



**COMMONWEALTH OF AUSTRALIA**

# **JOINT STANDING COMMITTEE ON TREATIES**

**Reference: Long-line tuna fishing**

**HOBART**

**Thursday, 5 September 1996**

**OFFICIAL HANSARD REPORT**

**CANBERRA**



## JOINT STANDING COMMITTEE ON TREATIES

### Members:

Mr Taylor (Chair)

Senator Abetz	Mr Adams
Senator Bourne	Mr Bartlett
Senator Carr	Mr Laurie Ferguson
Senator Denman	Mr Hardgrave
Senator Ellison	Mr McClelland
Senator Neal	Mr Tony Smith
Senator O'Chee	Mr Truss
	Mr Tuckey

For inquiry into and report on:

The subsidiary agreement between the government of Australia and the government of Japan concerning Japanese tuna long-line fishing 1996 and the agreement on the establishment of the Indian Ocean Tuna Commission.

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*Long-line tuna fishing*

HOBART

Thursday, 5 September 1996

Present

Mr Taylor (Chair)

Senator Abetz

Mr Adams

Mr Bartlett

Mr McClelland

Mr Laurie Ferguson

Mr Hardgrave

Mr Tuckey

The committee met at 9.01 a.m.

Mr Taylor took the chair

**CHAIR**—This committee is very eager to hear what people have to say about this agreement and there are two issues in particular that we want to bring out today. The first relates to the economic and social impact that this long-line agreement has for Hobart and Tasmania. Secondly, we are keen to explore some suggestions that have been made to us about the present exclusion zone which is, of course, the 12-mile limit and whether that should be extended to 50 nautical miles.

A number of groups and individuals have provided input to this hearing. We thank them for that and we welcome their evidence during the day. Because this agreement is important for not only this state but also for Australia as a nation, we have already had a public hearing in Canberra last week. We also intend to have a public hearing in Fremantle in a couple of weeks time. On the way back from Fremantle we will be visiting Port Lincoln to have a look at a tuna farm and a tuna boat just to make sure that we know exactly what we are talking about in this inquiry.

[9.01 a.m.]

**YOUNG, Dr Peter Colin, Chief of Division, CSIRO Division of Fisheries, Castray Esplanade, Hobart, Tasmania**

**CHAIR**—Welcome. I now invite you to make a brief introductory statement.

**Dr Young**—I apologise that I am unable to be accompanied by my senior scientist, Dr Keith Sainsbury, who is specifically expert in this area. I can make him available to you should you, at a later stage, wish to have more detailed evidence. Unfortunately, Dr Sainsbury is currently chairing the scientific committee of the Commission for the Conservation of Southern Bluefin Tuna in this town. It is a very sensitive matter at the moment and he could not make himself available.

The treaty to which you refer is, in our opinion, a very reasonable and responsible element in the sustainable management of Australia's highly migratory fish resources. The treaty essentially deals with species that are high seas, pelagic, highly migratory and occur for only part of their life cycle inside the Australian exclusive economic zone. There is no doubt that there is interaction between the Japanese and the domestic fleet, particularly in regard to southern bluefin tuna and yellowfin. There is lesser evidence, moderately convincing evidence, that a number of the other species are also indicating some kinds of interactions.

It is our view that, were this treaty not in practice, responsible management of the Australian component of the fishery would be impossible without very greatly increased Australian domestic resources to enable us to assess the stocks. In the submission you will see that the catch data is essentially supported by observer boardings of the foreign fleet and paid for by the access fees of that fleet.

We also, by nature of this particular treaty, have access to Japanese data on shared stocks outside the Australian fishing zone. Let me re-emphasise that without that information we would not have the data sufficient to scientifically, sustainably, manage our own component of the catch. In a similar way, the Australian fishing zone observer process is paid for by the access fees. It is the only on-board, independent verification, or validation, of the largest component of the catches of the stock.

The access fees also provide direct funding for research on tunas and billfish. Currently, about \$200,000 comes to CSIRO. It also supports, as I just mentioned, the observer program. It also enables us to have an influence upon the high seas catch of southern bluefin tuna. Without this treaty, there would be no capacity for leverage to allow the high seas catch to be done in a sustainable way.

There are currently monitoring arrangements that have been put in not only for the catch but also for seabird catch mitigation. Although I do not believe it is specifically

expressed in the treaty, it has enabled us to have the opportunity to influence the bulk of the catch.

I guess the only other element would be the incidental catch of species such as marlin. I re-emphasise here that the Australian component of the catch of marlin is perhaps only five per cent of the total catch of the west Pacific stock and, as such, cannot be managed on its own. In other words, we are dealing here with an international fishery of which Australia's component is a relatively small part.

**CHAIR**—Thank you. Could I open the batting and refer you to the UN Convention of the Law of the Sea. It refers to underutilisation as an argument for access to foreign vessels in terms of the fishing. Would you comment about the underutilisation? We have also already had evidence and submissions given to us that the reference to unexploited fish resources is a bit of a pipe dream. Perhaps you might like to comment whether, in your view, there are unexploited resources.

**Dr Young**—Certainly, the existing currently exploited stock, such as yellowfin but particularly southern bluefin tuna, are very heavily exploited and there is no room for expansion. In fact, quite the converse, we would argue. In the case of some tunas, such as albacore in the Tasman Sea, which was subjected to driftnet fishing—that has since ceased—my view is that there are unexploited resources of that species. However, the economics in catching them is effectively what is preventing us from doing that at the moment.

Certainly, in the Indian Ocean, there are potential unexploited resources. I guess the overall feeling I have is that we do not have sufficient information on these species, which are not major fisheries at the moment. There are some non-tuna species which have been proposed as possible fisheries. Rays bream is one and blue shark or oceanic shark is another one.

**CHAIR**—So what you are saying is that the unexploited resources—although it is difficult to empirically make the point—are on the high seas and not within the fishing zone.

**Dr Young**—If we are talking specifically about long-line fishing for pelagics, it would be species which occur both on the high seas and within the zone. In other words, they are highly migratory; they move thousands of kilometres.

**Mr McCLELLAND**—Dr Young, you said that the treaty enables us to obtain data also of stocks outside our zone. How does that occur? I thought it only applied to fish caught within the zone.

**Dr Young**—No, what it enables us to do is to access the Japanese fishermen's log records on their catch and the locations of catches and the amount of effort they put in.



For instance, the meeting that is going on at the moment between the scientists from Japan, New Zealand, South Africa and Australia is accessing the Japanese information as part of their assessment of the state of the stock as a whole. There is only one global stock, it is not a bit that stays here, the whole stock moves around the world.

**Mr McCLELLAND**- Is that global stock under threat?

**Dr Young**—That is what all the argument is about. In the mid-1980s it was recognised that that stock was going downhill very fast and not only was it in a conservation manner likely to become commercially extinct, it also was becoming economically badly managed. At that time there were major cuts to all quotas.

Following on from then there was a stock rebuilding international management plan to try to build up that stock. We are now at the stage where there is ambiguity as to whether we have been successful or not in starting to rebuild. At the moment there is quite a bit of disagreement amongst scientists from the various countries depending upon whether one is taking a precautionary principle or not.

**Mr McCLELLAND**—On one view, if we extended the zone to 50 kilometres and we could not fish it to its full extent, that would be of benefit to the stock in the sense that it would give it more space to rejuvenate.

**Dr Young**—I do not think it would make any difference at all because the Japanese could quite adequately catch from the same stock, perhaps in the Indian Ocean, off the Arafura Sea, because this species is pan-global; it does not stay off Tasmania, off Australia, it moves all around the world.

**CHAIR**—Would it simply be a cosmetic measure to extend it?

**Dr Young**—It could enable more fish to be available to the domestic fleet for a period of time. But we tagged fish in the Great Australian Bight, had them go out to the middle of the Indian Ocean and come back to within 20 kilometres of where they were tagged, over a period of six months. That is the kind of movement that they have.

**Mr TUCKEY**—In the issue of conservation, the 50-mile limit would have little effect except in terms of access and convenience of the local fishing industry. Also, I think there is some aspect of the quality of the fish that can be taken within the fishing zone, presumably they are fattened up or something. Do you want to comment on that?

**Dr Young**—It is going a little beyond my present knowledge but I do understand that at a certain time of the year in that location the fish are in prime condition.

**Mr TUCKEY**—In terms of the Commission for Conservation of SBT which gives these quotes which are about 11,000 tonnes in aggregate within the three participating

countries, we were advised in previous evidence that there is probably another couple of thousand tonnes taken by the non-participants, particularly Taiwan, Korea and Indonesia. There is consideration as to whether they should be attracted into the agreement even if their 2,000 tonnes became part of the quota which they are taking anyway. Would you see it as being beneficial that we had that quota arrangement with all the participants?

Also, there has been speculation at one stage that the conservation requirement might require the principal importing country, Japan, to restrict its imports. Have you any comment to make on the thought that maybe we should be pressing that point with Japan, on the basis that as they are the prime economic place where you can sell this product, they could agree to restricting their imports via a sort of tagging process? For example, with kangaroos you have to have tags to market your product. In that tagging process maybe we could reorder what might be 13,000 tonnes or 14,000 tonnes of actual take as compared to the quota system.

**Dr Young**—There is no doubt that the Japanese are the key players here. They are the market and the market is currently insatiable. It is certainly true that those other countries are catching bluefin tuna. We actually have an on-going arrangement with Indonesia to monitor the catches from the spawning ground there. The bluefin are caught as a by-catch of a generalised tuna fishing industry, which also catches big eye and yellowfin. It is true that they are catching in the order of a couple of thousand tonnes. They are not targeting bluefin, but they are catching quite a lot of them and those catches have been going up for the last year or so.

It is of major concern of course. We actually espoused a couple of years ago that perhaps a method such as you suggest would be a way of preventing tuna from being caught outside of the quota arrangements. We certainly believe that whoever is catching fish should become part of that treaty, because it is the only way. Otherwise we could well find ourselves in a situation where Australia, Japan and New Zealand have all got the controls on but the stock is still declining with other nations catching it.

**Mr TUCKEY**—We can touch on that. I note in one of the other submissions we have that Australian boats in this region have commenced a process of running their lines out at night-time for the ultimate protection of the seabirds and pointed out that the Japanese do not do this. Would you have a comment to make on whether that is the best situation or whether this committee should be recommending that either night-time run-out or underwater run-out should be compulsory?

**Dr Young**—I think it is probably a little early to make things compulsory. There is certainly a lot of work being done on the use of streamers, Tori Poles and the like. I would prefer to see a well reasoned, well thought out scientific evaluation of the benefits and costs and whether or not it is actually achieving the objective before I would make a comment on whether it should be done or not.

In terms of making it compulsory, we have to bear in mind that it would only be compulsory within our EEZ and it would probably be better to use a more persuasive approach than a punitive approach if we are going to get the fishery as a whole to actually oblige us by doing that in the high seas.

**Mr TUCKEY**—There is a clear reason why the Japanese in particular participate in the commission and that is that they believe the access to the AFZ has a benefit. I assume it is in fish quality or something of that nature. But by using the word ‘compulsory’ I was thinking more of including it in the agreement. Would you quickly tell us whether the claims of Australian fishermen that night-time run-out—if I can use that word—is effective in deterring seabirds? Even with lighting and that behind the ship the seabirds do not forage at night-time. Is that a fact?

**Dr Young**—I am afraid I personally cannot answer that question, but I can get an answer for you if you like.

**Mr TUCKEY**—Yes, I think it is of interest, because it seems a fairly simple solution if you are operating 24 hours a day anyway.

**CHAIR**—If you could take that one on notice.

**Dr Young**—Yes, I will.

**Mr ADAMS**—We are not getting any evidence today in relation to the seabirds, are we? Nobody is giving evidence on the seabirds.

**CHAIR**—No.

**Mr ADAMS**—Other than one of the private fishermen. I think there has been some work done in relation to bait.

**Dr Young**—There has certainly been some work done. I am just not familiar with that work.

**Mr ADAMS**—I understand that the fish are smaller when they come round the top end of Australia and they reach their peak in the southern area. Is that right?

**Dr Young**—Basically what happens is that they are spawned and hatch as larvae off the north-west of Australia. They come down on the Leeuwin current down the west coast of Australia, across the Great Australian Bight, past South Australia into this region here—the Tasman Sea—then go north in the direction of New South Wales and then disperse. All the time they are doing that they are getting bigger and growing and by the time they reach here they are about four years old.

**Mr ADAMS**—Are they peaking here?

**Dr Young**—No. They do not mature until they are nine. In fact, we are catching juvenile fish here.

**Mr ADAMS**—Is the data from recreational fishermen taken into your considerations?

**Dr Young**—We certainly are working with them. I think that the catches from recreational fishermen are effectively so small compared with the commercial catches that, in terms of the analyses we do, it would not make a difference. Apart from adding supplementary information, it would not be core to the analyses.

**Mr ADAMS**—They tag most of the time, don't they?

**Dr Young**—I am not familiar with the local experience here but, certainly, catch and tag is pretty usual, especially in the east coast recreational fishery.

**Mr ADAMS**—Can you run through the by-catches of the Japanese fleet for me?

**Dr Young**—I would not be familiar with them all, but I guess that from by-catch you would certainly get the marlin species, and others such as the broadbill swordfish. Depending on which species you are going for, of course, there would be Rays bream and, I think, some of the pelagic sharks, such as blue sharks. Again, I could give you the full details of that by-catch, if you want to know.

**Mr ADAMS**—I would like that. Thanks.

**Mr BARTLETT**—You mentioned earlier that the treaty gives us some leverage in terms of influence on the high seas catch of Japan. How effective are the monitoring processes for that? Are Japanese figures independently verified? What evidence is there that they have modified their high seas catch behaviour as a result of this treaty?

**Dr Young**—The independent evidence is only within the Australian fishing zone where we have our observers on board. In terms of the high seas catch, for many years the Japanese have been keeping these records for their own purposes, and for many years we have been trying to get access to those records. We now send people to Japan every year as part of this process to access their data—this is commercial data—and to work with them on building that data into the analyses that we do. There is no independent validation that I am aware of. There certainly is no independent Australian validation; it is impossible.

However, if you like, the chances of cooking the books are so remote as to be nonexistent. This stuff is used for their commercial activities. The companies themselves

keep these records as part of their fishing campaigns to know where to go and what the history of catches are, and they are extremely good at doing that.

**Mr BARTLETT**—So you are confident that they are accurate then. Do they indicate a modification of their fishing practices on the high seas?

**Dr Young**—Their fishing practices have actually changed quite dramatically, and this is one of the arguments. They are not fishing areas where they used to fish. The question is: are there fish in those areas, or are there no fish there? We can observe the practices changing, or the areas that they are fishing changing, but we cannot confirm the reasons for those. This was part of the suggestion to have a so-called experimental quota last year. It was to sort out some of those questions.

**Mr BARTLETT**—In summary, you would say that that leverage that you mentioned is fairly effective?

**Dr Young**—I would say that it is one way of trying to be effective. It does not always work as well as we like it to.

**Mr LAURIE FERGUSON**—I did not have the advantage of hearing last week that apparently there was fairly persuasive evidence from the government authorities on how great a treaty this is. I am a bit affected by a report I read in regard to the Canadian parliament and its experience in the North West Atlantic Fisheries Organisation.

I will start with a question about how trustworthy we can find these people. As late as May this year, Canada seized a Spanish ship, the *Mayi Cuatro*, and found that 90 per cent of the contents were halibut which were illegal. They found that the actual fish mesh size was illegal. In June last year, 11 tonnes over the log book limit was found on another Spanish trawler.

If you look at this historically, in 1993, their agreement reached the stage of having monitors on 10 per cent of boats. That is what we are up to now. That was three years ago. Their experience later was that they just found that they had to go to 100 per cent because of the untrustworthiness of the people. It is a matter of commercial advantage and exploitation. Let me put to you that perhaps we should not be so certain that log books can be trusted, and that we have got the evidence on what is going on.

**Dr Young**—Firstly, let me say that the Japanese are not the Spaniards and halibut is not tuna. It is caught quite differently, it has a different quality and it is processed separately. Also, the history of the North Atlantic fishery is a very different one from the history of the South Pacific tuna fisheries, for different reasons.

**Mr LAURIE FERGUSON**—In what sense?

**Dr Young**—The history of the North Atlantic is dominated by battles between countries over who owns what and who does not own what. The Canadians and the Americans cannot even agree between themselves on quotas for halibut, let alone with the European countries. There is vast disagreement between the Canadian assessments of how much is there and those of certain of the European countries. Dare I say it: European fisheries management—whilst it started off the whole process—is probably at an all-time low at the moment because of the political in-fights between the various countries of the European Union. In fact, they are looking to Australia and New Zealand and the like to try to help the matter out.

I think that, having said that, why I am so confident of the Japanese data is because it goes back 20 or 25 years. It is not a matter of suddenly seeing peculiar glitches in your data. You can see the same catches coming from the same regions or slowly declining across regions. Let me say also that we do sample catches. We sample catch in Indonesia; we sample catch in Japan—at the markets. We have had, for 20 years now, a very good observer system that is random. There is a catch reporting system which is done by radio and in which an observer may subsequently, the next week, come in and check on what has been caught. It is a little like the breathalyser. We might not be able to do every one, but as long as you have enough, it keeps them honest.

One has to take a certain amount on faith, I agree. But the Japanese fishing industry is an extremely well organised and very large and powerful industry in Japan. It would not serve their best interests to behave like a bunch of cowboys.

**Mr LAURIE FERGUSON**—What concerns me is that, despite the aspect of the historical disputes you mentioned, even when agreements were reached the experience of the Canadian government was that those agreements were not abided by. They have had to go stronger and stronger.

**Dr Young**—I, for my sins, was one of the foundation directors of the Australian Fisheries Management Authority. It was quite clear to us that without adequate enforcement it is no use having rules because no-one is going to take any notice of them. I would suggest that, in fact, the fishing companies themselves and the Japanese, of course, having signed these treaties have international obligations and would be enforcing them themselves. The quotas are all assessed, counted, tallied up and those catches recorded.

**CHAIR**—The DPIE and AFMA evidence last week in Canberra covered that point. We can always revisit it later on in the inquiry.

**Mr LAURIE FERGUSON**—I was not there. That is why I asked.

**CHAIR**—Yes, I know. They gave some fairly good evidence to cover the points that you made. But, certainly, we can revisit it if you want to in due course.

**Mr LAURIE FERGUSON**—Can you just clarify something on the scientific evidence? I think you said at one stage that we are slightly more conservative about the status of the resource. What is the time span between the scientific evidence and when it feeds into the assessment?

**Dr Young**—It would be a matter of months. The meeting which is being held now precedes the management meeting, which uses the results of the current meeting today, so we are talking months. One of the real problems, however, is that because we are not catching them until they are three years old or so, we have a timelag of three years before we can know how well it is working. In fact, because the object of the exercise is to try to increase the spawning population, we do not know whether we have been successful until they are nine years old. We may be getting more young ones coming through, but whether they are surviving to maturity we will have to wait until that time to find out. We are just about on that cusp at the moment because the thing started about nine years ago.

**Mr LAURIE FERGUSON**—I think Mr Tuckey clarified earlier that there might be attractions in the size of the fish in regard to a particular zone. I think we, perhaps, readily dismiss our leverage in this by saying that they can go in the Indian Ocean. We also have the situation where we find that other fleets are going illegally into these very waters. Do you think that sometimes we do understate our leverage in regard to them being able to just go off into the Indian Ocean?

**Dr Young**—I think the Japanese are extremely good negotiators and I think that it is really up to our negotiators to get the best deal they can. But I do know that sometimes when you go for a one-day meeting you had better be prepared to be there for 40 days if necessary.

**CHAIR**—Mr Ferguson raised a question about the data and the efficacy of the data. As I recall, we had some evidence last week which indicated that very specific data is not available and in fact can take up to 18 months, if you take the high seas data. The reason I am referring to this is that there have been suggestions, and we will be looking at it as a committee, as to whether this agreement should not be extended from one year to two years or three years. From a scientific point of view, how would you react to the extension of this treaty from, say, one to two or maybe three years?

