



23 September 2019

Committee Secretariat
Joint Standing Committee on Trade and Investment Growth
PO Box 6021
R1.109 Parliament House
CANBERRA ACT 2600
jsctig@aph.gov.au

Dear Committee Secretariat

Re: Inquiry into supporting Australia's exports and attracting investment

On behalf of the Queensland Seafood Industry Association (QSLA) please find attached a submission in response to your Inquiry regarding support for Australia's exports and attracting investment.

Diversifying to exports is not a primary concern for commercial seafood businesses in Queensland as result of (a) the current fisheries reform process, (b) increasing regulatory burden and (c) unstable and poorly developed fisheries management policies that have shifted resource access away from commercial fishing.

If you have any questions regarding this correspondence please contact Eric Perez on [REDACTED] or [REDACTED].

Yours faithfully,

[REDACTED]

Keith Harris

President
Queensland Seafood Industry Association

QSIA RESPONSE TO INQUIRY INTO SUPPORTING AUSTRALIA'S EXPORTS AND ATTRACTING INVESTMENT

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1. Introduction

The Australian Parliament's Joint Standing Committee on Trade and Investment Growth has commenced a new inquiry into supporting Australia's exports and attracting investment. The Queensland Seafood Industry Association is pleased to provide a response to this inquiry from the context of commercial fishing in Queensland

Our responses are grouped under the three terms of reference developed by the Committee, including:

- Understanding Australian businesses ambitions to grow via export and attracting investment;
- Identifying local regulatory barriers to businesses being able to realise their ambitions; and
- Identifying best practice regulation that evidence shows supports for export and investment growth, whilst protecting the national interest.

2. Response to Terms of Reference

Term of Reference 1: Understanding Australian businesses ambitions to grow via export and attracting investment.

From a Queensland perspective there seems to be no vision and/or funding to help maintain or develop the wild harvest sector. The recent government support for domestic aquaculture production while continuing to implement policies over the past 25 years to increasingly restrain and reduce production capacity and to reduce the numbers of domestic wild-catch seafood businesses.

In a recent Queensland Parliament estimates process, the Fisheries Minister noted: 'Established aquaculture companies and major new entrants are spending millions and millions of dollars to expand their farms or construct new or very large-scale operations.

This is part of my vision for aquaculture: to expand production in Queensland, drive private sector investment and generate new jobs in our regions', reference [Estimates – Natural Resources, Mines and Energy, Page 91](#).

Before commercial fishers in Queensland can have a discussion regarding growing investment and / or encouraging investment it must be recognised that industry is significantly impacted by the following issues:

- Industry do not have security of access to the Queensland marine resource. The resource is a public one which means, at least at this stage, that commercial fishers cannot obtain ownership in the same way terrestrial agriculture seeks ownership of land.
- The Association supports work undertaken by the national peak body, Seafood Industry Australia (SIA). In a recent letter from SIA's Resource Security Task Force to Senator Jonathon Duniam, Assistant Minister for Forestry and Fisheries, industry provides a clear statement of its primary objective: 'to

develop a commercial fishing access rights system that delivers strong, secure, transferable, long term access rights to be enshrined in and protected by Commonwealth and State/Territory fisheries legislation, and recognised and accepted as 'collateral' by financial institutions', see [Letter to Senator Jonathon Duniam Assistant Minister for Forestry and Fisheries](#)

- Industry's access to productive fishing grounds has been continually eroded and traded for recreational angling access and to satisfy demands by environmental Non-Government Organisations for the past 25 years - thus continually reducing industry capacity to supply for domestic demand with no outlook to provide for export demand.
- Past enquiries by potential foreign customers indicated that they would require continuity of supply of far greater volumes of seafood than has been permissible by the Queensland Government for industry to supply.
- The industry in Queensland is still a mix of small, medium and large businesses in both the wild and post-harvest sectors. This leads to very different business development capacities amongst commercial fishing businesses and feedback received by the Association suggests that there is limited understanding of potential export market opportunities. The Association has also received feedback that seeking capital to invest within businesses is extremely difficult let alone finance for building export capacity.

Findings

Finding 1	The Queensland Government is incapable of developing vision for commercial fishing and is publicly supporting the growth of aquaculture.
Finding 2	The Queensland Government's fisheries reform process has not developed modelling of any kind to understand the potential implications of its policy development on either the commercial fishing or post-harvest sectors of the supply chain.

