. The New South Wales minister has decided to drop a trip limit on ocean perch so that trap and line operators can catch unlimited amounts of ocean perch out to 80 nautical miles, which is part of a partially completed OCS arrangement with New South Wales and the Commonwealth. They have a partly agreed arrangement where the non-trawl sector can fish out to 80 nautical miles but the trawl sector can fish to only three nautical miles. In many cases we are catching the same species.

AFMA has a quota on it for the trawler beyond three nautical miles, but if you fish by other methods off New South Wales you can catch what you like. That seems to be an inequity to us. The expansion of the non-trawl sector since 1990 is a great concern to trawl operators in the South East Fishery. Since the introduction of trawl quotas, a growing number of other operators have taken advantage of non-restricted catching. This is, as I have mentioned, often a quota species by other than trawl methods.

Trawlers with dual endorsed licenses with New South Wales can fish their quota out within the first six months of the year and then put on trap and line gear and carry on fishing for the rest of the year catching many of those same quota species without restriction. This catch has often got detrimental effects on the market floor. The trawler sector has paid levies for many years. Those levies in 1995 went up 40 per cent over 1994 and in 1996 it went up another 50 per cent.

We have heard from the previous speaker that no-one really understands where the levy base comes from. There are tales of how they tell us it is to do with the market value and its importance to the fishery, but nobody can really explain to us how they work out the levy, and it is becoming a very onerous burden.

CHAIR—Is that a topic that has come up before the MACs?

Mr Buckless—Yes.

CHAIR—And what answers have been given at the MACs?

Mr Buckless—About levies?

CHAIR—Yes.

Mr Buckless—They tell us that they use ABARE figures for the average price per kilo for the fish—but those figures are rubbery. ABARE go to the Sydney fish market and watch the fish go across the auction

floor for a couple of days a year, and they determine the average price for a species. That is where their figures come from. It depends on whether it has been a day where there are a lot of fish on the market or a day when there are only a few fish on the market. The price can vary up to \$2 or \$3 a kilo. There are days when you can get 80c a kilo for a species like spotted warehou. There are other days when you can get up to \$3 for that same species.

Mr CAUSLEY—Surely the average figures are available from the Sydney fish market for the whole year.

Mr Buckless—Possibly they are. I do not think they are being used, and Melbourne would be different again. That is only the two fish markets. It does not take into account private treaty sales, which are completely different again. I believe those figures are very rubbery.

AFMA has consistently informed SETMAC and other bodies that they will not rush into management restrictions with non-trawl sectors after their experience with the trawl quota. That is all well and good; nobody wants to see another debacle. But there were no interim restrictions placed at all until late 1996, and that is three years after it was first highlighted at AFMA. Cut-off dates for non-trawl qualification were originally set at 31 December 1990, and I have included a media release and an AFMA letter referring to those dates.

The non-trawl sector objected to this as most of them would have been excluded because they were not in the industry in any size in those days. It was decided that, because there was no media release at that time that literally warned operators not to further invest in the industry, that cut-off date be moved to May 1993 which, all of a sudden, included most of the latecomers and allowed a whole new batch of entrants into the fishery.

I do not know if this committee can recommend or even advise me as to the validity of management by media release, the manipulation of management by media release or lack of media release, but there seemed to be media releases all over the place from 1982 to 1990 warning all sorts of operators not to further invest in the industry, yet they—

CHAIR—We cannot advise you or make a recommendation to you, but we can make a recommendation to the parliament.

Mr Buckless—That is of great concern to us. The cut-off dates for trawl sector were done by media release, and we believe that first media release should hold up and they should have their catch history taken from the period to 1990 not 1993.

SEF adjustment is the other issue we would like to talk about. We fully support SEF and the SEF adjustment working group in its recommendations. Whilst fishers in other fisheries and those away from New South Wales may not see much in it for themselves, it is an opportunity to set right a lot of anomalies due to the initial allocation that was set on to New South Wales where they were seriously disadvantaged. Probably the best history that you will ever read on the South East Fishery is in that document.