**Dr Young**—The problem that worries us is the present condition of the stocks. We, and when I say we I mean the Australian and New Zealand scientists, are not convinced that there is recovery yet. If there is not recovery, further and perhaps draconian steps would have to be taken. If there is recovery, we certainly would not be recommending more to be taken. If we have the treaty for three years in its present form, we may find ourselves in the situation of putting ourselves in a straitjacket for three years without being able to vary the catch when the evidence as it gets updated may indicate that. However, if the treaty were rewritten in a form which would allow for that continual management, I think I personally would see no immediate problem with that.

**Mr TUCKEY**—We found some difficulty with the circumstances that every time this matter is going to come before us it is going to be an issue of urgency because of the time it takes to negotiate it and then, as you will find in the current evidence, if it was not sort of approved then in fact there would be no treaty. One of the propositions we put consequently to the Department of Foreign Affairs and others the other day was whether it would be practical at least once, for instance, to agree to an extension of the existing agreement in terms and the quota for an additional year without negotiation and then commence negotiating for the following year, meaning there was a little more time and of course the opportunity for an appropriate review at this level.

**Dr Young**—Effectively with a year time lag.

**Mr TUCKEY**—If you just reinstated this agreement for a year and then commenced negotiations on any sort of change. You make the point of the possible need to reduce the quotas. All the evidence so far is that the pressure is on increasing the quotas—

**Dr Young**—It certainly is.

**Mr TUCKEY**—Which I would be personally unhappy about. So the issue tends to be how long we can hold the line at present quotas, and we wondered if you could just get this thing extended a year without change with the idea of saying, ‘Let us focus our negotiations on the year after that.’

**Dr Young**—I would like to reserve my definitive answer to get a bit more advice, but my current view is, as I understand it, we would not be against a bit more stability in the process and if that gives more stability that would be fine. I guess one of the things that concerns me is that this fishery could be put under severe threat because of short-term gain when in the long term it could be worth more than \$1 billion more than it is worth now globally if the stock is rebuilt to its original level. We should not be putting that at threat for a short-term profit.

**CHAIR**—We have given that to DFAT, DPIE and to AFMA to take it on notice. Would you like to take that on notice and give us a comment in terms of some sort of extension or flexibility within the period of the agreement.

**Senator ABETZ**—I was wondering if you would have any comments in relation to the negotiations. A number of the submissions are suggesting that the issue of quotas ought to be completely separated from the question of port access. Would that in any way weaken our position if that were to occur?

**Dr Young**—I think it would considerably weaken our position. Let me be quite blunt. There are quite fundamental philosophical differences between the Japanese side and the Australian-New Zealand side and right at the moment there is some doubt as to



whether there will be a common agreement amongst the scientists following the meeting this week. One can speculate from whence that difference arises. But, from wherever it comes, it is a genuine and very deep difference. The Australia-New Zealand side believes that, until there is unequivocal evidence for stock rebuilding, we should not think of increasing quotas. The other side does not hold that position.

Whilst we have other aspects, such as port access, in our negotiations that gives us some tangible things to start to negotiate on. And let me put it quite bluntly: if the stock rebuilding is not happening, the converse will not be continuation of present catches; it will be decline of the fishery.

**CHAIR**—Is that sticking point in relation to the experimental element of the renegotiation?

**Dr Young**—No. We were concerned about a whole bunch of extra quota being put out for an ‘experiment’. But we have said—

**CHAIR**—The Japanese are pushing for it, aren’t they?

**Dr Young**—Yes. What we have said is, ‘If you are going to do that, let’s do it properly; let’s do it scientifically. Let’s have it all up front and agreed as to what the experimental methodologies are going to be, what it is going to achieve, what extra it is going to give us that we did not already know, so that it will be a real experiment and not just an excuse for getting another couple of thousand tonnes of quota.’

**Senator ABETZ**—What benefit was it to the southern bluefin tuna fishery when our ports were boycotted, when the Japanese did not use our ports? How many tuna did that save?

**Dr Young**—I don’t have the figures. I suspect probably none, but I don’t know what the economics were.

**Senator ABETZ**—If it didn’t save any tuna, how can you say that it is a bargaining tool when, if they do not use our ports, they still catch the fish anyway? Aren’t we cutting off our nose to spite our face?

**Dr Young**—One would have to see what it cost them—and I don’t have those figures—to not use those ports.

**Senator ABETZ**—It is somewhat concerning—and you would be aware of this—that during this boycott there was the building of a facility in Indonesia. How long can we play this game of using port access before it comes back and bites us, and they simply use Indonesia or use boats that don’t require port facilities? Then we have lost the bargaining tool and the economic benefits.

**Dr Young**—Well I guess that it is not a scientific but more a negotiation and political judgment in that regard.

**Senator ABETZ**—That is why I wanted to explore with you, firstly, the rationale in using port access as one of the bargaining chips. And if at the time, when agreement was not reached in relation to that, we had the same amount of tuna caught—

**Dr Young**—I suppose I can only throw back on my book on negotiating skills which says that you don't give anything away for nothing in these sorts of negotiations.

**Senator ABETZ**—Yes, but isn't the history of it that we threw a lot away without saving one single fish and cost ourselves millions of dollars worth?

**Dr Young**—But the boycott was actually due to the non-agreement of quotas, as I understand it, and not due to our threatening to use that as a tool. I think the bottom line of disagreements between ourselves and the Japanese comes down to assessments for the quota.

**Senator ABETZ**—Can I just clarify that with you. I thought I had asked whether we could separate port access and quota, and at the beginning you said no, it was an important bargaining tool. And just then you told us that the non-use of our ports et cetera was solely related to quota.

**Dr Young**—I am sorry, let me correct it. As I understand it, there was disagreement at the negotiations on what the quotas should be. And I understand that following that, for whatever reason, the Japanese ceased using Tasmanian ports. That is a fact which one would assume was related to the lack of agreement on what the quotas should be. I guess it would draw a long straw to say that it was not related to that.

Say that we, in our negotiations, say, 'We are going to negotiate access. We will keep observers, we will keep the access fees, we will keep all those other things, but we will take the port access and put it to one side.' I am merely saying—and this is not me as a scientist with any more special knowledge than anybody else—that it would seem unwise to put to one side any of your potential negotiation chips without getting back from the other party some kind of compromise. That may be right; that may be wrong. I guess that is a matter of opinion.

**Mr HARDGRAVE**—Dr Young, a bit of light and shade through the course of these hearings is always important. The adage is 'think globally, but act locally'. I get the message that you have got some great concerns. Essentially, from a scientific point of view, I would like clarification of this: is it that you really want us to toughen up our act to have greater control in the short term on what is happening with the fish stocks?

**Dr Young**—I would not say 'greater'; I would say to keep the line. We would not

be saying to cut the quotas, but we would be saying to retain the present quotas until we have more evidence of successful rebuilding.

**Mr HARDGRAVE**—What about broadening of the geographic area, though, that is under control?

**Dr Young**—In regard to what?

**Mr HARDGRAVE**—Broadening the limit, the scope, under control. Is there a point to that?

**Dr Young**—I am sorry, but I do not quite understand the question.

**Mr HARDGRAVE**—Broadening the limit from which we have our control as an ocean over our—

**Dr Young**—Do you mean geographically broadening?

**Mr HARDGRAVE**—Yes.

**Dr Young**—I do not think legally we can go beyond 200 miles, as it stands currently. That is it.

**Mr HARDGRAVE**—What all this is leading to is that here is little Australia—a very moderate economic power in the world—taking on the head economic power in the world, Japan. On that basis, what level of cooperation exists between Australian and New Zealand parties of similar minds on the scientific aspects of this agreement?

**Dr Young**—Actually there is cooperation between all, including the Japanese—although there may be a disagreement here, but none of this is personal. There is sharing of data, experiences and analyses methods. At the moment, for instance, that is exactly what they are doing here in Hobart. There is considerable dialogue and considerable interaction and, as I say, my scientists are in and out of Japan just about every month collecting data, and working with the New Zealanders, as well. In this regard—and the commission has been doing this for years beforehand—the commission has emphasised that the three nations all have a responsibility for managing this resource. The processes have all been supported in getting the information. No-one is suggesting that there is a really hidden agenda here; it is a difference in interpretation of data. There is always a range of assumptions, and whether you make a positive or a conservative assumption produces the differences we see between the opinions of the various scientists.

**Mr HARDGRAVE**—But is there essentially Australia and New Zealand in one corner versus Japan in the other? Or are you saying this is an equal tripartite approach?

**Dr Young**—In terms of the results, certainly last year that was the situation. This year, I am not up to date, because I have not been participating at this stage.

**Mr HARDGRAVE**—So what situation last year did you have?

**Dr Young**—Last year you had a report in which there were dissenting reports, and the Japanese were dissenting from the Australians and New Zealanders.

**Mr TUCKEY**—I have two or three points arising out of what you have said to us. When one talks of scientific experiment and the need for additional quotas, I am reminded of minke whales. But is it not a reality that, if they want to experiment in other parts of the ocean, they can do it within their existing quota?

**Dr Young**—Yes, it certainly is.

**Mr TUCKEY**—There is really no relationship between additional quota and the right to go and try distant fields, is there?

**Dr Young**—This is not unique to the Japanese; it has occurred with some of our fisheries as well. I have always stood very strongly for the idea that, if you have a quota, it is a quota. If you want to partition some for experiments, you take it out of the total allowable quota.

**Mr TUCKEY**—Thanks for that. Coming back to port access, presumably there is a financial advantage to the Japanese fishing industry in accessing our ports, because it is closer to the resource. If that is the case, is that the grounds on which we wish to restrict port access? Do we say, ‘Well, that is another bargaining chip,’ as is, of course, access to the AFZ because there are some better fish there, and is that the way we are maintaining this quota? Or, since the Japanese, as they apparently seek to be proving to us at the moment, can slip back to Indonesia at very little extra cost, is the commercial leverage therefore not sufficiently significant for us to be restricting access to the ports in terms of the alternative of commercial advantage of onshore services?

**Dr Young**—I think the Japanese are the only ones that can answer that question, and of course one does not know whether they are willing to take a great loss in the short term to get an advantage in the future. But without the economic data it really is not possible for me to give you an answer to that.

**Mr TUCKEY**—Finally—just because I need the advice, and I know we are talking about long-line fishing here—to what extent does purse seining occur in this region? Or to your knowledge is that unique to Port Lincoln?

**Dr Young**—I am sorry, I would be dragging my memory—I am a bit out of touch. It used to go on a little in the east coast tuna fishery, but I am really out of touch with

that.

**Mr TUCKEY**—Have you got a comment to make on purse seining in its conservation concept? As I visualise it, it takes all the fish and lets nothing get away; it is a degree of efficiency that is probably too high in terms of conservation measures. Have you got a comment to make?

**Dr Young**—It depends how you are managing the fishery. If you are managing the fishery on quotas, and quotas are accurately estimated to be at the sustainable level, it is a very effective and efficient way of catching fish. However, if you have not got a very tight quota system it can overexploit very easily.

**Mr McCLELLAND**—You mentioned that you regularly send people to Japan. Do they get enough information, and if they do not, what additional information would you look to see them obtain?

**Dr Young**—I probably have to take that question on notice, but it is my understanding that they are getting all the information that they need. There was some concern at one stage about getting the tags returned—they did not necessarily feel they were getting the tags returned that they should have—but I do not know whether that has been rectified yet or not.

**Mr McCLELLAND**—The supplementary, related question is: are we getting all the information we need from the Australian fleet, do you believe?

**Dr Young**—I think we have extremely good relationships with the Australian fleet, yes.

**Mr BARTLETT**—On page 2 of the submission you comment that there is interaction between Japanese and domestic fishing operations in the Australian fishing zone and that there is little doubt that this has some negative impact on domestic operations. Could you expand on that comment, for instance how much negative impact and in what areas?

**Dr Young**—I do not have the full figures, but certainly if we look to the agreements for the northern—say, the yellowfin, the east coast tunas—we see that there have had to be agreements on separating the Australian operations from the Japanese operations, if for no other reason than just conflict of gear trying to use the same water. These are pretty huge amounts of long-line that are going out. Again the details may be available, but it is a matter that one can relatively effectively cause some local depletions which might prevent, in that area, there being as large a resource as there might have been otherwise.

**Mr BARTLETT**—A lot of the Australian fishing operators have argued for

separation of the activities. In your opinion, if that happened would that be likely to have any negative impact in terms of our leverage on the Japanese or their usage of our ports?

**Dr Young**—It is a fine line and that is one for the negotiators, to read the mind of the Japanese negotiators, I guess. We have certainly negotiated with them in north Queensland to have that kind of a separation, and so it has not been unheard of.

**Mr BARTLETT**—So it is quite likely that that could be achieved?

**Dr Young**—I would not say likely, but it is a possibility, yes.

**Mr TUCKEY**—May I ask, therefore: in your use of the word ‘interaction’ would it not be better replaced with the word ‘conflict’? I was wondering whether by interaction you were talking about their swapping loads at sea, or whatever.

**Dr Young**—No, we were not talking about that—although it is not unheard of for Australian boats to have Japanese crews.

**CHAIR**—There has been a suggestion made to us that before this agreement is re-signed there should be an environmental impact statement. From a scientific point of view is that feasible, and how long would it take?

**Dr Young**—Maybe I can give a little bit of background. We are working on a project at the moment with the Great Barrier Reef Marine Park Authority called ‘The effects of prawn trawling on the Great Barrier Reef’. It is costing approximately \$1 million a year. It has been going for five years and we anticipate another five years. At the end of that time we may have an answer that everybody can believe in. Now, long-line fishing is somewhat different. You certainly could look at things such as the impacts on bird catches and the impacts on other species. My overall impression, though, is that it would be more effective to mount a properly planned research investigation, looking at specific causes for concern, rather than a blanket impact statement. It has been put several times, on several occasions, that the fishing industry may be one of the few industries that does not have to have an impact assessment before it works, and to a certain extent that is true. However, I would urge anybody, before putting this on industries in a blanket fashion, to look at the implications. There is no use collecting data if you do not believe the results of it.

**CHAIR**—So what you are saying is that it is not feasible in a short to medium term.

**Dr Young**—No, not in the short to medium term. I would say you would need to put a horrendous amount of money into research.

**CHAIR**—On the question of the albatross deaths, there are views that there are

more albatross deaths caused by non-Japanese tuna fishing than there are by Japanese. Do you have anything on that? Also, you might like to say a little bit about the albatross carcasses and what happens as a result of those carcasses.

**Dr Young**—Unfortunately, I am not in a position to be able to answer that question. I can certainly give you a full answer on notice because there was recently a major international workshop down here in Hobart on the matter of the albatross and there is a research proposal, and I think it is funded, to look into those matters. It clearly is a cause for concern and there is active research going on, but I am not familiar with the outcomes of that work.

**CHAIR**—So you cannot comment on the difference between Japanese and non-Japanese fishing methods?

**Dr Young**—I would not like to. I would imagine, in terms of the respective amount of fishing, that the domestic would be trivial by comparison to the Japanese; but that would only be based on the relative amount of lines and the number of hooks going out.

**Mr TUCKEY**—I think the statistical evidence is that Australian boats are reporting killing a lot more albatross than the Japanese boats are. I thought the figures provided to us were of that order. Let me come back to the EIS argument. Because of the nature of the fishery and long-lining—it is not like trawling, where you are banging along the bottom—I guess the issue is more conservation of the species than protection of the environment, notwithstanding the concern about bird life. Is it your view that, outside of the sort of data recording and so on that arises with the commercial catch, there would be grounds for the funding of other research? Is there any positive aspect that would provide useful data by more pure research activity, if I could use that term in this context? As a scientist, do you believe that the industry, through its fees and so on, should be funding other aspects of research that might assist in establishing or overcoming the concern for depletion, or have we just got to stick with the commercial recording of data?

**Dr Young**—The head of any research institution would never say there was not always room for more money.

**Mr TUCKEY**—Effectively.

**Dr Young**—Seriously, I think I would have to say that we are putting an enormous amount of money into this project and there certainly could be more things done. I think, but I am not sure how we would achieve it, that more information on the high seas catches would be very useful; that is, more observer information. I think a lot of the work we are doing is specifically targeted at southern bluefin tuna, yet we know there is by-catch. We really do not know a lot about the by-catch and what effect it is having on the populations of the by-catch.

**Mr TUCKEY**—In Western Australia the fisheries department can very closely predict the lobster catch, three or four years out, because of the research they do with the very small crayfish at that stage. Can that sort of research be done off Indonesia or somewhere that would be worthwhile in winning the argument for conservation?

**Dr Young**—One of the conclusive things that could be done, which has not been done because it would require an effort so great that the funding could not be found, would be to try to get an independent assessment of the parental stock on the spawning grounds south of Indonesia. However, unlike the orange roughly down here where we have done that with egg surveys—we count the number of eggs and from there you get the number of females and so forth—of SBT spawning off the north-west of Australia it is over a very long period of time, four or five months, and it is over a very large area. You would have a fleet of six or seven ships operating over that period of time to do that work. We have discounted that as being so expensive that we could not reasonably expect to ever get the sorts of resources you need to do that.

**Mr BARTLETT**—Just narrowing that down to the black marlin again, there have been a lot of concerns expressed about the impact on game fishing there. How reliable is our data on that impact and how extensive has it been?

**Dr Young**—We have not done a lot of work at all on black marlin. We do know what proportion the Australian catch is of the stocks catch, and as I said, it is a fairly small amount. That is not to say that it might not have effect in a local sense of causing a local depletion.

**Mr BARTLETT**—Are they as migratory as the southern bluefin tuna?

**Dr Young**—Yes, they are very migratory.

**Mr TUCKEY**—Following up on what Mr Bartlett just said, on page 2 of the submission it says that in the case of black marlin there is no indication that stock has been over-fished. What can be done—and I am not sure anything can—to reduce the number of this species taken by long-line fishing vessels? Is there anything, a change in their baiting or anything, that might help?

**Dr Young**—In terms of that—

**Mr TUCKEY**—Is there anything?

**Dr Young**—I do not know.

**CHAIR**—Dr Young, for the benefit of the *Hansard* record I should officially indicate that your submission has been published, I should have asked you whether you have any amendments to the original submission.



**Dr Young**—No.

**Mr LAURIE FERGUSON**—Could we actually pursue that albatross workshop material from Hobart?

**CHAIR**—Dr Young, will you take that one on notice as well.

**Dr Young**—Could you repeat the question?

**CHAIR**—I am referring to the albatross workshop you spoke of, the Japanese and non-Japanese catching methods, and whether there is any evidence that there are any more, one way or the other.

**Mr TUCKEY**—Mr Chairman, our support staff prepare a number of questions, many of which have been raised here today, but I am wondering whether as a matter of policy it might be that we make these available to our witnesses on the basis that if they feel we have overlooked some important issue that our support staff have raised that they might also like to treat the question as if it were on notice.

**CHAIR**—We will talk about that in committee. Dr Young, thank you for giving evidence today.

[10.01 a.m.]

**THOMPSON, Mr Christopher Pound, Manager, Ports and Harbours, and Harbour Master, Marine Board of Hobart, 1 Franklin Wharf, Hobart, Tasmania 7000**

**CHAIR**—Welcome. As I indicated to the previous witness, your submission has been received and published. Are there any amendments to the submission?

**Mr Thompson**—No, there are no amendments, Mr Chairman.

**CHAIR**—Do you wish to make a short comment or would you like us to go straight into questions?

**Mr Thompson**—I would like to make a short comment, if I may. I will just dwell briefly on the current situation. As I said in the submission, I suppose the committee is well aware of the number of calls into Hobart. The committee is probably also well aware that we and the Port of Fremantle are the two major ports of call for the Japanese fishing boats. I would like to talk a little bit about the future potential of the Japanese fishing boats for the Port of Hobart. Although we are often at a geographic disadvantage here, one of the good things about belonging to the south is that we are close to the southern fisheries. We are not alone in that, of course. We have a number of competitive ports in South America, in South Africa and of course in New Zealand. The point I would like to make is that if the tuna vessels do not come here then they are obviously going to go somewhere else for the business. The boats must be serviced and if we do not do it, then somebody else is going to do it.