Term of Reference 2: Identifying local regulatory barriers to businesses being able to realise their ambitions.

Some industry operators in the Mud Crab fishery in Central Queensland have noted that they were interested in exporting product but did not proceed on the following basis:

- Too much red tape (i.e. lengthy and complex application process);
- It was unknown if there was any assistance/guidance available for small business operators at the time;
- It was noted that the process was just 'all too hard' to engage with and no guarantee that viable commercial return after compliance with export rules; and
- No known receiving country infrastructure that industry can access.
- Long-standing investment warnings in all fisheries with constant management and resource access changes precluded any Queensland seafood businesses but those supported and/or owned by foreign entities, from seeking export

trade. In each case domestic supply has been largely reduced if not lost altogether.

- Continual change in fisheries management arrangements and resource access for 25 years in addition to continual unwarranted and unsubstantiated vilification by fake green groups have caused industry to be in a constant state of flux with no security of resource access nor political or social support despite ongoing demand for domestic seafood supply.

Resource access has also been curtailed through the existence of net free zones (NFZs). The policy was initially introduced not as reform but pure resource reallocation to a non-food production sector based on political motives. The policy has not been abolished but to some degree limited by the introduction of a resource reallocation policy by the Queensland Government.

To date the policy remains untested or at least there has been no public announcement by the Queensland Government that a group is seeking to remove even more commercial fishing access using the policy.

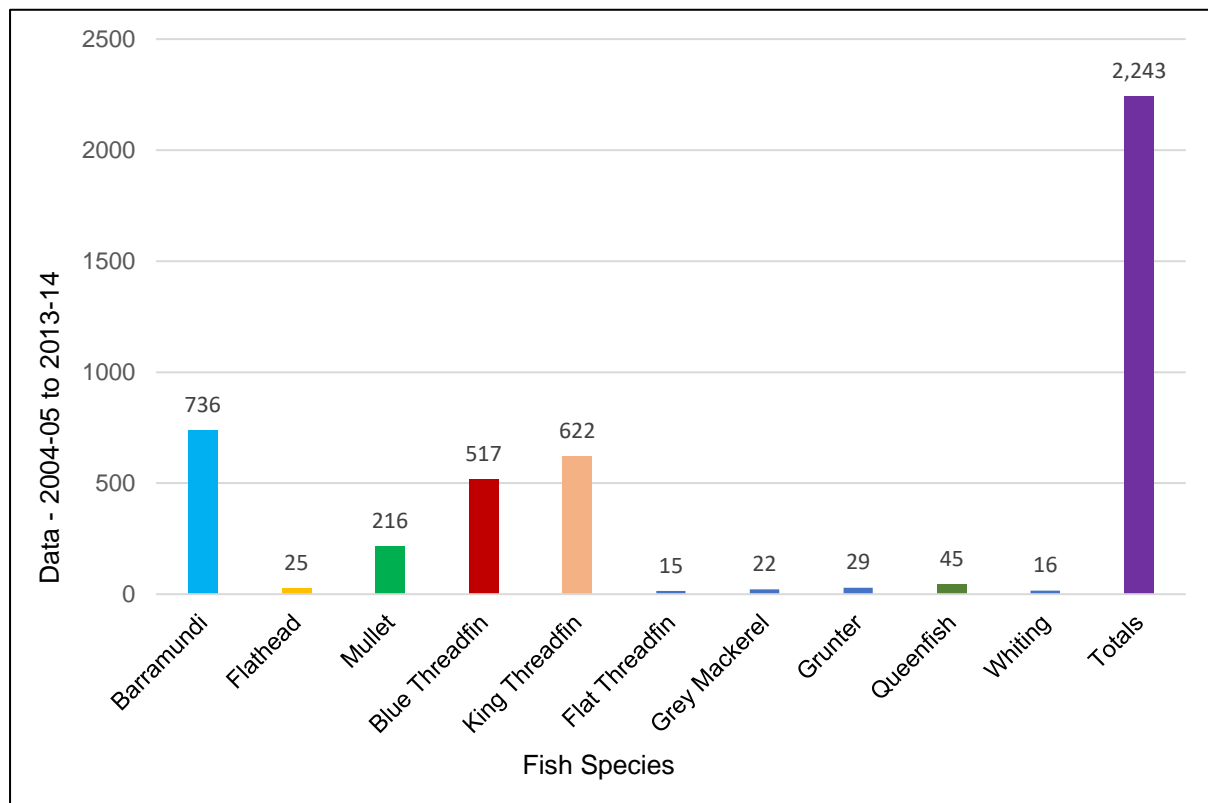


Figure 1. Catch data across the Cairns, Rockhampton and Mackay NFZs.