Mr CAUSLEY—I am interested in this situation with New South Wales. Would the majority of fishers at Eden agree with some species being handed over to the Commonwealth to manage—for example, the deep water species that sometimes get caught in the three-mile limit? Do you think the majority would agree that those species should be managed by AFMA?

Mr Buckless—We have had various meetings around the Twofold Bay area, and every fisher whom I have spoken to there agrees that there should be one manager of the fishery and that manager should be AFMA.

Mr CAUSLEY—It was heading down that track but, of course, it has been changed.

Mr Buckless—A long time ago. It feels like a long time ago.

Mr CAUSLEY—I am interested in this catch. You seem to be saying that New South Wales is allowing fishers to get around the quota system by using traps and droplines?

Mr Buckless—That is right.

Mr CAUSLEY—So that is a decision taken by the New South Wales minister?

Mr Buckless—Yes. It is another loophole that is creating more opportunities to rort the system. The best thing that AFMA can introduce right now is Inmarsat on all dual endorsed trawlers, which will at least monitor where boats are fishing so that they cannot fish behind or beyond a three-mile limit and then say they were fishing inside it, or vice versa. The sooner that happens the better.

Mr CAUSLEY—I am well aware of the embarrassment and the trip limits that were put on. That was mainly to do with redfish mostly at the time, wasn't it?

Mr Buckless—Yes.

Mr CAUSLEY—You mentioned, and I have heard this quoted a number of times, the dissatisfaction with a lot of New South Wales fishers and their quotas. We were told earlier in the day that the latest report says that there was a problem in the formula used. Is that the reason why the quotas were not correct?

Mr Buckless—There were many reasons why the quotas were not correct. They might not like to hear it but some operators in the northern area of New South Wales did not always market their fish by conventional means.

Mr CAUSLEY—So they did not have a history?

Mr Buckless—So they did not necessarily have a written history. There were problems with the AFMA formula, so I am told. We now hear of a virus that was in the computer. That was all kept quiet. That was probably the reason for the Wesley review, even though it was never actually put out as being the reason. But all of a sudden people's quota allocations changed after the Wesley review. Nobody complained

because most of them did do better. But I think that was possibly an attempted cover-up by AFMA to appease everybody a little bit because of the so-called computer glitch, virus or whatever you want to call it.

Mr CAUSLEY—Some quota in some species was sold, though, wasn't it, and then they want to come back and get some more quota?

Mr Buckless—That is right. Once you have sold your quota, that is a decision that you have taken. Not only have many people bought and sold quota, even though it is only on permit at the moment; many people have done permanent swaps. One of the issues that comes out, of course, is capital gains tax, and that is a reason why—nobody bothered to talk about this this morning—people are not buying and selling too much quota. The issue is still not resolved. It is before the taxation department, and we keep lobbying as many politicians as we can but we are still waiting to get a result on capital gains tax and how it is going to affect quota trading. AFMA have introduced a system of individual transferable quotas—'transferable' being the operative word—and it turns out that you may not be able to transfer your quota because every time you do it is going to send you one step closer to being broke. I do not think that was the initial idea behind it, but that is the way it is turning out.

Mr CAUSLEY—Given there is an agreed TAC, and we discussed TACs before, are you happy with the quota system as being a management tool in the fishery?

Mr Buckless—The quota system is the system we now have, I believe it is too late to go back and, yes, we can live with the quota system.

Mr CAUSLEY—Again exploring this by-catch issue, I want to run something past you. In a quota system, which is really a market situation where you can buy and sell your quota or transfer or lease your quota or whatever, wouldn't it be possible for someone to buy quota from someone who had a by-catch but whose trawler had broken down and could not operate for some months?

Mr Buckless—What is your interpretation of by-catch?

Mr CAUSLEY—Well, if you do not have a quota—

Mr Buckless—Are you talking about quota species or non-quota species?

Mr CAUSLEY—Well, if you do not have a quota for that species.

Mr Buckless—By-catch is another much maligned term. You are talking about by-catch. Suppose I have caught all of my quota of ling and I go out and happen to catch more ling. I can then—

Mr CAUSLEY—Technically you could buy quota from someone else.