I would also like to say the current situation for the Japanese is very expensive. They have approximately 700 vessels and they take the majority of their catch back to Japan in small ships. This takes them away from the fish stocks. The fishing fleet also dry-docks for repairs and maintenance in places like Singapore—which is also very expensive—Cape Town and Callao in Peru. One of the other operations that these vessels are now performing is transshipment of their catch. A small number of vessels currently transfer catch in the ports of Suva and Noumea where transshipment is currently allowed. Of course, as the committee would be well aware, we do not allow transshipment in Australia.

I would like to highlight that if we did have appropriate legislation provision in place for such transshipment and if the Japanese were able to transfer their catch to another ship in the Port of Hobart, the tuna vessels would obviously stay in the immediate area and thus be able to do their docking and ship repair work here. This influx of vessels and crews would provide a great deal of benefit to the economy and unlimited potential for growth. I would also like to say that we have the infrastructure here capable of handling those vessels. With some expansion in our main slipway we could accommodate those vessels and we certainly have under-utilised and ample infrastructure in Hobart. If Hobart

were to become a home port for some of these vessels, we would have abundant waterways to be able to accommodate them in a lay-up situation for a period. I would just like to end my brief statement saying that it is essential that the port access issue be separated from the fishing rights issue. In most other countries I understand that they are separated. They are not separated here. I think if we can go some way towards separating them, we can plan for the longer term from the point of view of business and operational work. As I said earlier, those countries close to the fishing zone will provide the service anyway. The Port of Hobart and Tasmania should be allowed to compete freely in the international market place.

**CHAIR**—In the submission you talk about the \$200,000 direct budgetary impact or benefit to the Board. That is reasonably easy to determine and ascertain, but the wider economic benefits are perhaps a little more questionable. We have heard you talk about \$12 million, I think in your submission. We have heard other evidence which varies slightly from that in this area—across the country perhaps somewhere between \$50 million and \$70 million per annum. But we have also heard evidence that a lot of that is a guesstimate. How specific do you think some of these figures are?

**Mr Thompson**—I have seen figures of the fuel taken on board and the providoring and those sorts of things. I think you can probably get fairly hard figures of about \$5 million to \$6 million. I am convinced of that because I have seen those figures. That includes the provedores, the engineering and repair work, the fuel and the contractors. From the point of view of the wider picture, when you are talking about restaurants, taxis and casinos it is very difficult to come up with that sort of figure. I agree with you that it is a bit of guesstimate when you are looking at anything over about \$6 million for Tasmania. I would estimate it is probably \$5 million to \$6 million.

**Mr HARDGRAVE**—I went for a walk around the Salamanca area yesterday afternoon and it struck me that there were a lot of Japanese tourists around. Is it possible that there is some tourist trade that is coming because this is a place where Japanese tuna boats come? Have you found any evidence of that occurring?

**Mr Thompson**—We have not found great evidence for tourists coming here because of the vessels. When we have 10 or 15 Japanese boats in port there is obviously an influx of people from Japan associated with the vessels.

**Mr McCLELLAND**—You raised the question of transshipment. Are you saying that essentially the smaller ships come in here and report, and then they load up the larger ships and head off again?

**Mr Thompson**—That is correct. Basically, it is something that the Japanese, until recently, have not been doing. But because of the high cost of sending the ships back, they are starting to do this in Suva and Noumea. They have another ship, a larger vessel, and they discharge their frozen catch into the holds of that vessel and send it back to Japan.

**Mr McCLELLAND**—As you understand it, what additional requirements are there on government agencies? Is AQIS, DPIE, or whoever automatically involved in that process or are we divorced from that process; it just simply happens around us?

**Mr Thompson**—That is a very good question. To be quite honest, I have not gone into it. Certainly, you would have to get an expert to check out the legislative provisions involved and the agencies involved.

**Mr McCLELLAND**—I accept that there is an obvious frustration when you have got a wonderful harbour facility and waterway which is all underutilised. I just wondered what you knew about the processes involved in that. Do you have any knowledge about how it works?

**Mr Thompson**—No, I have not really inquired. It is something that the Japanese have only recently gone into. I do not foresee any major problems because it is essentially a straight transfer of frozen cargo to another vessel. We often transfer bait to another ship in the port of Hobart without any problems at all from the relevant authorities. I cannot see that you would have a major problem. If there is a problem when the vessel is attached to the wharf, you can always move the vessel out into the midstream and do the operation there.

**Mr McCLELLAND**—But do you accept that, once it comes into Australian waters, into an Australian port, since Australian wharves and Australian facilities are being used to transfer from one ship to another that there is—

**Mr Thompson**—I understand what you are saying, that you have an element of the—

**Mr McCLELLAND**—I would have thought that there is an element of responsibility for this government.

**Mr Thompson**—There certainly is an element of responsibility. I think there is a bit of a challenge there with the relevant unions. I can certainly see that there could be a way around that. I certainly know that, in the port of Hobart, people are very keen to get new business. I have discussed it—not at length—with some of the stevedoring people here and I think there would be an agreement.

**CHAIR**—Let me go to the specifics of the board and the work force cuts that you had to implement as a result of the boycott. Is it directly as a result of the boycott? Is it a temporary thing?

**Mr Thompson**—From the board's point of view, no. One of the major reasons we reduced our work force by about one-third was because we lost one of the coastal cargo services. That was the major reason. There are also two or three secondary reasons. One is

the fact that the Japanese vessels were not coming in. They are fairly labour intensive, and they do not earn us a lot of income but they do demand a certain amount of servicing. I would say that we have not lost too many people. We went down from 90 people to 60 people and we may have to lose another four or five. This is a guesstimate, basically. But there would certainly be a loss of employment in the port community, as such.

**Mr TUCKEY**—Just quickly on the transshipment, the focus seems to be on a mother ship lining up alongside a catcher boat and transferring the catch across. I guess people are worried about that in terms of monitoring. What is the situation and has there been any evidence of a catcher boat coming in alongside the wharf, unloading its catch, it being put in a refrigerated container and sent off by traditional transport? Do we know what the attitude to that is or if it has happened?

**Mr Thompson**—It is happening. Actually what is happening, particularly with the Australian vessels, is that they have a different system and some of the vessels come into Triabunna and the refrigerated van comes and collects the fish directly from the hold and takes it straight to Japan. So there certainly is another option. I am just saying that the Japanese are looking at the mother ship. There are other options, and we actually have a very large cold store in Hobart which is capable of containing 3,000 pallets of frozen cargo and at the moment it is only in about 30 per cent occupancy, so there certainly is opportunity there for doing things differently. There could be negotiations. The Japanese at the moment are talking about using a mother ship but there are other ways of doing it, you are quite correct.

**Mr TUCKEY**—Fine. The other point which I have raised a couple of times is the issue of separating port access from the actual conservation aspects of the agreement. Are you able to comment on the economic margin, if you like, for the Japanese industry of having its fleet serviced, say, in Hobart or Fremantle or wherever as compared to ports that would appear to be further away from the resource? The other question in that regard is that, as both transshipment and the most convenient point of servicing would increase the fishing effort of those boats and they would be back fishing quicker, have we any idea what that might do to the percentage of fish caught within the Australian fishing zone? They have got a global quota and it is really a question of whether they are going to catch it within our zone or on the high seas.

**Mr Thompson**—I am sorry, I do not have any idea on that issue. On the differences in cost with operating in our ports as opposed to other ports, I do know that we are substantially cheaper than Singapore. Suva and Noumea obviously would perhaps be cheaper than we are but they are substantially further north than we are and working out of Hobart or Fremantle specifically is very good from their point of view from a geographical positioning situation. With respect to New Zealand, we are comparable with New Zealand in their docking operation. Some years ago we were investigating putting a dry dock system in here for a period of time and I had specifically checked with the costs and we are pretty on par in Tasmania with New Zealand costs as far as that is concerned.

Certainly cheaper than Singapore but I would not know about Noumea and Suva.

**Mr ADAMS**—Whereabouts are those negotiations now? Is the marine board seeing itself as a negotiator to do that with the other industries that gain from us having those boats serviced here? Is the state government involved in any way in trying to pursue this as an opportunity, or where are we in that?

**Mr Thompson**—At this stage we are not very advanced. As far as the marine board is concerned, we see ourselves as a facilitator; we are certainly in there to assist in any negotiations. We are an operational and commercial enterprise.

**Mr ADAMS**—And you are putting resources into this.

**Mr Thompson**—We are certainly happy to put resources into it, yes, as a facilitator.

**Mr ADAMS**—And you will continue to do that?

**Mr Thompson**—We certainly will.

**Mr ADAMS**—And the opportunity for expansion, you think the original idea we had several years ago about a dry dock we could get out those reports and dust them off?

**Mr Thompson**—Yes. The difference with the Japanese tuna vessels is that previously we were talking about a Russian type large fishing vessel. We are now talking about vessels that are 1,000 or 2,000 tonnes, so they are much smaller and therefore the differences in scale mean it is far cheaper to construct equipment to accommodate those sorts of craft.

**Mr ADAMS**—And we have not got a cold war so we do not have to worry about the paranoia that some people from the opposite side of politics to me actually raised at that time, that having Russian fishing boats in Hobart could cause a security problem.

**Senator ABETZ**—The empire you supported has now collapsed, Dick.

**Mr ADAMS**—That is untrue that I supported the empire. That sort of comment could only come from someone like you, Senator.

**CHAIR**—Come on, this is not a play school.

**Mr ADAMS**—Thank you, Captain.

**Mr TUCKEY**—Just quickly, would the servicing equipment today be more of the

superlift—

**Mr Thompson**—Synchrolift.

**Mr TUCKEY**—Would that be compatible with the type of boat?

**Mr Thompson**—It certainly would be. One advantage is that we already have an area which is industrially recognised as a slipway, so we could expand in the existing area which is separated and there is sufficient water there for these vessels. But you would not necessarily have a standard slip. It would be something like the Launceston slip but of a larger capacity from which you can lift the vessel out and move sideways.

**Mr TUCKEY**—Something like that thing the Navy has in Darwin?

**Mr Thompson**—That is correct.

**Mr TUCKEY**—Have you any estimate of dollars on a thing like that?

**Mr Thompson**—Previously we were talking \$8 million to \$10 million, but I think with something like that you may be looking at \$5 million to \$6 million. It is not as expensive.

**Mr BARTLETT**—Accepting for the moment the accuracy of the \$15 million benefit, would there be any impact at all on that if we enforced the 50-mile exclusion zone?

**Mr Thompson**—I do not think the impact would be great with that. I cannot see that being a major impact.

**Mr BARTLETT**—If the treaty was not renewed, would we get any of that \$15 million from Japanese vessels still fishing the high seas but in the general vicinity of Tasmania?

**Mr Thompson**—But still being allowed port access?

**Mr BARTLETT**—Yes.

**Mr Thompson**—You certainly would be getting some.

**Mr BARTLETT**—Roughly what percentage of that?

**Mr Thompson**—At the moment we get 120 a year. This is an guesstimate, but I think we would probably get half that number.

**Mr BARTLETT**—How much of the other half would possible be made up by increased activity of Australian ships in the industry?

**Mr Thompson**—I really would not know, Mr Bartlett, I am sorry. It would be a guesstimate.

**Mr BARTLETT**—Has any work been done on that?

**Mr Thompson**—I have not really investigated it, no. Maritime Agencies of Tasmania may have the figures on that. He is coming to the committee later on and will be able to assist you with those.

**Mr McCLELLAND**—If you are able to upgrade your dry dock facilities would you attract vessels from countries other than Japan?

**Mr Thompson**—We certainly would, yes. One advantage is that we have established a research vessel base here. Those vessels are smaller than the conventional cargo ships. There are vessels such as the *Aurora Australis* and we have the *Icebird*, as it used to be called, and also the *L'Astrolabe*. And the Chinese vessel may well stay here and use it.

**Mr McCLELLAND**—Who would you need to assist you in that? Would it be a matter of state or federal funding or a combination?

**Mr Thompson**—A combination, I think, between the port authority and state and federal.

**Senator ABETZ**—When did the boycott start?

**Mr Thompson**—It was October-November last year and it extended through until just recently. I think we had 56 boats last year whereas we normally get about 120, so we had about nine months.

**Senator ABETZ**—What are the reasons, if you are able to tell us, for not allowing transshipment? What are the policy reasons for that?

**Mr Thompson**—I really do not know the policy reasons, to be honest. I have not gone into it.

**CHAIR**—On that one, I think there is some evidence from DPIE on that from last week. There are some reasons, but it is something we could explore in a little more detail.

**Senator ABETZ**—In your letter to us, in the first paragraph you say that you want to make a submission in support of maintaining the subsidiary agreement. I suppose all of



us would like to see an ongoing agreement. But would you make any changes, or suggest any changes, if they could be achieved?

**Mr Thompson**—As I said in my brief talk at the beginning, I think the important thing is changing the agreement to separate port access from the fishing zone access. And if we need to go over the fishing zone access on a more regular basis, the port access should be left for a longer period so people have got time to plan. At the moment nobody can plan for anything at all. That is basically the only change.

**Mr LAURIE FERGUSON**—I think you said that most countries—and you mentioned Chile, South Africa et cetera—do separate the port access and the conservation. Do any other countries follow our practice?

**Mr Thompson**—To my knowledge no, but I would like you to ask David Pratt of Maritime Agencies about that because he has been to Japan and he has researched it quite a lot. But to my knowledge, no, we are the only country that does.

**Mr LAURIE FERGUSON**—There has been a fair bit of mention of this boycott et cetera. Looking at the port calls in Hobart for tuna vessels, to me it seems more an aberration that in the period 1992 to 1995 there was a high upswing of them. But, if you look at the decade before that, what has happened in the last year or so is about the average for the previous decade.

**Mr Thompson**—In the 1970s, of course, there was a tremendous number of them. What happened is that they increased in size initially. I am not an expert on this but there was a problem with the fish stocks at that particular stage. The fish were not down in our area for those four or five years and, basically, there was a problem with the fish stocks. As I said, I am not an expert but they seem to be being farmed a bit better or, because we are putting these restrictions in with the quotas, they seem to be coming back each year in about the same numbers.

**Mr LAURIE FERGUSON**—But is your understanding that that trend has only been there three or four years? On this graph, in 1984-85 we are talking about only 22 visits; in 1987-88, only 20 visits; and for the last financial year it is 40. It means we have to go into it a bit more deeply than to assume this boycott is all that important.

**Mr Thompson**—I think at the time there may have been a lot of competition between New Zealand and ourselves, and they were going more to New Zealand. I also think they were going more to Western Australia at that stage, because Fremantle were still getting them and we were not getting them for some reason. I must admit I cannot recall what that reason was.

**Mr ADAMS**—I just want to clarify one item—the cost to the Marine Board of about \$200,000. Does that covers all your service costs? You are not subsidising these

tuna boats in any way, are you?

**Mr Thompson**—No, we do not subsidise the tuna boats at all.

**CHAIR**—There are no more questions from the committee. Captain Thompson, thank you very much. Before we take a break, could I ask if there are any representatives of the Tasmanian State Government in the audience?

**Mr Brothers**—from audience—I am from Parks and Wildlife, but I am not allowed to talk here anyway.

**CHAIR**—So there are no official representatives of the Tasmanian government. Okay, we will break, and we will reconvene with the Maritime Officers Union representatives at 11 o'clock.

**Short adjournment**

[10.52 a.m.]

**MORGAN, Mr Ronald Lance, Vice President, Port Representative National Council, Australian Maritime Officers Union, 194 Drummond Street, Carlton, Victoria**

**CHAIR**—Your submission has been received and published by this committee. Do you have any amendments that you wish to make to that submission?

**Mr Morgan**—No, Mr Chairman.

**CHAIR**—Would you like to make a very brief opening statement in relation to that submission?

**Mr Morgan**—I would just like to say that I am here to represent, obviously, the members of the Australian Maritime Officers Union. The possibility that the Japanese long-line fleet may not continue to use the port of Hobart for one reason or another is of great concern to us. It does represent a great deal of employment to our members, as I have indicated in the submission. It represents nearly 30 per cent of the total pilotage movements through the port of Hobart in a calendar year and, obviously, any change like that would have an impact on our members. I would also like to say that it would have an impact on employment right throughout southern Tasmania at a time when we can least afford to have any more job losses. So we see it as a very important issue.

One point I would like to make is that our union in no way, shape or form makes any judgment on the long-line fishery. We leave that to the experts in the CSIRO, or whoever else is going to appear before this committee. We would just like to express our concern at the possible unemployment that would result if they did not continue to come to the port.

**CHAIR**—Thank you very much.

**MR McCLELLAND**—To what extent is there a trade-off between the employment generated by the services provided to these Japanese vessels, and the additional Australian labour which could be employed on our ships if the fishing zone were extended?

**Mr Morgan**—In the past we have not found that the local fishery is very labour intensive. It certainly does not use the services of the port to the degree that the Japanese fishing vessels do. Local vessels obviously do not have the number of crew that the Japanese long-line vessels do so, therefore, they do not require the same amount in victualling and all the other fuel and services that the Japanese require. Although the local fishermen have got to eat, and they need fuel for their vessels, their vessels are a lot smaller and it does not appear—I will leave that to the experts, too—from where we are sitting that they generate anything like the amount of employment that the Japanese

would, or that they would inject into the economy the amount of money that the crews from these Japanese long-line vessels do over a 12-month period. I have spoken to the representatives of the local hospitality industry, and the amount of money that the Japanese spend for their short time in port is a lot.

**Mr McCLELLAND**—What main jobs would your members occupy?

**Mr Morgan**—Our members would predominantly be in the provision of piloting services, port facilities, garbage removal, the pilot launch crews and piloting. Obviously, the revenue that the local port authority gains from wharfage and other charges goes a long way to maintaining the employment levels of our members in the port of Hobart. The loss of this revenue to the port authority obviously puts in jeopardy the long-term numbers that the port authority is going to employ. As you can see from what I have written, it represents 32 per cent of the actual movements, albeit in small blocks; it is a significant amount with the figures of the vessels that go through the port of Hobart. To expand on that, we have gone through 25 redundancies, nearly one-third of the work force, only three months ago.

**Mr McCLELLAND**—This is the port authority?

**Mr Morgan**—Yes. Obviously, it is at a very critical stage. They have cut their number of employees, and blind Freddy can see that, if you lose any more revenue, more jobs are going to be in jeopardy. It is of great concern to our members.

**CHAIR**—What proportion of Japanese fishing vessels that visit the port of Hobart are tuna boats? How many more fishing vessels other than tuna boats come into the port of Hobart?

**Mr Morgan**—There are a large number of fishing vessels that use the port; but, in the provision of piloting services, the vessel has to be over 35 metres in length. Any vessel of under 35 metres can go to and from the port without attracting the services or having to have a pilot on board. I do not have the figures, but I am sure that the Marine Board could supply them to you. We do have some large trawlers that use the port and need pilotage, but predominantly it is the Japanese fishing vessels that attract the most pilotage, out of all the fishing vessels.

**CHAIR**—Your submission talks about the impact on unemployment, and unemployment in Tasmania is relatively high compared to other parts of Australia—over 10 per cent. What would be the impact, if the tuna vessels were no longer to come to Hobart? Have you got any evidence of, or done any studies into, what that might mean in terms of the unemployment figure?

**Mr Morgan**—To be honest, I do not have the facilities to do those types of studies, to give you those direct figures. I wish I could. I would just like to put to you that

I am a resident here, I work here and I live my life in southern Tasmania, basically. The unemployment problem is very critical. It appears to get worse and worse. I do not pretend to have any solutions to that, but to lose any more jobs would be really critical to this place. I suppose it would be very difficult to say that, by losing the Japanese fishing vessels, we are going to lose 15, 20 or 30 jobs. The casino is going through a colossal restructuring process. They have sacked a lot of staff. They have restructured the whole place. They have spent a lot of money. I do not have the figures, because they would be nearly impossible to get, but the Japanese or Korean crews of the long-line fishing vessels spend a colossal amount of money at the casino. I put it to you that any downturn in income for the casino is going to be devastating.

**CHAIR**—For every Japanese tuna boat that comes into the port of Hobart, what would be the comparable number of Korean vessels that come in?