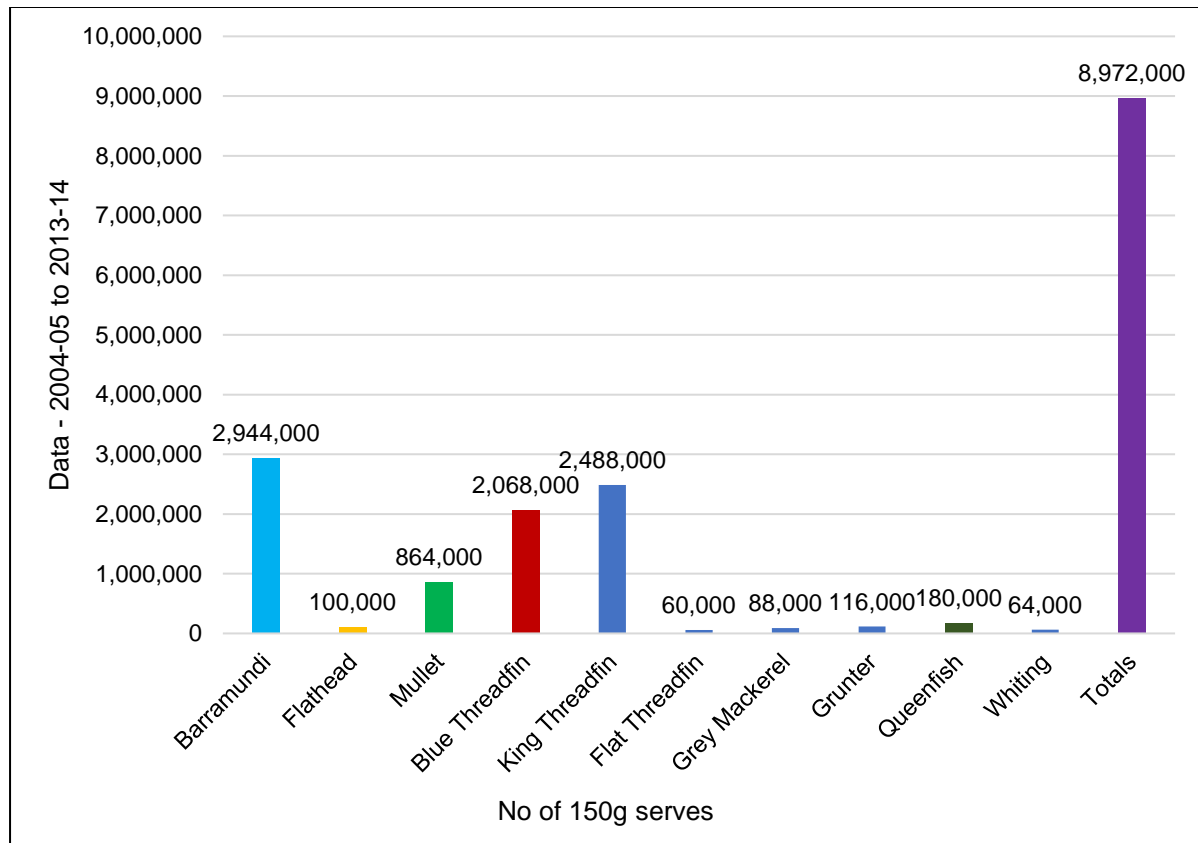
Source: Based on the Queensland Government's FishNet data.

Why is the data in Figure 1 critical? Examining the loss of fresh local seafood using Barramundi, Blue and King Threadfin local commercial fishers can no longer access, on average:

- For Barramundi: 73.6 t / year.
- For Blue Threadfin: 51.7 t / year.
- For King Threadfin: 62.2 t / year.