Mr Buckless—I would lease it, yes. You can lease quota. There is a lease market for quota, or you can swap with people who you know have more than they are going to catch. Yes, it is done all the time. We do it every year. It is not a problem if you go out and try to do it. It can work.

Mr CAUSLEY—It appears from your submission that you have not had many of the problems that others have had with AFMA. You mentioned Mr Kelly. What is his position in the industry?

Mr Buckless—He is a fisherman of 30 years standing, and that is it.

Mr CAUSLEY—Is he on any industry organisations?

Mr Buckless—No, he is not. I am on SETFIA.

Mr CAUSLEY—You say that it has its imperfections, which I suppose everyone has.

Mr Buckless—I have only been in the fishing industry for nearly four years. In my previous job in the steel industry I dealt a lot with bureaucrats and bureaucrat type people. Maybe that has given me some assistance with talking with the AFMA staff and various management people there. Personally, I do not have some of the problems that other people do.

Mr CAUSLEY—Do you think that from time to time the inability of the industry to come to a considered position does not help AFMA in making decisions?

Mr Buckless—I agree with that, but the industry—from Sydney, down to Tasmania and around the coast of Victoria to South Australia—has many different views on the same subject. That is why representative bodies have come and gone. The history of the fishery is littered with associations that have been formed and discarded. They formed originally where a group of people had like ideas and they go and lobby various people to get their way or not get their way. But then they go away; they drift apart. Once the issue has gone away, they do not stay together.

Mr CAUSLEY—So people who are not prepared to accept the majority position then are likely to shoot the messenger reform in your association?

Mr Buckless—Then they either shoot the messenger reform in your association or become an individual who wants to have his own say, and that is fair enough. But associations like SETFIA have their place. It is not perfect either. It tries to represent fishermen from New South Wales, Tasmania, Victoria and South Australia. As I said, those views are very rarely exactly the same. So somewhere along the line you have to have a vote and a line to take. The people who do not agree with that vote go beyond or outside SETFIA and have their say another way.

CHAIR—Others have mentioned a problem with communication with AFMA. Have you had that problem?

Mr Buckless—No, because I speak to AFMA. If I have a problem, I ring them up. Because I am a member of SETFIA, I suppose I get the minutes of SETMAC meetings. I attend the SETMAC meetings as an observer. As such, the SETFIA secretary sends out minutes of the SETFIA meetings and minutes of the SETMAC meetings. All members of SETFIA receive those, so the information is out there. Some have said that it is filtered and some say it is biased. It is not a perfect world. But there are ways to get the

information, or some information.

Mr ANDREN—Do you feel that the draft management plan is heading in the right direction at all or is it a bandaid, as some may have suggested?

Mr Buckless—The management plan seems to have got lost in the excitement of adjustment groups and Senate standing committees. I do not even know where it is at all of a sudden. It was supposed to be discussed. I thought SETMAC would have met about it by now, but apparently not. I think it tries to go in the right direction, because a lot of it is bandaid. But the sooner industry gets statutory fishing rights, which is supposedly a tangible right that you can use and buy and sell and trade, yes, I am all for it.

Mr ANDREN—There seems to be a feeling among perhaps the smaller operators that there is a less than democratic process—that the MACs are dominated by the larger industry interests. Do you have any views on a rotating membership of MACs, perhaps within species and quotas or anything like that?

Mr Buckless—There are five industry representatives on SETMAC—a state government representative, a scientific representative, an AFMA representative, a chief executive officer and a chairman. The industry representatives are supposed to represent an inshore type fishery. There is another representative to represent the more deep water type fishery—that is, orange roughy. There is one representing the Danish seine sector. One represents the fishery around the Portland area.

So there is a representation from the various sectors—if you want to call them those—of the fishery. Whether those representatives are the best person for the job is always open for debate by anybody who does not agree with what came out SETMAC. I believe the system is better than it was before. There is an opportunity for you to go and visit or lobby a SETMAC member, whether you are a member of an association or not and he will put your case, if you choose to lobby him. Whether it goes through SETMAC as that, I do not know. That is up to the debate on the day.