**Mr Morgan**—We do not have any Korean vessels.

**CHAIR**—Koreans do not come in here?

**Mr Morgan**—Not to my knowledge: I could be corrected on that.

**CHAIR**—They do not come in here at all?

**Mr Morgan**—No.

**Mr ADAMS**—There is some joint venturing with companies, I understand, in Hobart. Do you see joint venturing as the best way for us to go into the future?

**Mr Morgan**—I have not seen a lot of success. I don't have the technical data to make an informed comment on that. Looking at vessels that appear to start on joint ventures, they do not seem to last for a long period. But, once again, I don't have the expertise to answer that.

**Mr ADAMS**—What opportunities do you have to input into encouraging this industry—the throughports—to increase in the port of Hobart?

**Mr Morgan**—Our organisation probably does not have a great deal of input into that. The record will show that, over the last 10 years, we have tried to maintain industrial stability in the port of Hobart. I don't think people can dispute that. Our organisation has done that and will continue to do so. We hold the employment of our members as our goal. We want more employment and, as long as our members are getting a fair go, which they have been in that past—

**Mr ADAMS**—So you would be giving full support to the Marine Board to encourage increased activity in this area?

**Mr Morgan**—We certainly will be. I have been working with Chris Thompson and Chris Drinkwater to that end. We have indicated that at all times.

**Mr HARDGRAVE**—I was interested in the union's point of view on innovative alternatives or accommodating things such as the transshipment activities that we were talking about with an earlier witness. Were you here for that?

**Mr Morgan**—No, I wasn't.

**Mr HARDGRAVE**—It was about the concept of mother ship activities in port and so forth. The point raised was that there may be some union uncertainty about that. How would your union view alternate activities?

**Mr Morgan**—I have not had the benefit of hearing that.

**Mr HARDGRAVE**—Yes, I apologise. In a broad sense, of course.

**Mr Morgan**—In a broad sense, any new innovations that are brought into the port of Hobart that are about increasing employment and not decreasing employment would have the full support of the Australian Maritime Officers Union. You are obviously aware of that 118 decision that went through last year giving the Australian Maritime Officers Union and the Maritime Union of Australia sole coverage of the waterfront. While that has occurred, we still cannot be held responsible for the actions of the Maritime Union of Australia. We would be urging them to examine in detail any submissions that were put forward, as indeed we would. Anything that is put forward to increase employment through the port of Hobart or through any port would have our full support.

**Mr HARDGRAVE**—Is your union being proactive in putting forward ideas and ways of involving new activities at the port?

**Mr Morgan**—Yes, to the degree that all the suggestions that are put forward by our members are faithfully passed on to management. We have a long history of working with management. We have a pretty unique working relationship through the port of Hobart. Any these new things that arise, we find that we are probably the first people that management, through Chris Thompson, speaks to. Chris will pick up the phone and say, 'How would the guys view this? What do you think about this?' We get a few ideas, and we go forward and we work together.

**Mr HARDGRAVE**—I guess what I am driving at is that there is a deal of scientific evidence that suggests that there is some fragility attached to the stocks of these particular types of fish; that is why we are here. We are very conscious of the unfortunate declining nature of the Tasmanian economy due to all sorts of imposts being put on it from outside of Tasmania. If things were to occur that there was a harder stand taken because of the declining nature of these fish stocks against this particular industry, the

impact I am sure all of us here recognise to be immense. So what do you suggest is done to hold things together?

**Mr Morgan**—As I stated in my opening remarks, we just do not have the technical expertise to make an informed judgment on whether or not the tuna stocks are declining or increasing and we have to leave that in the hands of people who have that technical expertise. I have always felt that the people who probably have that knowledge are the people that actually catch the fish, and I am afraid that the only people in the world that catch these fish in the numbers to make an informed decision are the Japanese tuna vessels. I stand to be corrected on that, but they must be the people where we get our figures from. I know we have observers on some vessels but I do not believe, and I could be corrected again, that they are on all vessels. They are the people who are taking the fish and it is like anything else: if you go down to the coast and you go to your favourite little fishing spot and you have been going there for 20 years and you used to catch 100 fish every time you went and now you only catch 20 then the stocks are declining.

**Mr HARDGRAVE**—Can you be satisfied the Japanese fishing industry would be motivated to give accurate data on their catches and so forth?

**Mr Morgan**—I would certainly like safeguards to make sure that they were actually giving us accurate information. I do not think that we should just blindly accept everything that they say. But I do not know how that could be set up so that we could be 100 per cent sure that the information that we were getting was accurate. Surely they are the only people who can actually give us accurate data on the stocks. That is only a personal opinion.

**Mr TUCKEY**—As you may be aware, currently port access is part of the agreement which is the subject of this treaty and it is limited on the basis apparently that it gives a leverage in deciding the quota allocation—the global quota allocation—in the first instance. Have you ever, through your members or anything else, come to the view as to how many more ships might visit here either for loading, unloading, victualling or in fact maintenance if the access to the ports was removed from this agreement, in other words access was a separate issue and basically wide open?

**Mr Morgan**—I believe in a free enterprise country and a free enterprise situation and I believe that we in the port of Hobart collectively can offer a good service to these people. I would like to see just the fact that we compete with other people and I am quite sure that we would compete well. The Maritime Agency provide great service to these vessels. The feedback that we get through our pilots that talk to the fishing masters and the owners of these vessels—they speak highly of the port. So I do not think personally the port of Hobart would have anything to fear from making these two separate issues.

**Mr McCLELLAND**—Is there anyone who has done any market research among in particular the Japanese sailors as to what would attract them to want to come into the

port of Hobart as opposed to somewhere in New Zealand, for instance? Obviously the casino would be one attraction.

**Mr Morgan**—I believe so.

**Mr McCLELLAND**—Has anyone done any research among them, do you know?

**Mr Morgan**—Once again we have not because our organisation is obviously not set up to do those types of things. I would refer that type of question to David Pratt later on this afternoon. The maritime agency has been handling these vessels for a long time now and they have a great deal of expertise. They regularly commute to Japan to get feedback from these crews as to how they can better service them and I believe they do so in a good manner. They are top. David would be far more able to answer that than I am.

**Mr BARTLETT**—In your opinion, if the treaty was not renewed, what percentage of potential job losses, in very general terms, might be made up by an increase in joint venture activities or an increase in Australian shipping activity? Would that go part of the way?

**Mr Morgan**—I cannot speak for the Port of Hobart but, from my observations of the work that our members do for these Japanese fishing vessels, I do not think that the joint venture path or more Australian vessels would go any way to stop the job losses that would occur if these vessels do not come in.

**Mr BARTLETT**—In your worst possible scenario, what would you see in very broad terms as the potential job loss? What sort of numbers?

**Mr Morgan**—I do not think that directly you could put a figure on it. Indirectly over a period of time is where the impact would be felt. It would be felt dramatically. It is going to take 12 months. When they come in, they do not just come in one or two a week or three a week. They come in in a block and they generate a colossal amount of money in a two- or three-week period and then they are gone again. They come in two or three months later in another block. Obviously it would take a bit of time for this decrease in revenue to have a direct impact on employment. People would look in other ways to try and maintain employment and then, after a period of time, small business would fold.

**Mr BARTLETT**—What about in terms of, say, percentage decline in port activity or activity of your crews?

**Mr TUCKEY**—It is 30 per cent of the pilotage.

**Mr Morgan**—Yes, it is 32 per cent of the total pilot movements in the Port of Hobart.



**Mr BARTLETT**—What percentage of that would be made up by increased joint venturing and Australian shipping?

**Mr Morgan**—I really do not know how much it would make up. We would have to find out, I suppose.

**Senator ABETZ**—If I can follow up on Mr Hardgraves's questioning about transshipment, you indicated that you would support any move that would increase employment. I suppose one question that I would like to ask you would be what your organisation's attitude would be if transshipment meant no increase in jobs but the maintenance of the work force that is currently employed. In other words, if they came into port to be serviced on the basis that they could have some degree of transshipment, what involvement would your organisation seek in that?

**Mr Morgan**—Our organisation predominantly provides services to get a vessel into the port. The services that we provide are not stevedoring services. Our organisation quite frankly would have little or no involvement in transshipment of cargo across the wharf. That remains in the area of coverage of the Maritime Union of Australia, which I cannot speak for. We would be urging the Maritime Union to support any innovation that was brought into the port but once again, I am sorry, I cannot speak for the Maritime Union. I am merely the representative of the Australian Maritime Officers Union and we support any maintenance of employment in the port. Obviously, with any changes that are made we have to see the changes and sit down and study the proposals and make an informed decision after all the things are in place.

**Senator ABETZ**—But in principle you would not have an objection?

**Mr Morgan**—The port of Hobart is in a very delicate financial position. I did not have the advantage of listening to Chris Thompson's comments but we have recently lost the Newsprint contract out of the Port of Hobart. That was the catalyst for a 30 per cent reduction in the work force in the port. They did not just cut the work force and say, 'We will get rid of 30 per cent', they made redundant the minimum amount of people that they could. Obviously, any more reduction in the revenue for the port authority will have a direct impact on employment in the port and we just do not want to see that.

I am not wearing my heart on my sleeve but Tasmania has really taken a battering over the last 12 months and the feeling of the public at large is not good. It is not a buoyant economy. It is not a happy place to be at the moment. We do not need any more reduction in employment or any more bad news, we have had just about enough. The next bit of news has got to be good because, quite frankly, it is not good.

**Senator ABETZ**—You mentioned Mr Paul Chubb in your letter to us, the state president of the AHA, and to save me giving evidence to the committee are you able from your personal knowledge to tell us whether he runs the Customs House Hotel on Hobart's

waterfront and whether he would be well placed, because of the geographic location of his hotel, to know the impact that the Japanese fishing boats have on the local hotel industry.

**Mr Morgan**—That is the Paul Chubb who runs the Customs House Hotel and Paul would be very well placed. He is a guy who travels about a bit too. He does not sit in one place. He listens and talks to his members. He is ideally placed, as you say, as his hotel directly faces onto the waterfront. The stories that he tells are of the crew members sitting at the bar. He says that in the end you just have to make up names for them and nod your head. They keep coming in and they keep coming in and they just sit there. They have a colossal capacity for alcohol.

**Senator ABETZ**—Do you want to go in camera?

**Mr Morgan**—They spend a lot of money. They are Paul's words. They amaze me, they sit there all day.

**Senator ABETZ**—They are an important contributor to the local economy. In the third paragraph of your letter you mentioned infrastructure and that farmers plant specific crops to coincide their harvest times with the fleet's visit to the port. What sort of products are we talking about there?

**Mr Morgan**—Once again the best people to answer that would be people from the providoring firms. I put that in because I did not know what other people were going to put in their submissions. That is only information that I have gleaned over a period of time from people like Peter Morrison and David Pratt.

**Senator ABETZ**—They are giving evidence later today so I will ask them. Thanks.

**Mr Morgan**—Those people would be the best to ask.

**Mr LAURIE FERGUSON**—I want to return to Mr McClelland's theme. I do not want to understate the unemployment problem and it is obviously a consideration of the committee but is it possible that because you pilot these Japanese vessels and they are a certain size that that is fairly strong in your thinking about the overall tuna fishing industry?

**Mr Morgan**—It certainly is, and I have to make that clear. I have stated two or three times that we do not have the facilities or the knowledge to comment on stocks of southern bluefin tuna. In no way, shape or form do we make a comment on that. We merely wish to put forward to the committee the impact that these vessels not coming here will have. If by some conservation measure the committee has satisfied itself that these vessels are taking too many tuna, that is—

**Mr LAURIE FERGUSON**—For the moment I was getting more at the Australian versus the Japanese situation rather than at the conservation aspect. Is it perhaps possible, due to the fact that the smaller Australian vessels might be dispersed amongst a larger number of smaller ports around the coast, that we perhaps overemphasise visits by very large vessels, three or four times a year? If we assume, for the sake of argument, that the Japanese are accurate in what they are telling us they are taking and the actual treaty gives them only seven per cent more than Australia, perhaps we tend to understate the importance of the Australian job aspect from our fishing side of it.

**Mr Morgan**—Yes, you are quite correct there. I do not have the expertise in that area, so really I cannot answer.

**Mr LAURIE FERGUSON**—I am not denying your direct employment interests, but I think it is a more complex picture.

**Mr Morgan**—I fully agree with you, but I do not have the figures and I do not have the expertise to answer your question.

**CHAIR**—Thank you very much.

[11.25 a.m.]

**van den HOFF, Mr Colin, Secretary, Tasmanian Game Fishing Association and Tuna Club of Tasmania Inc., 13 Beach Road, Midway Point, Tasmania 7171**

**CHAIR**—The committee has received and published your submission. Do you have any amendments to make to that submission?

**Mr van den Hoff**—I have no amendments to make to it.

**CHAIR**—Would you like to make a short statement?

**Mr van den Hoff**—Yes, I would. My submission was forwarded through the Game Fishing Association of Australia, of which the Tasmanian Game Fishing Association is the local representative body. Further to the submission that they put through, we would like to see, from the recreational fishing sector, a general increase in the exclusion zone to 50 nautical miles, in line with the exclusion zone for the rest of the coast of Australia. The ramifications of that would be that the recreational sector would be allowed to have a better go at getting at the resource.

Game fishing in Tasmania and in Australia is actively encouraging tag and release, which allows the capture of a fish, a tag to be inserted in it—a CSIRO approved tag—and the fish to be returned to the water within 30 seconds of capture. The insertion of the tag then allows the fish to roam freely over the ocean again, and the next person that catches it hopefully will have the sense to log the area in which the fish was caught and the date that the fish was caught. If that information is forwarded on to CSIRO, then they can use that to track movements of where the schools of fish are going. So we actively encourage that.

In Tasmania we have a code of practice for recreational fishermen set at two southern bluefin tuna per person per day for capture and anything over that is tagged and released. In my association and also in the club that I am a member of we have decreased that and restricted it to one southern bluefin tuna per person per day. That has been in vogue for the last seven years in recognition that the fish are in decline.

Going along that line, the data in club records indicates that from captures in the 1960s and 1970s of hundreds per year they have dropped to a total of one fish for the whole season of 1984 which appears on that graph for the years 1982 to 1996. When we come to what we call bottle fish, which were fish over 100 pounds in the old language, or equivalent 45 kilos, there were numerous numbers of those caught in the 1960s and 1970s and then a decline in the 1980s to one bottle fish of 125.75 kilos, which still stands as a recreational record, in 1985. Since 1985 there has only been one bottle fish recorded and that was 82 kilos in 1990.

We can further backup the decline in the fish stocks from the 1960s and 1970s with the fact that where they were catching hundreds of fish per week there was a total of only five caught in the recent contest in April this year. There were 35 boats fishing, 150 anglers dragging around four to six lures for eight to nine to 10 hours per day, five days of the week, with a result of five fish. We are only trailer boat fishermen and we fish to within 12 miles off the coast, which is supposedly where the Japanese are. They are allowed to within 12 miles. The fish just are not there. We are just not catching them in the way that we used to years ago. I have been a member of the club for nine years and, even from my own records of every trip we do, we are just getting less and less. We did not see a bluefin at all this year. We were one of the ones that did not catch a fish in the week.

The reason why we would like to see the 50 nautical mile exclusion is that there is a growing domestic long-line industry. There are three boats that have set themselves up in the last two years—one fishing out of Eaglehawk Neck, right alongside our recreational fishery and two from Hobart. They are setting 100-kilometre long lines, 2,000 hooks each. Their effort is far greater than ours, so their return would be far greater than ours. That encroaches into what areas we can go and fish. The economic benefits of recreational fishing to a state with chronic problems have already been mentioned here before this morning. I spend between \$1,000 and \$2,000 in six months. Our tuna season opens early January and continues to middle or late June and I can spend anywhere between \$1,000 and \$2,000 in fuel, tackle, gear, bait and maintenance on the boat. There are 160 like-minded people in my club alone. There are three other clubs in Tasmania with roughly that membership. They put a lot of dollars into businesses in this state. That is about all I have got to say.

**CHAIR**—For the benefit of *Hansard*, I have before me a graph provided by the Tuna Club, Tasmania, on recorded captures of southern bluefin tuna against years.

**Senator ABETZ**—Has that been incorporated?

**CHAIR**—It is part of the submission. Is it the wish of the committee that the document be incorporated in the transcript of evidence? There being no objection, it is so ordered.

*The document read as follows—*

**CHAIR**—It shows a negligible capture in 1984, climbing up to a capture of over 70 in 1988, coming down again in 1989 and then going back up. By 1993 it was up over 80 and now in 1996 it is back down to 10. Can you relate that graph to the imposition of the 12 nautical mile exclusion zone?

**Mr van den Hoff**—I have no knowledge of when the 12 nautical mile limit was set to start with, so I would not know where to pick it up along this graph.

**CHAIR**—Why, in your opinion, has it dropped in three years from over 80 captures to about 10? What is the prime reason for that?

**Mr van den Hoff**—I can speak clearly from this year's point of view. It has a bit to do with climatic conditions. We had a hell of a lot of rain this year and the flow-on effect was that there was brown water out to what they call Hippolyte Rock, which is six to seven miles off the coast. So there is a lot of fresh water in the ocean and, obviously, salt-water fish do not like the fresh water.

That also has a flow-on effect in that there is no bait. If there is no bait, which is the krill and the mackerel which the tuna feed on, and if the bait is not close in to shore, then the fish are not going to come close in to shore. That was this year's scenario. The fish are out wider but we are not in a position from a safety point of view to go out 25 to 30 miles from shore to look for bluefin on a recreational basis.

**CHAIR**—Is there any direct relationship between that 12 nautical mile and the degree to which, seemingly, your recreational captures have decreased to the extent that they have?

**Mr van den Hoff**—The only thing I can put it down to is that if the long-liners are allowed to within 12 nautical miles of the shore, then obviously they are going to have a lot more area to target the species.

**Mr HARDGRAVE**—Firstly, I just point out that, in that Game Fishing Association submission on page 155 of the submission document, there is a figure for 1983: the gross value of the Japanese catch was put at \$85 million. Do I take it that really was meant to be 1993?

**Mr van den Hoff**—I am not sure. The information that I tendered to the Game Fishing Association of Australia's submission was purely catch data and evidence from my local area. You would have to speak to Chris Stone, the writer of the submission.

**Mr HARDGRAVE**—I hope it is 1993 because 1983 is a bit out of touch with what we are dealing with today.

**Senator ABETZ**—The reference is clearly 1993.

**Mr HARDGRAVE**—The reference is 1993. But I just thought I should ask if this witness wanted to try to clarify that. How would you rate the recreation and game fishing industry, as you are portraying it, versus the commercial fishing industry and, in particular, the southern bluefin tuna, making an economic comparison between the two?

**Mr van den Hoff**—Between the local long-liners or the Japanese?

**Mr HARDGRAVE**—Yes, between what you are doing locally here in terms of recreation game fishing aspects versus the commercial benefits. If you have a hole in the economy caused by imposing the 50 nautical mile limit, less Japanese boats are coming in here, et cetera. Is the game fishing industry capable of taking up some of that economic slack?

**Mr van den Hoff**—Obviously, if the fish are about, people will go and target them and chase them from a recreational point of view. If the Japanese are excluded to 50 nautical miles, then hopefully the local domestic long-line fishery would take up the slack.

**Mr HARDGRAVE**—You have pointed out there are several boats coming—

**Mr van den Hoff**—Some of the slack.

**Mr HARDGRAVE**—Yes, that is what I am trying to get at. There are several local operators now heading out to compete with the Japanese interests, which is a great development. So the 50 nautical mile figure that you are suggesting is good for a couple of reasons.

**Mr van den Hoff**—Yes, good for a couple of reasons from a Tasmanian point of view. Hopefully the fish will not see the fence and they will still swim their way close to our shores in an area where we can go and recreationally fish for them, and they will also provide a resource for the local commercials to go and target.

**Mr HARDGRAVE**—What sort of research or work does your association do as far as some of the scientific aspects of this particular fish are concerned? Could we be witnessing simply a natural cycle of numbers depletion or perhaps even a climatic influence imposing itself on the fish?

**Mr van den Hoff**—Firstly, from a scientific point of view, all we do is cooperate with CSIRO. All our club boats have packets of tags on board and we are very heavily promoting tag and release. We have realised that the southern bluefin is an endangered species, otherwise there would not be much point in having an inquiry into their future. So we go flat out with our boats to target fish and shoot a couple of tags in them. We are advised to put two tags in for the simple reason that if one falls out there is still one left in the fish.