Any capacity to export from local source has been limited by the introduction of the NFZ policy. Based on this policy setting there seems to be little incentive to create markets for local caught seafood. Individual seafood businesses are unclear about their futures under the current so-called fisheries reform process. After seeing the previous restrictions and losses of many other individual seafood businesses due to past management arrangements over the past 25 years, any thoughts of export are secondary. At this point individual business survival is the primary objective.

Local markets have lost millions of serves of seafood, a fraction of which could be exported but with the NFZ in place it will never be known what could have been.



*Figure 2. Fish serves lost in the Cairns, Rockhampton and Mackay NFZs.
Source: Based on the Queensland Government's FishNet data.*

The average serve size was estimated at 150g. This was based on restaurant and retail fish and chip businesses and typical serving sizes. QSIA also examined the Heart Foundation and Queensland Health recommended between 100g and 150g serve of fish. QSIA also obtained advice from retail and wholesale businesses with respect to product retention rates with an average rate of 60% being applied.

Using Figure 2, the loss of 150g fish serves using Barramundi, Blue and King Threadfin as examples means that on average:

- Loss of Barramundi serves: 294,400 serves of fish / year.
- Loss of Blue Threadfin serves: 206,800 serves of fish / year.
- Loss of King Threadfin serves: 248,800 serves of fish / year.

Findings

Finding 3	More information on export opportunities is needed.
Finding 4	Queensland Government policy settings are anti-wild harvest fisheries and anti-export.
Finding 5	The data presented in Figures 1 and 2 provide a reminder regarding of the loss of product from the overall tonnage lost to the millions of serves of fish that could be used to service niche export markets.

Term of Reference 3: Identifying best practice regulation that evidence shows support for export and investment growth, whilst protecting the national interest.

Industry has not received Industry Development to promote local growth let alone export opportunities.

At this point, after 25 years of continual use as a political football, industry has no confidence in the Queensland Government's fisheries management policies or Fisheries Queensland to be framed to benefit industry in either domestic or export markets.

The focus of regulation remains compliance with the recent example of vessel monitoring systems, increased boating and fisheries patrol officers and the sue of drones suggesting a critical policy vacuum.

It is extremely difficult to discuss best practice in terms of exporting or developing local markets when Queensland fisheries have been subjected to ongoing political interference.

One example occurred during the Beattie ALP Government era when the following took place in relation to the commercial harvest of Spotty Mackerel:

- During the Beattie ALP Government era Spotty Mackerel was predominantly caught using net apparatus along the East Coast of Queensland.
- The species could also be caught using line apparatus.
- Commercial fishers at the time were using ring nets to target Spotty Mackerel which was a highly specific method commercially harvesting the species. This method allowed for minimal impact on species of conservation interest.
- The Association is aware that Spotty Mackerel were exported into South East Asian seafood markets including Korea and Taiwan.
- Based on no scientific data / evidence recreational lobby groups successfully convinced the Fisheries Minister of the day, Henry Palaszczuk to change the way in which Spotty Mackerel was commercially harvested. That change was a shift to a line caught only species with a minimal incidental allowable catch in nets.

- This regulatory change remains law in Queensland and provides a stark reminder that until government stops interfering in commercial fishing issues it will be difficult if not impossible to genuinely discuss export or industry development opportunities.

Finding 6	<p>In terms of imports versus exports, the industry perception is that it is significantly easier to import lower quality seafood into Australia as a result of lower regulatory hurdles (i.e. import risk assessment for imported prawns) and more red tape for Queensland commercial fishers contemplating a move to export.</p> <p>What is generally not well understood is that the commercial seafood industry was sacrificed on the free trade alter allowing potentially disease carrying product into Australia - the White Spot incursion. This is important to note as our prawn stocks have been exposed to a disease that was not native to Australia and has put at risk domestic and potential export markets for local prawn.</p>
Finding 7	<p>Commercial fisheries in Queensland suffer from political interference and this, along with poor fisheries management decisions in the past has minimised interest in export and/or industry development from industry.</p> <p>There is concern that seeking capital or developing for example export plans when decisions around stocks are so fickle is simply a waste of time.</p>

3. Industry Contacts

The Association can help organise members to attend public meetings if they are held across Queensland to provide a commercial fisher business perspective.