As to the comments in some of those submissions where the debate is not deep and meaningful, some of the subjects that they have been debating for the last three years are to do with the new management plan. They are not easy subjects and they are not easy subjects for fishermen to try to come to grips with. It is bureaucratic stuff and you are asking fishermen to try to put together a management plan when you are not talking about the practical side of fishing. That is difficult stuff.

CHAIR—Are there any workshops, for example, that are held to explain the proposed changes?

Mr Buckless—AFMA has all sorts of subcommittees and workshops—you name it. But a lot of the people choose not to turn up. Those are the people who do most of the complaining. That is a fact. The last workshop was held in Canberra in October. Most of the people there were either scientific or AFMA. There were industry members there, but not many compared to how many industry people are out there.

CHAIR—Are the workshops normally held in Canberra?

Mr Buckless—No, they normally pick a port somewhere around in the South East Fishery, but they

could not come to terms with where they would go, so Canberra was chosen for this particular year. But the subjects that were discussed were not terribly relevant in this particular workshop. It gave rise to the thought, 'Well, they are only calling us all together as a means to say to the outside world we have consulted with industry, now we have had our workshop and we have all gone home happy.' They hold workshops, but they are not always productive workshops.

Mr CAUSLEY—Could I just take you back to some of the warm, fuzzy and popular statements that are around at the present time and in particular one of the principle criticisms of AFMA from the audit report? They were very critical of the fact that AFMA had not identified the biomass. Everyone talks about an ecologically sustainable industry and of course we talk about the precautionary principle. Now I see these as all being absolutely important for TACs, because you are going to come back to these terms if you are going to be setting TACs. There will be a lot of different people having a lot of different input. Would you like to comment on some of those issues for us?

Mr Buckless—I believe the original allocations—and I will stand corrected—were set on catch history from 1984 to 1989. It was decided somewhere that if those catches were all of a reasonable level and they were still being caught, it was assumed that that was a sustainable catch. I presume that is the basis from where the original TACs came from. If not, I do not know where else they came from, because nobody has ever worked out a way to count fish or none that I know of anyway.

So I believe that is where the original allocations came from, rightly or wrongly. Perhaps three times that amount could be taken. I do not know. Perhaps we are fishing it down and we do not know it yet. We get a lot of criticism in the industry for not catching the TAC, therefore we must be fishing the fishery down. That is not necessarily the case. There are all sorts of reasons why TAC might not be taken. A lot of the reasons are that stakeholders in the wrong part of the SEF own the wrong type of quota. For instance, someone that fishes in Tasmania if he has got redfish quota, he will never catch that because it is caught predominantly off New South Wales. So, if he does not lease it or the people in New South Wales elect not to lease it, that TAC cannot possibly be filled.

Mr CAUSLEY—So you think that that is a reasonable way to go about setting the TAC?

Mr Buckless—At the time, I do not know what else you could have used.

Mr CAUSLEY—That could be a rolling average, just rolling it forward.

Mr Buckless—Yes. I do not know what else you could have done at the time. If you were going to have a total allowable catch, you had to have some basis for having a number. It was either that or draw it from a hat I assume.

Mr CAUSLEY—Have you heard any discussion from people within the industry or from without about the precautionary principle and how that would be judged?

Mr Buckless—It is a term I have only heard used here this morning, to be perfectly frank. If you

want to expand on it, I am sure I will have an opinion.

Mr CAUSLEY—I dare say it says, if you have any doubt at all, do not do it.

Mr Buckless—We can all go home and not fish. I do not think you can be precautionary. No fisherman wants to go out and catch all of the fish so there is nothing there tomorrow. Our companies are trying to be there for the long term. We want to leave something to our children and our grandchildren to inherit. Raping and pillaging oceans is not in our best interest. In fact, the market issue—and people will be groaning behind me—is an issue we always bring up. It has more of an effect on how much fish someone will bring home than anybody realises.