If there are any recaptures we promptly advise CSIRO of where the fish were caught. We get a T-shirt and cap as a reward for helping them. Since CSIRO has started fitting the fish with their archival tags, we have received an incentive by reward process. If any of our members are lucky enough to snag a fish with an archival tag on it, they will give us a substantial cash reward for that. Obviously, they then return the fish to the sea and let it follow on.

**Mr HARDGRAVE**—So you are the facilitators of the research rather than actually doing it.

**Mr van den Hoff**—Yes, we are the on the ground workers, I suppose, as well as getting a feed of fish for ourselves.

**Mr LAURIE FERGUSON**—Do you get feedback from the CSIRO? Do you feel you are performing a valuable role from the feedback they give you?

**Mr van den Hoff**—Yes. I have what I would think is a healthy working relationship with Wade, the CSIRO liaison officer. If he has an relevant information that he feels he should pass on, he does and if I have any information to pass on to him, I do.

**Mr HARDGRAVE**—Can I just finish off that line of questioning with one other question? It would be in your opinion then a greater benefit to the local economy and for the overall picture to move out to 50 nautical miles?

**Mr van den Hoff**—Yes definitely, because if it does come to fruition and the fish numbers do pick up, being a committee man of the tuna club myself, we would be putting on more rallies of the day. That is when we actively as a club go out and search for the fish. We would be putting more rallies on. If the fish are there, we will go and look for them. If the fish are not there, then the people are not going to join the club, the club could fold and the whole system goes into a downward spiral.

**CHAIR**—On that point, the committee has had submissions indicating that moving out to 50 nautical miles has improved recreational fishing. On the game fishing net interstate, is there any further evidence that you could provide to us?

**Mr van den Hoff**—Only what I have read from John Harrison's submission to you through Recfish. They are the peak body for recreational fishing in Australia and he has stated that it has improved.

**Mr BARTLETT**—You made reference to the obvious economic benefits of game fishing. In terms of export, how many tourists do you have coming through here who are spending money on game fishing while they are here?

**Mr van den Hoff**—We have a local contest and what we call the Australian



bluefin tuna contest that is held biannually. We have up to three or four teams from the mainland come down here. Some of them bring 35-foot Bertrams with them. Some of them fly over and stay in the local accommodation such as the Lufra Hotel and the Penzance Motel down there.

**Mr BARTLETT**—Are any from outside of Australia?

**Mr van den Hoff**—No, we have not had any overseas entrants to my knowledge.

**Mr BARTLETT**—What about casual arrangements with tourists in terms of game fishing? Is that very significant?

**Mr van den Hoff**—Yes, every time we have a rally. We are in a tourist area at Eaglehawk Neck which is 20 kilometres north of Port Arthur. So we are in the tourist belt down there. Every time we have a rally down there, there are boats around and fish to weigh, if there is a record capture the tourists come up and say ‘What’s that?’ They like to push the angler out of the way, get in the photo with them and have a bit of a look.

**Mr BARTLETT**—Do they actually pay to go out?

**Mr van den Hoff**—Yes, we have had tourists inquire but no, not pay. They are not allowed to pay. If they are dead-keen fishermen who are in the area for a while and someone is prepared to take them out, yes they can. As recreational fishermen we are not allowed to take money because it would encroach on the charter fishermen. Terry Horton, who I believe is speaking later on, might be able to enlighten you more from that angle.

**Mr BARTLETT**—Can I ask one other question. You have talked about the declining bluefin tuna numbers. Have you noticed a decline in marlin numbers and so on? Can you comment on that?

**Mr van den Hoff**—The only marlin that we get down here is the striped marlin. Normally, St Helens is the best place in Tasmania to go marlin fishing; that is, tag and release a marlin and capture a record fish. We have had infrequent sightings of marlin off the Hippolyte. That happens only when we have an El Nino year, when the east Australia current actually does come down to the southern tip of Tasmania. They follow the warm water, and if the warm water does not come down the marlin do not come. But there have been sightings of them. There was one of 100 kilos caught in 1993. That was the most recent.

**Mr ADAMS**—The graph shows that in 1982 there were over 100 then we had an enormous drop in 1983—I know we have been looking at the other drop, from 1993 to 1996—is there any explanation of why that dropped?

**Mr van den Hoff**—That was before I joined the club, unfortunately. I would have liked to have been around to see the tears in people's eyes, I suppose. I have got no information as to why. They just say, around the club, that that was the year the fish did not come. There is no reason. The scientists might be able to enlighten you.

**Mr TUCKEY**—That was about the time the whole quota thing blew up, wasn't it?

**Mr van den Hoff**—I believe so.

**Mr TUCKEY**—That is probably just about when the industry was on its knees.

**Mr ADAMS**—So it has been an up and down situation?

**Mr van den Hoff**—Yes, it is very volatile.

**Mr ADAMS**—It is into another decline now.

**Mr van den Hoff**—Yes, we are in a four-year decline again.

**Mr ADAMS**—How many members are there in Tasmania, in your club or in similar clubs?

**Mr van den Hoff**—In my club alone, in the tuna club, there are 160 members. There is an equivalent number in the game fishing club at St Helens. There are 40 members in another club in southern Tasmania and 50 members in a club that operates out of Launceston.

**Mr ADAMS**—There are commercial operators; I know that at St Helens there are commercial operators.

**Mr van den Hoff**—Yes.

**Mr ADAMS**—How many commercial operators are operating out of Eaglehawk Neck?

**Mr van den Hoff**—There is one with a charter boat who has just bought himself a long-line boat, so he is actively targeting long-line, and there are two operating out of Hobart.

**Mr ADAMS**—So if we went to a 50 nautical mile system, you would still have to compete with Tasmanian fishermen and other Australian fishermen in that zone. But you feel you would be better off with a recreation area.

**Mr van den Hoff**—Theoretically, there would be fewer hooks in the water because

the Japanese would be excluded from coming within 50 nautical miles. So we would only be competing against 2,000 hooks for each of three boats.

**Mr ADAMS**—Has there been any conflict between recreational fishermen and Japanese fishermen on the sea?

**Mr van den Hoff**—Not that I know of. We do not go out as far as they do. The waters off Tasman Island and off the east coast would be second only to Bass Strait, I would presume. Bass Strait is reputedly the roughest stretch of water anywhere. Tasman Island gets pretty volatile. Our boats are only up to 25 or 30 feet, so we only go down there on selected days when it is flat as a tack.

**Mr ADAMS**—Maybe you could just point out what a ‘bottle fish’ is. Why is it called a ‘bottle’? Does somebody have to buy a bottle if they catch a fish?

**Mr van den Hoff**—No, it is a term that was coined in the fifties and sixties. It refers to a fish over 100 pound. That now equates to 45 kilos. That is a prize fish. Considering that we like to get our anglers to fish with as light a line as possible and still catch heavy fish, most of our clubs are outfitted with lines up to 24 kilos. If you can get a 45-kilo fish or bigger on a 24-kilo line, you are still doing well. I know of people who have stood there for 4½ or five hours on a 10-kilo line with a 35 kilo fish and have eventually got it. That is what it is all about. That is what game fishing is all about.

**Mr TUCKEY**—What about the charter side of the industry? Is that growing, is it static, or do you see potential for it if this zone were increased to 50 nautical miles?

**Mr van den Hoff**—I can see an increase in potential for it. We have four or five charter operators operating out of Eaglehawk Neck, where we are based. We have a very good relationship with them. They fish in the same waters as us, with amateur fishermen who just pay whatever the going rate is for a day to go out fishing. We have a very good relationship with them. If the Japanese were excluded to 50 nautical miles, there would be the potential, if the fish stocks increased, for more activity for charter operators, as well.

**Mr TUCKEY**—Thank you.

**Senator ABETZ**—How far out do your members go? Would they go out as far as 50 nautical miles?

**Mr van den Hoff**—I have been in my boat, which is a 6-metre trailer boat, 25 miles offshore on a day when it is as flat as a tack, when there is virtually no breeze and a little bit of swell—say, a two- to three-metre swell. That was no problem.

**Senator ABETZ**—That is 25 miles. How far out would the most adventurous of your members go?

**Mr van den Hoff**—We have got a guy in the club that has got a 28-foot Bertram and he has been 40 miles out.

**Senator ABETZ**—Basically the 50-mile zone would cover the total area that you, as recreational fishers, would want to operate in?

**Mr van den Hoff**—Definitely.

**CHAIR**—With the heavy rain and the brown water effect that you referred to, how far out generally would that go—I suppose it depends on the rain—with a mix between the fresh and the salt water?

**Mr van den Hoff**—This is the worst we have ever seen. We have had very unusual climatic conditions this year in our fishing season. It rained virtually nonstop for two to three months. We have a cliff down off the coastline called Yellow Bluff, which is normally a light tan in colour. This year there was so much rain, the water coming out of the cliff was virtually chocolate brown. The colour of the water was extended out past Hippolyte Rock and that is six nautical miles offshore.

**CHAIR**—To pick up Senator Abetz's question, if the exclusion zone were extended from 12 to 50 it would have a substantial benefit both to charter and recreational fishing?

**Mr van den Hoff**—Yes, for those who are brave enough to go out there, and anybody's brave enough on any given day. If the conditions are right then we are prepared to go anywhere.

**Mr McCLELLAND**—Have any of your members had any conflicts—I think somebody used the words 'interactions'—with the Japanese long-line fishermen?

**Mr van den Hoff**—No, none to my knowledge.

**CHAIR**—Any more questions? Thank you very much indeed.

[11.50 a.m.]

**PRATT, Mr David Michael, Manager, Maritime Agencies of Tasmania, 83 Salamanca Place, Hobart, Tasmania 7000**

**CHAIR**—Welcome, Mr Pratt. I should point out that once again your submission has been received in evidence and will be published. Do you have any amendments to the submission that you have put forward?

**Mr Pratt**—No, I do not.

**CHAIR**—Would you like to make a short opening statement?

**Mr Pratt**—Yes, I would.

**CHAIR**—Before you do, could I point out that a lot of questions have been directed to other witnesses that more appropriately should be directed to you so we might have quite a few for you, particularly in relation to one area. I will come back to that in a moment.

**Mr Pratt**—Maritime Agencies have represented the Federation of Japan Tuna Fisheries for over 30 years and I have had a 21-year association with the Japanese. Japan Tuna is the largest fishing association in Japan. Japanese fishing vessels fish off the Tasmanian coast at the moment for a winter season—usually from May to end of July—and sometimes in the summer season from October through to December or January. Over the 30-year period, the vessels have made a significant economic contribution to Hobart and to the other Australian ports of access. It is our estimate that the annual expenditure in Hobart is between \$8 million and \$12 million and the total expenditure in Australia is between \$50 million and \$70 million. This expenditure has a multiplier effect of about five to one which means the economic benefit to Australia could be as much as \$350 million. Under the current agreement, port access to the AFZ is combined. It is our understanding that, of the 28 fishing agreements that Japan has, Australia is the only country where the port access and the fishing access is combined. A lot of expenditure is made with small businesses. The loss of this would have an adverse effect on these businesses, particularly in Tasmania.

The local fishing industry, as I understand it, operates on a fresh catch basis where the fish is caught and airfreighted to Japan. The Japanese industry is a totally frozen fish one where they are stored on board the vessels at temperatures of minus 60. The vessels go back to Japan for unloading of that catch and they can be anything from 12 to 18 months away from home. So there are two different benefits there. We would stress the importance of the conservation of stock levels so that we can sustain a viable and economical resource.

**CHAIR**—Thank you very much. Can I open the batting in a predictable area, and that is in relation to the economic benefits. In a number of submissions that we have had from varying sources there is a fair amount of difference of opinion. In terms of Tasmania, a figure of \$12 million to \$15 million is what I think you have just given us. And nationally the figure is anywhere between \$50 million and \$70 million. How confident are you of that figure? Secondly, in relation to the multiplier effect, you talk about a five to one multiplier effect. Who says that?

**Mr Pratt**—We have estimated in our submission that the expenditure in Hobart is \$8 million to \$12 million. Those figures have been taken from our systems, where we have our direct expenditure and where we claim that back from Japan Tuna. You can see that in the tables for the last four years. You have the fuel figures. Then you have to add in the crew's personal spending where they have their own foreign currency that they expend. As has been stated before, that is a hard one to calculate because you have the casino, the hotels and associated things such as the shops where they spend money. With regard to the five to one ratio, that is something we have done some checking around on as to what we would take as a multiplier effect and the general consensus was a five to one ratio.

**CHAIR**—And you think that would apply nationally. So, basically, what you are saying is that the bluefin tuna is worth nationally to this country about \$300 million per annum in economic impact.

**Mr Pratt**—In economic impact—and that is exclusive of what they pay in access fees to the Australian government.

**CHAIR**—Okay.

**Mr Pratt**—That also excludes the joint venture arrangements with the Australian industry.

**Mr McCLELLAND**—You have said in your submission that the question of port access should be separated from the fishing zone issue. How confident are you that the port would be attractive to the Japanese if the zone was moved out to 50 kilometres?

**Mr Pratt**—When you say a 50-kilometre zone are you talking of—?

**Mr McCLELLAND**—Fifty nautical miles.

**Mr Pratt**—Are you talking about a base line, because at the moment, as I understand it, the 12-nautical mile zone is from the furthest point east of Tasmania? Or are you talking about 50 kilometres from the coastline?

**Mr McCLELLAND**—Extend it 50 nautical miles from where it is now.

**Mr Pratt**—I would have to do some checking on that to see what impact it would have, but I would not have thought it would have had that much of an impact.

**Mr McCLELLAND**—Do you think you would still be attractive as a port?

**Mr Pratt**—I would imagine so, but my expertise is not in fishing and where the fish are.

**Mr McCLELLAND**—Have you done any market research as to what would make the port more attractive or to confirm it as an attraction to the Japanese?

**Mr Pratt**—As we have said in our submission, there is the potential for a ship repair industry here and the trans-shipment of the catch, where we would allow them to leave their vessels here and fly their crews home. At the moment, for a vessel to go back to Japan you have got 21 days transit time from here to Japan, and that has to be multiplied by two to take account of the return. So you are saving 41 days wages for the crew alone.

**CHAIR**—Before I ask other committee members to ask questions, on transshipment, are you aware of anything at all from the Department of Primary Industries and Energy in relation to a policy which precludes Australia from doing that? Is there anything from a quarantine or an industry point of view as to why transshipment is not carried out?

**Mr Pratt**—In their previous agreements there used to be specific wording that the transshipment of catch was not allowed. I have not read this year's agreement very thoroughly, but I could not see it in there at all this year.

**CHAIR**—But what I am asking about is the rationale for that lack of transshipment facility.

**Mr Pratt**—I think it has just been a continuation of the Australian policy—no-one has been game enough to say, 'Can we do it?'

**CHAIR**—I see.

**Mr TUCKEY**—Basically it is either road block or there was a scientific reason. But it would be a bit hard to see a scientific reason if the fish were caught in our waters.

**Mr Pratt**—There would be no scientific reason. When you do the transshipment of the catch, you go from the fishing vessel to a reefer vessel and the fish would not even touch the local soil. It would be just transferred straight from vessel to vessel.

**Mr BARTLETT**—Just before I ask my question, in response to an earlier question

about the multiplier of five, you said you derived that figure by doing some checking around. Could you elaborate a bit on that?

**Mr Pratt**—I have spoken to the chief executive of the port authority here, I have spoken to the regional manager of Qantas and I have spoken to other people who are better qualified than I am in the economics field who tell me that is the average multiplier effect that is used.

**Mr BARTLETT**—Is that typical of this industry?

**Mr Pratt**—I do not know about this industry, but it is a typical multiplier effect in Tasmania.

**Mr BARTLETT**—In response to the potential, hypothetically if the treaty was not renewed there would be a direct loss of \$15 million in benefits to Hobart. Potentially what percentage of that might be made up by increased Australian activities?

**Mr Pratt**—The Australian vessels are smaller vessels that do not utilise the facility of pilots. Their provisions are nowhere near the Japanese. The Japanese vessels have a crew of 21. They are normally at sea for three months at a time and the smaller Australian vessels do not pay anywhere near the port fees that the Japanese vessels pay.

**Mr BARTLETT**—Can you give any rough percentage estimate?

**Mr Pratt**—As a stab in the dark, the Australian industry may pay 10 per cent of what the Japanese are paying.

**Mr BARTLETT**—Is it possible that one of the reasons that the Australian ships are not into that size of shipping and that type of fishing is because they feel they cannot compete with the Japanese? If the Japanese were not here, would it be possible that the Australian industry would move into the larger ships and deep-freeze the tuna and so on?

**Mr Pratt**—The Japanese industry have a proven design in a ship. It is a very good seaworthy ship. It has been a proven design for probably 30 or 40 years. They are big vessels. As I understand it, for the Australian industry to go to that, you need a lot of capital to invest in a vessel. You are talking probably \$4 million to \$5 million a vessel and you need the crew to do it. I think they would find that it is very expensive for them to do it.

**Mr BARTLETT**—Is it possible that, if ultimately the Japanese were not getting the tuna stocks they needed from here, there would be a potential export market in Japan for Australian produce? Therefore there might be the incentive to invest in that sort of capital in order to get that sort of fishing stock?



**Mr Pratt**—The Australian industry at the moment is basically a fresh industry. The Japanese industry is a frozen industry. You need to look at the two different things separately.

**Mr BARTLETT**—I am just wondering whether they are in fact related.

**Mr ADAMS**—The cost of fresh fish versus frozen, do you have any idea what the Japanese price is per kilo?

**Mr Pratt**—There is a premium price for fresh.

**Mr ADAMS**—Is that 20 per cent or 30 per cent?

**Mr Pratt**—I do not know. I have seen it at the fish market, but I would not know.

**Mr TUCKEY**—Does the frozen stuff also go back onto the sashimi market?

**Mr Pratt**—Yes.

**Mr ADAMS**—Are there joint ventures working out of Hobart?

**Mr Pratt**—There was a joint venture between the Australian industry and the Japanese industry which was the Australian Tuna Boat Owners Association. That started in about 1990 or 1991 and went through until the end of last year before the boycott started. I believe that they are now talking about re-establishing their joint venture. A paper that was done by the Australian Bureau of Economic Research showed that the joint venture alone over a 10-year period was worth \$70 million to the Australian economy.

**Mr ADAMS**—You could establish a few vessels with that sort of capital, could you not? I do not know if I misheard you, but is any of the Japanese catch flown out of Australia?

**Mr Pratt**—No, it is all kept on board and taken back to Japan.

**Mr ADAMS**—Except there is some transshipping at Suva.

**Mr Pratt**—Yes, Suva and Noumea are the main ones.

**Mr HARDGRAVE**—In the general scheme of things, are Hobart and Tasmanian ports in general perhaps far more appealing than Suva, Christchurch and whatever the other alternatives there are in New Zealand?

**Mr Pratt**—Yes. Australian ports generally have the attraction because they have modern facilities. They have the casinos because the Japanese are big gamblers and they

are made to feel at home too.

**Mr HARDGRAVE**—You say in your submission that there are 720 vessels operating in the tuna fleet. How many are we actually seeing through the gate here?

**Mr Pratt**—That is the total membership of Japan tuna all around the world, including their domestic skipjack industry as well.

**Mr HARDGRAVE**—Yes. How many are we seeing in Hobart?

**Mr Pratt**—The way the system works at the moment, you have pre-fishing and post-fishing inspections. Before a vessel starts fishing off Tasmania, it must come into port for a pre-fishing inspection and at completion of their quota off Tasmania they must come in for a post-fishing inspection. So you are doubling the port calls there and, of the 120 port calls, we are probably seeing 50 to 60 vessels.

**Mr HARDGRAVE**—How far out are they fishing? The 50 nautical mile exclusion zone is not going to impact on a boat that is already out there 200 nautical miles off the coast anyway, is it?

**Mr Pratt**—I am no expert in where they actually fish, but from my knowledge there are in the south coast waters off Tasmania and the east coast waters off Tasmania. I know from a case some years ago, where we had to do some surveillance of a vessel from the air, that we had to go 70 miles off the coast to look at that vessel before it actually sank. I think it would be probably 60 to 70 miles off the coast.

**Mr HARDGRAVE**—I guess this is a reiteration of what you said earlier and that is that the 50 nautical mile limit, however it is assessed—and we have 12 at the moment so we will add 38 on to it—really does not have a big impact on their activities as such.

**Mr Pratt**—I cannot speak for the Japanese industry, but personally I cannot see it having an effect on it.

**Mr HARDGRAVE**—You say they have not raised any concerns with you.

**Mr Pratt**—Actually today is the first time I have heard of the 50-mile zone being talked about.

**Mr HARDGRAVE**—Is there a conflict between the game and recreational fishing interests and commercial fishing operations?

**Mr Pratt**—As I understand it, the Australian industry has learnt a lot from the Japanese industry and there is a fair amount of cooperation between the Japanese and the local industry. They have taught the Australians the art of long lining and developing long

lining.

**Mr HARDGRAVE**—What is your view on the question of \$4.5 million as an entry or access fee near Australian waters versus the benefit that we as a country get out of it and, for that matter, Japan as a nation gets out of it? Is that a good, bad, indifferent, too low, too high or adequate figure?

**Mr Pratt**—I would probably think that it may be a bit high, but that is only from information that I have had passed on to me from the Japanese. I believe the price is based on the fish price on the Tokyo market, but I am not too sure how it is calculated.

**Mr HARDGRAVE**—Do you have any idea on how it compares to competing nation figures?

**Mr Pratt**—From competing nations it is one of the highest access fees that they pay.

**CHAIR**—I think we had that evidence last week.

**Mr LAURIE FERGUSON**—In your estimates of the economic contribution of the Japanese ships, you make an assumption of 110 port calls to Hobart. Even if we eliminate the last year where there has been a boycott, the average over the previous 15 years was 53 port calls. Why do we have an assumption of 110 visits?

**Mr Pratt**—That is not an assumption; that is fact.

**Mr LAURIE FERGUSON**—If we go to the figures produced by the second witness, we are talking about port calls from Japanese tuna vessels, are we not?

**Mr Pratt**—Yes.

**Mr LAURIE FERGUSON**—The average for the 15 years previous to the current year when there was supposed to have been a boycott is 53.

**Mr Pratt**—Yes, but you were saying 110.

**Mr LAURIE FERGUSON**—Your assumption is based on 110 visits.

**Mr Pratt**—That is the number of vessels that have called at the port in 1993-94. That is an actual figure that was handled by this agency.

**Mr LAURIE FERGUSON**—You are putting to us a supposition about the economic gains from this industry.

**Mr Pratt**—Yes.

**Mr LAURIE FERGUSON**—Admittedly, in 1993-1994, 110 vessels arrived here.

**Mr Pratt**—Yes.

**Mr LAURIE FERGUSON**—I am putting to you there could have been peculiarities that year and the year before and after it.

**Mr Pratt**—The formation of the joint venture with the Australian industry was 1990-91.

**Mr LAURIE FERGUSON**—So those low figures in previous years reflect the non-existence of the agreement, is that what you are saying?

**Mr Pratt**—Yes, the non-existence of that agreement and changes in the fishing pattern. If you look at the port calls of Fremantle you will see that they increased over that period of time and the port calls in Hobart decreased.

**Mr LAURIE FERGUSON**—Can we be very confident that with this agreement that there is a permanent pattern?

**Mr Pratt**—Yes.

**Mr LAURIE FERGUSON**—The general trend is there in your figures but I am interested in the use of fuel, for instance. If you look at those three years we have referred to as around the 110 mark, basically only about 80 per cent of vessels required fuel whereas on your figures you are saying 98 per cent of them required fuel last year. Was there any particular change in the pattern of fuel needed?

**Mr Pratt**—Are you talking 1995-96?

**Mr LAURIE FERGUSON**—Yes.

**Mr Pratt**—It depends where the vessels have come from. Some of them will come straight from Japan to fish off Tasmania so they will take either no fuel or top up. They are fuelled in Japan. They will not take any fuel on their first port call but take a maximum requirement on their second port call. During the boycott Japan Tuna operated a supply tanker. They usually work in the Pacific off Peru but during that time they supplied 69 vessels outside the Australian AFZ on the high seas with stores and fuel.

**Mr TUCKEY**—I want to bring you back to page 4 of your submission and this reference to a joint venture. The figure you give us is that 2,870 tonnes of the Australian quota, which would be about half the Australian quota, was farmed out to joint ventures.

Are you informing us there that the owners of this quota just treat it as an investment and were not fishermen at all?

**Mr Pratt**—They are tuna fishermen in Australia who have sold their quota to—

**Mr TUCKEY**—Do they fish from their beds?

**Mr Pratt**—In theory, yes.

**Mr TUCKEY**—Thank you for that. You mentioned a moment ago that this collapsed for the year of the boycott. Have you any idea whether that quota was then taken up by Australian fishing boats in that year or did we just catch less fish?

**Mr Pratt**—That I do not know, I cannot answer that.

**Mr TUCKEY**—We might try to find that out.

**Senator ABETZ**—It was indicated to us in an earlier submission that there is even a spin-off for the rural community with these visits. That evidence was from the Australian Maritime Officers Union, but they were unable to assist in the specifics and suggested you might be able to assist in that regard. Are you able to do so?

**Mr Pratt**—I can give you a broad overview. They take a lot of fresh vegetables such as Chinese cabbage and that type of produce. Our providore had arrangements for those crops to be grown to suit the arrival of the vessels in Hobart. However, when the boycott took place they did not turn up and the growers had to find other markets.

**Mr HARDGRAVE**—Mr Pratt, concerning the question of competing nation ports that we were talking about before, given that Australia does have an appeal, have you done any work on how to trigger off growth in access and other activities associated with this fishing activity? I asked earlier whether there had been any figures on tourists, for instance, oriented towards coming to Hobart when the fishing vessels are around. It would certainly advance the cause in the overall economic sense for Tasmania if this was added to the existing reasons for people to come here. Have you done any work on that?

**Mr Pratt**—No, we have not. The tourism side of things is probably more a state government issue.

**Mr HARDGRAVE**—But do you see the point, though, that these are the other nations and exploiting, if you like, the pluses that are already in the minds of existing operators, making it more obvious to them that coming here is a good thing.

**Mr Pratt**—Tasmania is known fairly well in Japan. I know recently a Japanese TV camera crew had done a documentary on tuna fishing in Tasmania that was shown on

Japanese TV. I think one of our problems is the international connections. The Japanese would much rather go to Cairns or Surfers Paradise or Sydney for a holiday than come to Hobart.

**Mr HARDGRAVE**—You have mentioned Cairns, and the late Lee Marvin regularly put Cairns on the map as far as game fishing is concerned. The potential must be here for that too.

**Mr Pratt**—I do not know whether the average Japanese when he goes on holidays would go game fishing or whether he would much rather go sightseeing or play golf.

**CHAIR**—Certainly in the sunshine. On the question of validation of the catch, in your submission you talked about the role of the Tasmania Marine Police. Are they the agents for AFMA in terms of validation?

**Mr Pratt**—The Tasmania Police act as the agent of AFMA in Canberra and conduct the pre- and post-fishing inspections.

**CHAIR**—We heard a little earlier a view about the attitude of the Japanese to honesty, if that is the right word, in terms of their catch. You have been dealing with them for a long time, you would have a lot of knowledge. What are their ethics in relation to the catch? Are they dependable, or do some people try to—

**Mr Pratt**—As far as I am concerned, they are very dependable, but in any nation you are always going to have somebody who wants to buck the system.

**CHAIR**—They will fudge a little, from time to time?

**Mr Pratt**—Yes, not all the time. I would not say that they fudge them. You try and weigh in high seas with a 60-knot wind and a set of scales to get an accurate weight. It is very difficult.

**CHAIR**—We did take evidence from DPIE and AFMA last week as to how effective the ad hoc inspection arrangements are. In the port of Hobart, again with your background knowledge, what would be your overall assessment of the ability to validate using those ad hoc arrangements?

**Mr Pratt**—The volumetric calculation that is used is a good system and in my experience in the general maritime industry, when you do volumetric calculations there is always an error margin. From my understanding, in the negotiations for this agreement there is no tolerance level built in there or any dispute resolving procedures that have been put into place. I think the Japanese would like to see some sort of procedure put in there where there is a set tolerance level and a set dispute resolution procedure.

**CHAIR**—In relation to the Japanese and the non-Japanese tuna boats, in Tasmania what is the difference between how many Japanese and how many Australian boats there are? What would be the breakdown, in tuna?

**Mr Pratt**—As I understand it, there are about four or five local boats. You also get vessels from South Australia and New South Wales using Hobart, as I understand it. The rest of them are the Japanese vessels.

**CHAIR**—So Port Lincoln, they fish here as well?

**Mr Pratt**—I have seen vessels from Port Lincoln in the port here.

**CHAIR**—But in the overall scheme of things, it is very small?

**Mr Pratt**—The Australian industry do not use agents; it is all controlled from their own offices or vessels.

**CHAIR**—But you would have a feel for that?

**Mr Pratt**—Yes.

**Senator ABETZ**—I was going to ask a few questions on that and I think you have asked most of them, Mr Chair. The only other one is just to confirm that each and every vessel that fishes in the Australian fishing zone does undergo a pre- and post-fishing inspection, or do they just pick out a few at random?

**Mr Pratt**—Every vessel has a pre- and post-fishing and then they have selected vessels that they place observers on. I think there is a fairly high coverage of vessels.

**CHAIR**—It is about 15 per cent.

**Mr TUCKEY**—That inspection relates mostly to the catch, presumably.

**Mr Pratt**—It relates to the catch, where they go down and measure the fish hold, what fish is in there, determine a quantity and then when the vessel is finished its quota off Tasmania it will come back in and do the post-fishing inspection.

**Mr ADAMS**—Mr Pratt, do you know of conflict between Australian boats and Japanese boats at all?

**Mr Pratt**—I know some three or four years ago there was some gear conflict off Tasmania but I think that stemmed from the Japanese and the Australian industry using different sets of gear. One uses a mono-filament line and the other uses a different type of line.

**Mr ADAMS**—The Australian gear is much lighter than the Japanese gear, I understand.

**Mr Pratt**—Yes.

**Mr ADAMS**—Therefore if there is a tangle it is usually the Australian gear that comes off second best. Is that right?

**Mr Pratt**—As I understand it. But I think that those problems have been resolved through communications between the Australian and the Japanese industry.

**Mr ADAMS**—We have had some submissions given to us that it is very hard to communicate with the Japanese boats because they turn their radios off. This is the submission that has been put to us. Therefore, if there is a conflict or a tangling of gear it is very difficult to get some resolution. Do you have any ideas on that at all?

**Mr Pratt**—I cannot comment on that one because I have not been out on the high seas.

**Mr ADAMS**—Okay. Thanks very much.

**Mr McCLELLAND**—If preferential access were given to joint venture vessels, would the Japanese be more willing to enter into joint ventures with Australian fishermen, do you think?

**Mr Pratt**—I cannot answer that one. That one needs to be answered by the Japanese industry themselves and the Australian industry.

**Mr LAURIE FERGUSON**—Could I just clarify this monitoring? What percentage of Japanese boats do you think actually visit Australian ports? Are there some that do not come at all that do fish inside the area?

**Mr Pratt**—No.

**Mr LAURIE FERGUSON**—Every boat will come into an Australian port?

**Mr Pratt**—As far as I understand it, every vessel would call at an Australian port. You have the ports of Brisbane, Sydney, Hobart, Fremantle, Port Lincoln and Port Hedland as access ports so you have got full coverage.

**Mr LAURIE FERGUSON**—Yes, I know there are those ports, but do they need to visit there?



**Mr Pratt**—I would say that 99.9 per cent of the vessels would call at an Australian port.

**Mr HARDGRAVE**—That is a requirement of the agreement?

**Mr Pratt**—Even when you are not fishing off Tasmania there is a requirement for a pre and post fishing inspection before you can enter or leave the zone.

**CHAIR**—Any more questions?

**Mr BARTLETT**—If the treaty was not in place and access to ports was still allowed—this is the question I asked of someone else early this morning—would Japanese fleets still use Hobart port and to what extent would that happen?

**Mr Pratt**—If the two issues were separated, my estimation is that they would but I cannot speak for the Japanese industry.

**CHAIR**—Perhaps we ought to ask if you, in your expert opinion, feel that by separating those issues, it might have a detrimental or other effect. Would you like to see a severing of the relationship?

**Mr Pratt**—I would like to see the two agreements separated. I think with the separation of the two agreements you have the potential for further economic benefits to Australia. But you have also to look at the quota issues so that they can be handled separately and you do not need the port access as a bargaining tool.

**CHAIR**—That is interesting. I think a lot of the submissions we have had have said the opposite to that.

**Mr Pratt**—From what I understand there was some commitment back in 1991 by DPIE to separate port access from the AFZ agreement and that has never eventuated.

**Mr TUCKEY**—I think commercial logic says that if the agreements were separated you would see more boats coming in because they would make their judgment on pure economic benefit. As it is now we restrict that, presumably to reduce their fishing effort.

**CHAIR**—We will need to revisit that, obviously. Any more questions? Thank you very much, Mr Pratt.

**Luncheon adjournment**

**CHAIR**—Is it the wish of the committee that submissions Nos 37 to 39—from the Australian Maritime Sciences Association, Mr Nathan Evans and the Tasmanian government respectively—be authorised for publication in a separate volume of evidence? There being no objection, it is so ordered.

[1.26 p.m.]

**MORRISON, Mr Peter John, Managing Director, Purdon and Featherstone Pty Ltd, 22 Campbell Street, Hobart, Tasmania**

**CHAIR**—Welcome. We should indicate that your submission has been published by the committee. Do you have any amendments to make to that submission?

**Mr Morrison**—No.

**CHAIR**—Did you wish to make a short opening statement?

**Mr Morrison**—If I might; yes. I will be brief. Thank you for giving me the opportunity to come here and briefly go over my submission and answer any questions that may come up. I tried to make it as brief as possible and to outline some points that were relevant to our operation and the type of activities that we are involved in. It is certainly a step in the right direction that a committee such as this has been formed to give people, particularly in small states like this, the opportunity to voice their opinions. Thank you.

**CHAIR**—Earlier today we heard a number of views about the economic impact, both in Hobart and nationally. We have heard figures referred to as being locally \$8 million to \$12 million per annum and nationally somewhere between \$50 million and \$70 million. It is a bit of a guesstimate, in many ways. Would you like to comment on how accurate some of those figures are, and also about the multiplier effect that has been referred to?

**Mr Morrison**—I certainly think there is a little gamesmanship going on between certain companies in revealing the true figure of what their business is worth, so I really could not give you an accurate figure on it; but I am very pleased to tell you exactly what our figures are on it. It is a little bit of hearsay as well, from my point of view, as to what the true result would be in this town. The figure that you have mentioned there is about the same as I have mentioned. To our company alone, in a good season, it would amount to \$2 million.

**Mr TUCKEY**—That is in turnover?

**Mr Morrison**—That is in turnover, yes. The effect of that \$2 million is really far-

reaching. The amount of people that we are involved with in supplying would be somewhere between 40 to 45 different suppliers. A big amount of that is local growers and the local farming community as well as meat suppliers. So that in itself has a pretty significant effect on the rural sector in this state.

**CHAIR**—But that figure is without any multiplier?

**Mr Morrison**—That is correct.

**CHAIR**—So what is the multiplier?

**Mr Morrison**—I would think that it would probably be by five.

**Mr TUCKEY**—From your dealings with the group, have you made any assessment of whether or not all of the vessels that visit here are members of the Japan tuna federation or are there some that are not? Are most of those that you deal with long-line tuna vessels?

**Mr Morrison**—We deal exclusively with the Japan tuna federation. To give an example of the amount of vessels that would be here, on the last large fleet visit here I think there were 47 vessels of which 44 were represented by Japan Tuna. The other three were—

**Mr TUCKEY**—Forty-four out of 47?

**Mr Morrison**—Yes. They were all long-liners. The others belonged to Zangoran and they would have similar types of crews and, I would imagine, similar types of purchases to what the other vessels would have.

**Mr TUCKEY**—There seems to be a substantial focus on Japan Tuna. Does it operate as a cooperative in terms of the victualling of its ships, or do they just have this loose arrangement and then deal individually with you?

**Mr Morrison**—No, it is certainly not a loose arrangement. The Japan tuna fisheries co-op is set up for the benefit of all the fishing vessels that are members of that co-op. They virtually organise all the supplies and various needs of those vessels in any port visit that they come on. The arrangements in this city are through an agent, Maritime Agencies, and in turn we deal through Maritime Agencies to Japan Tuna.

**Mr McCLELLAND**—This is a side issue not covered in your submission, but is there a prospect that a joint venture fish processing plant would be viable in and around Hobart—as an alternative to trans-shipment, for instance?

**Mr Morrison**—It could be a possibility on certain varieties of the fish. But I

would suggest that southern bluefin, for example, would not be, in any shape or form. If you have seen the way that the market is conducted, the buyers would be very reluctant to be buying a processed fish unless they have seen it whole. But it could be a possibility on the other species which are not quite so expensive. However, I would think the processing would be to a very limited degree. The fish would need to be slaughtered in such a way as to preserve them and keep the quality until it is trans-shipped.

**Mr McCLELLAND**—Do you know how they do that on the Japanese vessels? They would clean the fish before they froze it, wouldn't they?

**Mr Morrison**—Yes, it is. But I have not been on board a vessel and I have only seen brief things about it on a video, so I cannot answer that question.

**Senator ABETZ**—In relation to the multiplier effect that you mentioned, we heard evidence this morning from the Australian Maritime Officers Union about the agricultural sector also benefiting. Are you able to shed any light on that as to what aspects of the primary industries benefit?

**Mr Morrison**—I would think they are probably talking about farmers that we have contract growing certain styles of vegetable that are predominantly used by the Japanese.

**Senator ABETZ**—Right. In your submission you tell us about the upgrading of facilities in Indonesia within weeks of the Australian boycott. Can that be related to the boycott? Can we make that connection?

**Mr Morrison**—Certainly, from our point of view, the effect of the boycott was almost immediate. It would be fair to say that our business had been set up predominantly to look after the needs of Japan Tuna. With it happening so quickly, it had a great effect on us on turnover. We believed that it would take some time before it would have an effect so that whatever vessels would be in this other nation's fishing would perhaps still have a need to come here. But within weeks they had people in Indonesia and started setting up port calls there.

**Senator ABETZ**—You might not want to answer this next question and if you do not I understand that. You have indicated how much the business is worth. What percentage of your overall business does that represent and how many people do you employ? If you did not have that contract, how many people would you put off?

**Mr Morrison**—I am happy to tell you what it represents. In a good season there would be a \$2 million turnover figure from Japan alone. That would represent 60 per cent of the company's total turnover. It also would be fair to say that it is on a very profitable arrangement as well. There are good margins within that. A lot of our other businesses is contractual work which is pretty fiercely sought after.

The effect of the Japanese not being here really would have caused us to lay off at least three workers but we did carry them through just in fairness to the workers. One fellow in particular had been with the company for 12 years prior to my purchasing it. We kept them on as an act of faith and hoped that the situation would change but had it not, in that time, we certainly would have been reducing staff.

**Senator ABETZ**—Do you think Australia gets good value for the money we get from the Japanese? It is \$3.45 million for the resource that they actually take.

**Mr Morrison**—You would have to tell me where that money went to say whether we got good value from it.

**Mr TUCKEY**—It covers the research and the surveillance costs of their activity.

**Mr Morrison**—I think that it would be. From my knowledge of it, without the Japanese being out there there is very little scientific data for anyone to get. They seem to be the only people who have the vessels that can get out there and stay out there. They are fishing and supply most of the data. If money is being put into research and development in that area then I would expect that it would be, yes.

**Senator ABETZ**—Would it impact your business adversely if the fishing zone were extended from 12 to 50 nautical miles?