If you cannot sell that product or you crash the market by bringing too much of an individual species home, then you are ruining your own future. If you can catch a hundred boxes of fish and get three dollars a kilo for it, then you are better off to catch a hundred boxes of fish. If you catch three or four hundred boxes of that same species and put them on the market, you will be lucky to get a dollar. Economics tells you that you are just not going to go out and keep fishing for the sake of fishing.

Mr CAUSLEY—This precautionary principle is something that is popping up recently. You are right; it is a recent term. I noticed this morning in a submission from the Victorian fisheries and the government talked about the precautionary principle.

Mr Buckless—It is a new buzz word to me.

Mr CAUSLEY—Do you have some concerns about that?

Mr Buckless—It depends how far they are going to go with the words ‘precautionary principle’. If you take it to your extreme and say, ‘Well, we should not fish in case we kill them all’, yes, that concerns me greatly. There is a process that does not seem to have been terribly well highlighted here, where industry is consulted with regard to total allowable catches and what it will be for individual years.

Each year the SEFAG group, the South East Fishery Assessment Group, goes around to each port. It is a scientific member from the usually the BRS and sometimes there is a CSIRO scientist present. There is often a New South Wales fisheries person present. AFMA representatives are always present. They go around to each port and they call a meeting. Fishermen are invited to go along and put their views on the stock, its sustainability and its health, et cetera.

While that gives you a nice warm inner glow, it sounds good and industry gets consulted, unfortunately it does not always come out in the final reports. The scientists often sit there and they will put their views on a species. Industry will put often conflicting views. Industry always wants to talk it up and science is always trying to talk it down, because they do not want to be responsible for crashing the species. When you get the final reports, it is always the scientific version that comes out. Whilst we are consulted, the level or the amount of notice that is taken from industry is not always high. There is a method there and I believe it could be improved.

Mr ANDREN—While you seem supportive of the quotas, because that is what you are working with, in your submission you seem to think that the trawl operation is the best way to go and that you should have a limit on boat size. Are you suggesting that?

Mr Buckless—No, we are not suggesting that there should be a limit on boat size. I think there are probably areas where big boats should not be. You heard a lot about that this morning, where the big boats wanted to be everywhere. I believe, certainly off the west coast of Tasmania is the only place to go fishing if you have a big boat. You would not take a small boat to the west coast of Tasmania and that is where the winter spawning grenadier stock is. That is obviously a place for big boats. The interpretation in fishing terms of a big boat is someone that has got a bigger boat than yours. So the big boat issue has a very loose interpretation.

Mr ANDREN—In here it is an optimum boat length of 20 to 25 metres, possibly one quarter the tonnage of a 35-metre boat.

Mr Buckless—I guess that is because we have got one.

Mr ANDREN—Is there any optimum; are we talking about input controls or quota control?

Mr Buckless—We believe the optimum boat size is in the region of 20 to 25 metres because those boats can fish inshore and can also go into the deeper areas, if you like. A lot of newer boats that are being built are still only 25 metre boats. They are building them now with an extra shelter deck so that they can work in rougher weather. But the price of fuel and the price of all of the other ongoing costs of running a boat become prohibitively high for the family fishermen—I am not talking about corporate companies; I am talking about the family fishermen—and go way beyond you once you get over that size.

Mr CAUSLEY—But that is an individual's decision, is it not?

Mr Buckless—That is right, it is a commercial and individual decision. If you choose to go and buy a 40 metre boat, that is fine: you can go broke with it or you can make money with it as you choose. It depends on how you want to run it. That is where the dreaded term 'economic efficiency' comes into it. I am still waiting for a full interpretation of that because I do not understand it either. I understand my company's economic efficiency but I do not see how AFMA can influence my company's economic efficiency.

CHAIR—Thank you very much, Mr Buckless, for appearing here today. Could I just thank all the witnesses, particularly those who have travelled long distances today, for your patience in sitting out the day's hearings.

Resolved (on motion by **Mr Andren**):

That, pursuant to the power conferred by paragraph (o) of standing order 28B, this committee authorises publication of the evidence given before it at public hearing this day.

Committee adjourned at 3.27 p.m.