**Mr Morrison**—I believe this is the only state where it is. Certain fishermen who have been in this area for many years, a bit like all fishermen, have certain areas which I guess they are a bit fond of and the Japanese being a very superstitious lot, that may have some effect as to where they would like to fish. I would think that with the small amount of vessels that are operating out of Hobart doing long-lining that that really would not be an issue unless, from the local fishermen's point of view, it became too crowded or there was some thought of too many in the one area. Whether that have an would effect I could not honestly say but because of the superstition more than anything else then a few might be a put out about not coming to some traditional areas.

**Mr ADAMS**—You said that you get a fair margin from your relationship with the Japanese. Is that so for every contractual situation? I am coming from the position where some of us feel that there has not been, in many industries, tough enough negotiations in many regards in dealing with the Japanese industry.

**Mr Morrison**—In my experience, the Japanese are certainly very tough negotiators. My comment would be that, yes, we are getting a fair margin, better than we do on some other contracts. But in relation to fishing and particularly the time that the vessels are spending at sea, they are very happy to pay a good price for a quality product.

**Mr ADAMS**—You have the opportunity of setting up a bait industry, from your

submission. What would that be worth in money terms and how far away is it?

**Mr Morrison**—I know that you are aware of some things that have happened in the past on that. For the last five, maybe six years, we have been trying to set something up. It has been through every fishermen that has had some idea of what could be done and what could not. The figures on the amount of bait that the vessels take is very difficult to estimate. It would be fair to say that 2,000 tonnes of mackerel as bait is a very realistic figure to expect to be able to supply to the Japanese here.

At the moment we are just getting together 300 tonnes, of which a good portion has been pre-sold. I would expect that 300 tonnes to be sold prior to this Christmas. It is being done in conjunction with the people at Port Huen—I do not know whether the gentlemen from Tasmania are both aware of that. We have progressed to a stage now that the quality of the product which is being packed is acceptable to the Japanese and, in fact, is being trialled by them.

If I could say, in round terms—and please do not hold me to a figure—that if the figure happened to be \$2 per kilo, and the amount was 2,000 tonnes, then that is pretty serious money for a small town like this.

**Mr McCLELLAND**—Has any thought gone into farming bait to sell, or even to release into the sea to encourage the replenishing of food supply for these rare fish?

**Mr Morrison**—My understanding of the mackerel fishery in this state is that they have caught only about 20 per cent of the quota that is there for grabs. It has certainly been under utilised. The fact is that the fish meal factory has closed on the east coast and a lot of that has gone.

Perhaps the biggest thing about bait for the Japanese is that, really, it is a value added product. The fishermen have been getting somewhere in the vicinity of 8c per kilo and sometimes 12c or 15c per kilo, but there is the possibility for those same fishermen, with a little bit of care and education on how to catch the fish and treat them, to have that price coming up to the fishermen alone at round about 60c per kilo which has a dramatic effect on fishermen.

**Mr TUCKEY**—Is that as bait?

**Mr Morrison**—Yes.

**Mr HARDGRAVE**—Do you believe that Japanese fishing operations in this area understand and accept there is a decline in the biomass, and that this fish is on the decline? Would they anticipate Australia looking very closely at a responsibility for trying to accommodate that future agreement?

**Mr Morrison**—I would be pretty disappointed if all countries were not looking at that very seriously. What I find difficult to comprehend is that whatever information is being fed in, there is no agreement of any type as to how close they are on it. Whatever information is being supplied, I think that they are still as far apart as the poles on agreeing about exactly where it is. We even have some sitting on the fence and some being to the extreme left and others to the extreme right on it.

**Mr HARDGRAVE**—There is certainly an acknowledgment from evidence today that the Japanese fishing operations themselves really are the core as far as the knowledge of exactly what is occurring is concerned. Do you think, therefore, that they are being very open and up-front with the figures that they are providing us with on catches and types of catches?

**Mr Morrison**—I would not see that they would have any need to hide them. I would think that if anyone would need to know the correct figures, it would be the Japanese.

**Mr HARDGRAVE**—I think that you mentioned before that the boycott which occurred may have been part of some vigorous negotiations and, in fact, may even be tied into anticipating this sort of an inquiry. Is that a fair comment?

**Mr Morrison**—Yes, it would be, when touching on that, that something very clear comes out of this. It is still difficult, and it has always been very difficult to get agreement on quotas. I think that the port access situation should never be put together on it. These fellows are fishing in international waters in the southern oceans and they need the facility, as much as for the safety of their crew for rest and recreation, as for somewhere to come in. The fish are migratory and, if the Japanese are not going to be fishing in our zone, they are certainly going to be fishing in international waters outside our zone. The access thing should be taken separately. But on the quota situation, from what I have read, I guess that they have very set views on how they interpret the data that is available, and they would stand pretty vigorously by it.

**Mr HARDGRAVE**—On that port access question, surely that is a tangible control mechanism that we have over what is occurring. As international citizens, it is our little shot we can fire across their bow, is it not?

**Mr Morrison**—With due respect, I think that is a pretty stupid sort of approach. The fact is it is a purely commercial decision. That vessels are prepared to steam for another 12 days to a port in Indonesia instead of using ports within this country, I think is crazy.

**Mr HARDGRAVE**—You think if we did not have this kind of bilateral treaty in place that they may not be using Australian ports? Do we need this kind of treaty to keep the relationship on a reliable course?

**Mr Morrison**—I think we need the treaty. I think it is far better to be in a situation where you have got the countries talking and I think that Australia needs the input from the Japanese. We have been getting information to at least keep our scientists up to date. I think it should be up to our scientists to be talking about what are quotas and working it out with them. I think, again, that should be completely separate. I think that, from our point of view, Australia has the mechanism in place to be able to put our point across rather strongly to the Japanese on just their quota situation, completely outside of port access.

**CHAIR**—Are you saying we should keep the treaty and separate the port access from the quota? What about the periodicity? We have had some discussion both today and last week about whether this agreement should be for one year or one year with a bit of flexibility for a second year. How do you see it as somebody involved in the commercial side?

**Mr Morrison**—Logistically, for these vessels, it is extremely difficult for them to be operating on a year to year basis. Some of these vessels are at sea for 11 months of the year. They need to plan for stores and bait which we find is being shipped from Chile, Argentina, Indonesia, Japan and all around the world to various ports for them to resupply. With only a year's advance warning as to where they can go—I admit that would be something terrible to try and come to terms with.

**CHAIR**—So you would like to see an extension?

**Mr Morrison**—I think it should be perhaps even three years to allow them to plan on that. Or it should be reviewed at the end of each year with a—

**CHAIR**—I am playing devil's advocate, but the scientific people would argue, perhaps, against that, although there is some evidence that some of that scientific data does not feed through for about 18 months anyhow. We are interested to hear what you have got to say on that. I think it is a—

**Mr McCLELLAND**—You are saying that for predictability, at least in terms of port access, it would be desirable for it to be even as far ahead as three years, are you?

**Mr Morrison**—Certainly. As an example of that, this time 12 months ago we would have had something like 300 pallets of bait in storage for various vessels expecting them to come. This year it would be lucky to be 40. They have not been able to organise to have things in here and that has had a direct effect on port access here.

**Mr BARTLETT**—Mr Morrison, what would you see as the main advantages and/or disadvantages of moving more towards a joint venture arrangement rather than operating under the treaty?



**Mr Morrison**—I think that whatever is put in place ought to be that both parties have got equal rights inasmuch as their opinions are heard and said and that the controls that are in place, particularly by both governments, are fair and equal. I do not really know whether I would be the one to comment on whether it should be joint venture or the bilateral agreement.

**Mr BARTLETT**—What would the impact be, say, on your business of moving in that direction?

**Mr Morrison**—I have not been in the industry when it has been anything other than it is, but I would imagine there could well be a decline if it were to change.

**Mr ADAMS**—But you would go into a joint venture?

**Mr Morrison**—I would be happy to move into any joint venture that was viable.

**Mr ADAMS**—You have been involved though in the by-catch operation?

**Mr Morrison**—Yes, I have.

**Mr ADAMS**—That got a bit of a knock-back because of the boycott. But there are opportunities there?

**Mr Morrison**—Certainly, I am pleased that you mentioned that. We certainly have gone to a lot of trouble, expense and time and a great learning curve on starting to land by-catch. It has certainly been a bit of a shame that obviously that resource is not being kept any longer. But, that certainly has an enormous potential for not only the factory operators here but for a market to even export that by-catch. So a joint venture in anything like that, particularly on by-catch, should be fine.

**Mr HARDGRAVE**—On Australian industries filling any potential void that may exist, are we really utilising our potential to access fish stocks out of this part of the world?

**Mr Morrison**—Are we talking tuna?

**Mr HARDGRAVE**—Well, yes.

**Mr Morrison**—I am pleased to say that the local fishermen that are being geared up are starting to do very well out of it. I think that really they would need the help and information that is coming from the Japanese to help them with their net fishing. I certainly think there is a lot more potential, particularly in this area, for a lot more local fishermen to be fishing.

**Mr HARDGRAVE**—Are you saying we are actually underutilising the prospective—

**Mr Morrison**—I do not think we have quite got the right vessels that are suitable at the moment to be doing the type of fishing that the Japanese are. I have no idea what the cost would be, but I think it would be frightening compared to the vessels that we see here. Obviously you would need to have a very good contact in place to be getting the right price for that fish to warrant any sort of investment of that kind.

**Mr ADAMS**—Would you like to point out to the committee how they are sold in Japan?

**Mr Morrison**—I am not the best on that. I think I would probably be misleading you. I have only seen it from visits and I have not really been involved on that, so I could not give a good opinion.

**Mr BARTLETT**—Could I just follow up Mr Hardgrave's question? You were talking about potentially increased Australian activity. Would you estimate that that would have a similar multiplier of, say, 5 as the Japanese activity does? If it is different, why would you think it would be different?

**Mr Morrison**—I do not think that the local vessels have the broad range of needs that the overseas ones do because of the time that they are away from their own country or their own home port, but certainly I would think that from the local industry point of view the injection to that particular fisherman or whoever was involved in it would be enormous, if they could tap that market and have the right distribution network on that.

**CHAIR**—Any final pearls of wisdom?

**Mr Morrison**—No, not at all. I thank you for your time in coming down and giving us the opportunity to voice an opinion.

**CHAIR**—Thank you very much. Ladies and gentlemen, do we have anybody here at the moment from the state government, official observers from the state government? Still none. Mr Buchanan from the sashimi fishermen's association has not arrived yet. How many of the local fishermen have we got? Would you like to just put your hands up? There are about four or five of you. If you could just come up to the table and be seated. Is there anybody else in the audience who would want to give evidence before the committee this afternoon? Does anybody else want to actually give evidence? Okay.

[1.53 p.m.]

**CHAFFEY, Mr David, 399 Sandy Bay Road, Hobart, Tasmania 7005**

**GREEN, Mr Peter John, Director, Tasmanian Tuna Company Pty Ltd, 5 Chessington Court, Sandy Bay, Tasmania 7005**

**HORTON, Mr Terrence John, RMB 718 Blowhole Road, Eaglehawk Neck, Tasmania 7179**

**LISTER, Mr Robert Kenneth, Executive Officer, Tasmanian Fishing Industry Council, PO Box 878, Sandy Bay, Tasmania 7006**

**NICKOLLS, Mr Jock, Director, Tasmanian Tuna Company Pty Ltd, 5 Chessington Court, Sandy Bay, Tasmania 7005**

**CHAIR**—Welcome. We will be a little flexible in the way we deal with this. Bearing in mind that there are five of you, we will give you 60 to 90 seconds each to run through the main points that you would like to raise. In the process of the discussion, perhaps we will raise the issues you want. If we do not, then say so.

**Mr Nickolls**—Peter Green will speak on behalf of our company.

**Mr Green**—We were a little confused when we first received your notice with regard to this inquiry. As far as we are concerned, as we read the details, we are only talking about the bilateral agreement—

**CHAIR**—Yes; it is only the bilateral agreement.

**Mr Green**—As far as Tasmania is concerned, the bilateral agreement does not have a big effect here. At the present moment, the federal government has received \$1 million for upwards of 10 Japanese boats to fish in our waters for 400 tonnes. Those 10 boats have caught their quota in 45 to 60 days. We did not quite understand the big deal associated with this inquiry because, as far as we are concerned, it is the joint venture operation that is of far more concern to us as local fisherman than the bilateral agreement is.

**CHAIR**—Okay. We can come back to that.

**Mr Horton**—I am appearing as a private citizen. I will read from some notes in support of my submission. The value of the SBT has an export produce is well recognised, as are the waters adjacent to the Tasmanian coast for catches of prime fish. The Japanese tuna fleet for many years were virtually the only players in the fishery, but this is no longer the case. The growing presence of Australian vessels targeting SBT continues and

is encouraged by AFMA policy. Whilst a Japanese fleet presence is not unwelcome, by reason of their contributions to sections of our economy such as access fees, fuel purchases, providing and provision of useful data and expertise, it is in the area of competition for product where changes need to be made.

If our participants in the fishery are to be successful, then they must have their chances enhanced at least within the inshore regions. Obviously, additional success by Australian vessels brings better employment prospects in a number of areas. Most importantly, we must maximise the value of SBT product caught. I might add that there is quite wide ranging support for an extension of the zone to 50 nautical miles, and extending that 50 nautical miles exclusion zone will be a timely move in achieving these worthwhile objectives, and will bring at least uniformity to the situation that currently applies.

**Mr Lister**—Mr Chairman, I will read a short, sharp statement. In considering the bilateral arrangements with Japan, my main concern is to ensure that opportunities in the SBT fishery are afforded to Australian registered vessels wherever possible, in preference to any foreign vessels. Australian tuna fleet vessels provide employment for Australian crews and require local servicing with fuel, bait and a wide range of general supplies. They also create additional jobs for Australians in freight forwarding, fish processing, packaging, et cetera.

Australian vessels also generate export dollars for our country, so the overall benefits of encouraging Australian participation in an SBT fishery can be considerable. By comparison, the Japanese have traditionally paid only, in our view, limited access fees and they currently pay \$3.45 million to catch their 400 tonne quota in the Tasmanian area of the AFZ. When you take from this fee the obvious costs, such as licensing, managing, monitoring and observers, there cannot be much benefit left to Australia.

Whilst Japanese vessels are serviced in, say, Hobart the income benefits for Tasmania are only minimal compared to the needs of Australian vessels. The Japanese do not land their catch in Australia so the catch is not processed here and there are no immediate and ongoing benefits compared to the landed catch from Australian vessels.

The Japanese buy fuel in Hobart but only a minimal commission is earned by Tasmanian based fuel agents and this does little for our economy. There are, of course, wharfage and berthing fees for which our economy does gain but the Japanese tend to only visit once or twice a year compared to the all-round needs of local based vessels. Traditionally, the Japanese bring their own bait with them stored on board and this compares with the bait needs of local boats which effectively employ other Tasmanians to catch the bait for them. The benefits of servicing a fleet of Japanese vessels on an occasional basis for some suppliers could not possibly be compared with the full-time servicing needs of resident Australian vessels.

I would like to talk about the need to allow local boats room to fish without coming into contact with Japanese long-liners and, clearly, a 50 nautical buffer zone would be appropriate. There are other issues such as gear conflicts and possible losses of gear, by catch issues and communication difficulties which we could, perhaps, discuss shortly. Thank you.

**Mr Chaffey**—I am basically here for the 50-mile zone. There is my submission. The 12 mile zone is actually unworkable because in reality it does not exist and if I can get an opportunity in a few minutes I would like to show you that on a chart.

In a 50-mile zone we only set about 38 to 40 kilometres of line. Japanese set about 100 kilometres. They shoot 5,000 hooks, we shoot 1,000, so our hook effort is much less and therefore beneficial to the stocks. A precedent has been set in other parts of Australia with the 50-mile zone. We know that. We would like to follow on in Tasmania.

Another problem with the Japanese fleet is lack of communication. I certainly have not been overly successful in contacting any Japanese vessel to try to communicate with them. I had an instance just recently when my line was cut last Wednesday in the morning by a Japanese vessel going across about two miles in front of me. I could not contact him. He obviously did not know my gear was there. There is nothing detrimental about it because his line is that long he is down over the horizon, so he does not know I am there. I shoot away at three o'clock in the morning but he comes up to pull his gear in and he goes through my gear and he may not even know it was there. But it was cut twice and I was lucky to be able to retrieve both ends of the gear and we did not have any loss. But that is just another problem that is created by fishing in close proximity to the Japanese.

Also I know that the trawler fleet has problems farther south in the 44-30 zone. They have problems down there because they quite often get tangled up in long lines and I am afraid the Japanese come off worse than the trawlers. Their gear gets a bit trashed up. That is just another problem with the domestic fleet.

I have no problem with the Japanese fleet coming to Tasmania. I think the Japanese fleet should be allowed in here. We should get the benefits from the providoring and the wharfage. But I would like to see the 50-mile zone to give some fishing room for the domestic fleet.

**CHAIR**—We will come back to that in a moment because it is something that has attracted a lot of attention, particularly today and last week as well, but to a lesser extent. In terms of port access, could we just hear from the four of you as to the desirability or otherwise of separating the port access from the quota? Do you have a view on that?

**Mr Green**—That is quite a difficult question really from my point of view. If the fishing boats are going to operate in our general area, whether they be inside or outside the zone, we would like to welcome them at any time. If you are talking about stipulating

allocation of quota in return for a guarantee of certain activities in our ports, that is something that is certainly worth considering.

**CHAIR**—That is what the agreement does, but what I am saying is to separate the two. At the moment the agreement links the two.

**Mr Green**—I would not think there would be any advantage in separating it then.

**CHAIR**—We have heard a bit of evidence today that there are commercial reasons for doing that. Do you not see commercial reasons for doing that?

**Mr Green**—I am not in a position to make a comment on that.

**CHAIR**—Okay.

**Mr TUCKEY**—If I could interrupt, Mr Chairman, the point—as best I can assess it—is this: the reason that port access is part of the negotiating process on quota is that it is perceived that port access is beneficial to the Japanese and gives our people some leverage on negotiating quota, and that if that was relaxed that would be lost as a negotiating point. That could be offset, for instance, by a 50 nautical mile zone. Clearly, the more Japanese ships come in here the better their fishing effort because they have the opportunity to be at sea fishing rather than freighting stuff back to wherever. I think they are the issues, and it is a question of how you perceive one against the other.

**Mr Green**—I guess that, by law, they have their pre and post inspections so they are going to be in an Australian port twice in their visit to Australia, as a minimum. During that time they take the advantage of reprovisioning, R&R and that type of thing. But I would keep getting back to the point that we really are only talking about a bilateral agreement, which is not such a big deal. It appears to me that everyone is off the track. If it is that we are talking about a 50-mile zone for bilateral, does this committee have the same power to recommend that the joint venture vessels that come into the country also would be out to 50 miles, or could it be that we have a group of 10 or a dozen bilateral boats working 50 miles out and a whole heap of 40 joint venture boats working up to 12 miles? What is the situation?

**Mr TUCKEY**—The issue there is that the government is going to have to decide on its policy relative to joint ventures. We do not have to discuss that with the Japanese as such. I made a note that there is a connection between the bilateral agreement and your joint ventures. The bilateral agreement gives Australia a quota of 5,000 tonnes. Evidence before us today says that the Australian government has let the quota holders flog that back to the Japanese to the score of 2,800 tonnes. For all intents and purposes, they are an Australian boat catching Australian quota.

**Mr Green**—Exactly.

**Mr TUCKEY**—That requires no negotiations at the treaty level. But it is an issue that, as members of parliament, we are entitled to go back to our leaders on and say, ‘Hey’—if we choose.

**Mr Green**—The situation we have there is that, unfortunately, Australian fishermen are allocated 5,250 tonnes. We have not got the ability—no way known—for Australian fishermen to even be interested in trying to catch it to start with. The work ethic with regard to long-line fishing is pretty tough. And of course it is far easier for the group of those small tuna quota owners to, as you commented earlier, do all their fishing from their bed. That is a sad situation. But we have been allocated 5,250 tonnes. If it was left to only Australians to catch that we would only catch—at the very best—2,000 tonnes. Therefore it is in our best interest, because we have been allocated that tonnage, to sell it out to someone who is more prepared to go out and do the job. That is what we do.

**Mr ADAMS**—So you are saying that no-one would ever get the investment up to build a boat, to put the capital together to go and catch that amount of quota.

**Mr Green**—Not unless we are allowed to put Indonesian crews on.

**CHAIR**—I think it is a dimension of this bilateral and we will look at that. I understand what you are saying. It is a complication which we will have to look at, but perhaps today is not the appropriate time to do that. We might have to come back to you on this one. Could we move on to look at port access?

**Mr Horton**—I would just like to make a comment on what Mr Tuckey had to say a moment ago and had said before, too. I believe that some quota reserve is absolutely essential to account for things like the most recent development in South Australia. This coming season there is going to be quite a demand for quota, so that circumstance is going to change. The fishermen who fishes from his bed, if you like, is going to change because there will be fewer of those as time goes by. As vessels are replaced by larger vessels, et cetera, that circumstance will change. As for the question that you asked initially, I think the current circumstance works reasonably well. I do not think the Japanese would necessarily want the two things to be split.

**Mr TUCKEY**—I think they do.

**CHAIR**—We are interested in the Japanese too but from where you sit as an Australian, would you like to see it split, and are there pros and cons of splitting it?

**Mr Horton**—I am sure there are but it is a difficult question for me to answer at this stage. I would rather not answer it.

**CHAIR**—Okay.

**Mr Lister**—I do not think I am empowered to answer the question either. I understand what the question is but I do not think there is an easy solution to it.

**Mr TUCKEY**—It is something you ought to have an opinion on and inform us in due course because it is fundamental to this agreement. My understanding is that even this boycott has got a lot to do with the refusal of our negotiators on this treaty to split port access away from the quota negotiations. We really need to know what your final assessment is.

**CHAIR**—We will certainly need to address it in the context of this inquiry.

**Mr Horton**—It is a question that certainly needs answering but it is a difficult one to come up with an answer off-the-cuff, as it were.

**CHAIR**—All of you might like to consider it. Would you be prepared to give us some comments on notice?

**Mr Green**—Yes, we would.

**CHAIR**—Okay.

**Senator ABETZ**—The real issue is whether the question of port access is a genuine bargaining tool that we can use for our advantage to preserve the tuna stock. I asked Dr Young this morning whether he thought it was a good idea and he said, 'Yes.' I then asked him the question whether that saved one tuna from being caught and he said, 'Probably not.'

**CHAIR**—But that is why—

**Senator ABETZ**—Throwing port access in, these gentlemen would need to know the negotiations and whether it is a tool that can be successfully employed in the negotiations. We would possibly need to give them background information on that. If their view is they use port access to save the stock, that might be okay but the \$64 question is: can you use it to save the stock? The answer this morning was that it did not save one fish.

**CHAIR**—With due respect, Eric, all that Dr Young did this morning was to highlight the fact that all these gentlemen have indicated that it is a very complicated issue. That is basically what they have all affirmed. Gentlemen, we do not mind how you approach it but could you attempt to make some comments about the relationship between port access and quotas, whether you think that there are pros and cons in relation to that, and in your case in particular, the joint venture implications of some of that as well.

**Mr Chaffey**—Senator Abetz has stolen my thunder. The only reason I could see



the thing joined together would be for the simple reason of carrying a big stick and having some type of control over the Japanese out here. Keeping the port and quota question together might do that.

**CHAIR**—You would keep them together. Is that what you are saying?

**Mr Chaffey**—I have not had a lot of time to think about this a lot either but that would be the only advantage I could see at this stage. Apart from that I do not see how it affects the fishery because the Japanese are going to be fishing out there anyhow and if they have access to a port and they want to come in then let them come. On the other side of that, if they were not allowed access to the ports and you did not want the Japanese in your area I suppose it is a way of keeping them out of that fishing zone, by not letting them have access to the ports.

**Mr HARDGRAVE**—Mr Chaffey may be the one to best answer this question. I am rather intrigued. I know you have a map there but 12 nautical miles out, certainly from the material you provided in your submission, does not seem to be all that far out. We have a lot of traffic out there. Is that where the Japanese are coming in close or they are 70 miles out?

**Mr Chaffey**—In all fairness, a lot of times they fish a lot further south or a lot further east. But at times, yes, they do come in. They are allowed to come into that area. As I said, we have no way of knowing they are there. There was another boat the other night who had one about 400 yards away from him and he tried to contact him and this particular person has been an observer on the Japanese boats previously, and every time he went over to see the Japanese, he moved out a bit because he was right on the line. That is just two instances this week. Sometimes we can go for weeks and we do not see any Japanese boats out there, in all fairness.

**Mr HARDGRAVE**—What about the nature of these particular fish—are they coming in closer to the land or are they 200 miles out or 70 miles out?

**Mr Chaffey**—They certainly have good catches further down, but we have good catches too past the continental shelf and I think that probably the better fish come in and feed on the continental shelf, which is what we are concerned with because they are going straight into the sashimi market. The fat fish are the ones that attract all the money. The question is with the 12-mile zone, which I can explain to you, if I have got that opportunity to do that now—

**CHAIR**—We will do that in a moment.

**Mr Chaffey**—To answer your question, you do not catch any sashimi fish worthy of sending to Japan under 500 fathom. The 500-fathom line is just about 12 miles off Tasmania, so you really have not got a Tasmanian and an Australian zone there. That is

basically what it is. To the south of the state you have got to go 30 miles from the coast to get over the continental shelf to the 30-mile zone. Again, you really have not got a Tasmanian 12-mile zone at all because you do not catch sashimi tuna inside there—not in quantity, anyway.

**Mr HARDGRAVE**—What is the practice of your operation? Are you in and out of the ports each day? Are you also out for weeks at a time?

**Mr Chaffey**—We try to put a fresh product on the market and we try and limit ourselves to three days if we can. Sometimes we go for four. Sometimes we only get out for a day because of the weather; our boats are not anywhere the size of Japanese, so we are very susceptible to the weather. Three to four days is our maximum because we send that fish fresh chilled and we have got to allow two days freight to get it into Japan. So, by the time we unload and get it over there, it is probably looking six days old. So we move in and out all the time.

**Mr HARDGRAVE**—Do you airfreight it?

**Mr Chaffey**—We airfreight it straight out.

**Mr HARDGRAVE**—My final question is, are we well placed with existing operators or potential operators to come in and exploit that extra 30 nautical miles?

**Mr Chaffey**—I would say yes. All the facilities are here. Are you talking about Australian vessels?

**Mr HARDGRAVE**—Yes.

**Mr Chaffey**—Yes.

**Mr ADAMS**—The distribution of that, there is no problem in getting distribution in Japan?

**Mr Chaffey**—No, we have never had any problems.

**Mr ADAMS**—So what is your opinion on utilising this quota that we are actually selling to the Japanese on getting more of that caught by Australian vessels?

**Mr Chaffey**—I can tell you from a financial point of view certainly we are very keen not to let Japanese vessels get the quota, because last year we were paying \$4,500 a tonne for quota and when the boycott came in we were down to \$2,500 a tonne and I was getting quota last Christmas for about \$1,500 a tonne. So it makes a lot of difference to us. Because that quota is surplus, the people who own the quota have to drop the price to make it a bit attractive for people to use it, so it has an effect all around Australia.

**Mr McCLELLAND**—How important is it that the Australian authorities maintain this control over the Japanese catch? Perhaps Mr Lister—

**Mr Lister**—Over the Japanese catch in the Australian fishing zone?

**Mr McCLELLAND**—Enforcing the quota and the mode with which they fish. How important is it to the Australian fishing industry that we have an input in what the Japanese do?

**Mr Lister**—I think it is very important. From a commercial fishing point of view, I think the ultimate would be to not have foreign vessels fishing in the Australian fishing zone but rather to have domestic vessels, local Australian vessels. The point I was trying to make earlier is that I think the economic advantages to our country are very considerable if we can in fact encourage Australian vessels to fish for tuna within the 200-mile limit.

**Mr McCLELLAND**—If we split off the access to ports from the access to inspect their catch and the Japanese said, ‘We are happy to pay \$1 million for access to your ports, but we are not prepared to pay the additional \$2½ million to let you inspect our catch.’ How would that affect your industry?

**Mr Green**—That is an unusual question.

**Mr McCLELLAND**—No, it is not, because this comes back to whether the access to ports should be locked into the negotiating equation. If you split off the ports from the negotiating equation they may be prepared to pay say \$1 million for access to your ports, but may say ‘go jump in the lake’ in respect of inspecting their fishing fleet. It may come down to the question as to how Australia should approach its negotiating strategy. Whether it does include access to ports as part of the whole package.

**Mr Green**—Are you saying that they would pay \$1 million to just use our ports?

**Mr McCLELLAND**—It may well be. I just threw that figure in. You could split the two off if they are negotiating for two separate items.

**Mr Green**—It is unrelated to fish and catching them.

**Mr McCLELLAND**—Yes, that may well be if you split it off. That is a question that you were taking away on notice.

**Mr Green**—Can’t vessels come into Australia now under provision and go without having to pay access like that?

**Mr TUCKEY**—They do not pay the access. It is a case of whether they have got

the right to come in.

**CHAIR**—But they do not have the right.

**Mr TUCKEY**—Under the treaty.

**CHAIR**—There is no unfettered right.

**Mr McCLELLAND**—This is what you have to think about. The treaty locks them in to access to the ports. The access to the ports is given both on the basis of a payment that they have to make and also on the basis that they give our officials access to their catch to inspect it. One scenario may well be that, if you negotiated for two separate things for them—firstly, access to our ports here and secondly the ability to inspect their catch—they may be prepared to say, ‘We will pay X amount of dollars to access your ports, but we are not prepared to pay the balance. We are prepared to stay right out of your 50-mile zone or whatever it might be rather than let you inspect our catch.’

**Mr HARDGRAVE**—They will put a value on each of those items.

**Mr McCLELLAND**—They may well do that.

**Mr Chaffey**—I think that would be a disaster. Those ships have to be inspected to see what they have got on board when they are in Australian waters because you would never have any idea of the amount of fish they are taking. That has already happened here in Hobart. I do not know whether the committee is familiar with that, but some years ago there was a skipper caught with quite a large quantity.

**Mr McCLELLAND**—I am not a negotiator, but that may be why you need to link port access to the overall access question.

**CHAIR**—That is why it is important that you all address that question of port access.

**Mr Green**—It is surprising to us that that is regarded as being such an important aspect.

**Mr TUCKEY**—It is important inasmuch that we have had substantial submissions from other aspects of the industry to that point. They are arguing that the treaty arrangement should be split into two parts. In other words, that all fishing boats should be able to come and go, for instance in Hobart, and provide the economic benefits that go with that for that section of the industry. To date, the negotiators on behalf of the government of Australia have always said, ‘No, they must stay together because there is an overall advantage.’

The question we are putting to you as the people on the fishing side of the business is, where do you stand on that? I do not think it is a question you can answer here, but you really need to go and think about it. There is a clear economic benefit of more ships coming in. The argument is that, if that were to happen, how much leverage do we lose in negotiating? The Japanese have agreed that within our group of three nations only 11,000 tonnes of southern bluefin tuna will be caught and that Australia can catch 5,000 tonnes of it. Now that is not within the Australian fishing zone; that is anywhere in the world, if we chose to go out there and get it.

The reality is that that is one part of the agreement. As we understand it, the major reasons why the Japanese have agreed to that are firstly, that they get access to the Australian fishing zone. I think the point was made just minutes ago that there is a benefit in that to them because they get better fish as they come closer to land. Secondly, there are economic benefits in being able to come into our ports. They went off on the boycott just to prove to us presumably that they can do without us, but the reality is that their economic benefit is being able to port closest to where they are catching fish.

**Mr Green**—But do not forget that when they come in as bilateral, they are catching their own quota. They are not accessing quota. They have got their own quota they catch on that agreement.

**Mr TUCKEY**—Yes, that is what I said.

**Mr Green**—We seem to get tangled up with that, though.

**Mr TUCKEY**—No. The reality is that they are only doing it because they perceive a benefit. I nominated the two areas of benefit: one, that there is better fish to be caught within the Australian fishing zone; and two, that there are measurable advantages to them of being able to port as close as possible to where they are fishing. That has to be taken into account. For instance, if you throw off the port issue, are they as keen to negotiate on the quota?

It appears that the reality is that they took all their ships out of our ports to show us that that really does not matter and that next year maybe we are frightened into giving them another thousand tonnes of experimental quotas. I do not know how that issue will come out, but the second point is that there is the quality of the fish they can catch. That is why they want to come into the Australian fishing zone. If they could get all the good fish out there in the open sea, why would they bother to negotiate with us?

**Mr Green**—I appreciate that. I would like to say very briefly with regard to our company that we started long lining in Hobart three years ago and within reason were the first to give it a go based out of Hobart. Up until then there had been a couple of little exercises out of the Port Arthur area or Eaglehawk Neck. We have tended to make a success of it. We have now attracted three or four other boats with us. We have learnt a

lot from the Japanese. They have taught us a lot about this fishing.

It concerns me in one respect because I feel that we have not yet put a good enough score on the board to really be serious about pushing the Japanese out 50 miles. We are only a fledgling young industry here, but I respect other people's comments that, if they are coming back here en masse, we can handle 10 of them out there as they are now within reason within our 12-mile zone, but if the joint venture boats were to continue to come into that area, we would certainly have a major problem. We would then have to have all boats out 50 miles and whether that then would preclude them from ever coming to Australia or to Tasmania, I do not know.

As a matter of interest, this week we caught 20 fish with an average of 100 kilograms per fish. One of those fish weighed 200 kilograms which was sold on the Tsukiji market floor this morning. Those fish were certainly caught within the 50-mile zone, but very close to being 50 miles out south of Tasman Island on the bottom of Tasmania.

**Mr McCLELLAND**—Can I ask you how much you got for the 200-kilogram fish?

**Mr Green**—Yes, we did quite nicely.

**CHAIR**—Could we ask you yet again to take the port access question on notice? Could we have some comments from you if it is feasible in the next 10 days or so, if that is possible? I would like to move on to the 12-mile or 50-mile argument.

**Mr TUCKEY**—Just before you do, may I ask just one question? You mentioned earlier that you were buying quota at \$1,500 or \$3,000 a tonne.

**Mr Chaffey**—Leasing.

**Mr TUCKEY**—That is the point, but the reality is that these people are retaining the quota and charging you anything between \$1,500 and \$3,000 to use it for one year?

**Mr Chaffey**—It was \$4,500 last year.

**Mr TUCKEY**—Yes, but that is what you are saying? They are renting it?

**Mr Chaffey**—Yes, that is the way it works, but we have got the opportunity to buy it.

**Mr TUCKEY**—At how much a tonne would you have to buy it?

**Mr Chaffey**—The quota lease is usually about 10 per cent of the cost per tonne.

So it was about \$45,000 or \$50,000 last year. I do not know what you would get it for this year. I think it is still up over \$30,000-odd a tonne, but you would probably need 15 or 20 tonnes to operate. We have just set up our vessel at a fair bit of expense so we are not in the business of buying quota just at the moment. We would like some, but we cannot afford it.

**CHAIR**—Mr Buchanan, I am sorry that we have jumped ahead. We were running ahead so we have gone on, if you will forgive us. You will have to follow on. I also acknowledge the presence of Senator Calvert from Tasmania, who has come in for the rest of the hearing. Can we go on to the 12 miles and the 50 miles. Have you got your chart?

**Mr Chaffey**—Yes. I was hoping for an overhead to be able to show this map on a screen, however, that is not available. I have some copies here.

**CHAIR**—Would you like to talk us through it?

**Mr Chaffey**—Yes, I certainly will. That line that I have drawn around there is 12 nautical miles off the landfall of Tasmania. I have not been able to get some pinpointed information on this, but that seems to be the way it works. I have taken the line out down around here. I am sure it just goes straight across because we have got a rock down there called Pedra Branca.

I have taken the 12-mile line out around there, which only emphasises the problem that we still have only 90 fathoms of water down there. As I mentioned before, the bluefin fishery operates around the 500-fathom line. Up the east coast it does interact in and out of the 500-fathom line.

**CHAIR**—It is very close there.

**Mr Chaffey**—It is very close. There is absolutely no fishing room there. As I said before, there really is no buffer zone at all. We do not catch any fish in there, we have to get outside this zone.

The other point I would like to make is that the domestic vessels are probably setting somewhere between 35 to 40 kilometres of line with about 800 to 1,000 hooks. Last year we had about 14 boats in the port from interstate—from Port Lincoln, Eden and those sorts of places. They are just sitting and waiting up there. I think Peter has done it. This week we have finally caught some fish here, so I reckon they will be down here in droves in the next couple of weeks.

We are probably going to have 16 boats working down there. There are a couple of extra boats in Hobart now. There are four locally based boats operating out of Hobart. You need some distance in this game because you are putting 1,000 hooks in the water and, say, 40 kilometres of line. The closest you can get to your opposition is probably a

mile—a mile and a half is better—because all the gear is drifting. It is not anchored, so it just goes with the wind and the tide. If you get a marry-up of two lines with 1,000 hooks on them, I can tell you, you have got a mess. So we try to keep that distance.

The point is that just the domestic boats are going to take up a lot of distance because they have got to be a mile and a half apart. Most of the fishing will be done from the Shoutens down. So the boats will be concentrated in this area because that is where the fish will be. So just with the domestic fleet, we have got a fair few boats out there and a fair bit of gear in the water. If we put Japanese in there as well, we have got a real problem.

**CHAIR**—What would be the percentage of your catch between that 12 nautical-mile line and the 50 nautical-mile line?

**Mr Chaffey**—I get all my catch out over the 12-mile zone, I would say.

**Mr TUCKEY**—And you seldom go past 50 miles?

**Mr Chaffey**—Yes. I don't go out as far as 50 miles. A trip or two ago we did go down to 50 miles.

**CHAIR**—So, as far as local fishing is concerned, it is a distinct commercial advantage to have that out at 50 nautical miles?

**Mr Chaffey**—I would say so, yes.

**CHAIR**—On the other hand, what is the evidence with the Japanese? With their positioning arrangements, they report catches on a daily basis through the positioning system?

**Mr Chaffey**—Yes.

**CHAIR**—Have we got any feel for the statistical evidence there to indicate what they catch in that same area?

**Mr Chaffey**—We get reports and I have the latest one here. I guess you have seen them anyway. But what you are looking for, I have highlighted those. This particular boat—I think it was the boat that went through my gear—would be out at about the 700 fathoms.

**CHAIR**—Where's the 50 there?

**Mr Chaffey**—The 50 mile, from Tassie? It would be down here somewhere. I mentioned the hills down here, where the roughy trawlers were. That is them there. Yes,



that is 60 miles south of Tassie.

**Mr McCLELLAND**—So he was well and truly within the 50 miles?

**Mr Chaffey**—Oh, yes. I get reports all the time, because we check up and see where they are because we want to know what they are doing, and it is good to be able to have that information.

**CHAIR**—What do they report? They report the actual catch in that position, do they?

**Mr Chaffey**—Yes. I can give you the actual catch in a day. It is at 5,000 hooks and you have got 238 kilos. Our system actually is more efficient than their rope line. Being mono, I guess, it is harder for the fish to see in the water and it catches better.

**CHAIR**—I can see, and I think most of us can see, that there is a very, very strong commercial advantage for Australian fishermen to do that, but I am interested to balance that against what would be the detrimental commercial impact on the Japanese of removing them from losing that additional 38 nautical miles.

**Mr Chaffey**—I do not really know. I can only go on the reports I get to know where the Japanese are. But they do fish well down to the south. I think the same two boats that are fishing around here now have been out 150 miles, 200 miles, off the corner of the west coast—out at about 140.

**CHAIR**—In the extreme situation, what I am coming to is that I do not think anybody wants to get to a position where we want to totally exclude the Japanese, for a number of reasons. I do not think even you, as a competitor, want that.

**Mr Chaffey**—No.

**CHAIR**—You are so dependent on some of their data, so the question is balance.

**Mr Chaffey**—Yes.

**Mr Horton**—Also there is also a seasonal component in this. Some seasons the fish will be further offshore. It depends where currents intersect and so forth. So in some years outside of 50 nautical miles the Japanese would get quite a good result and in some years they would not.

**CHAIR**—What about what was raised earlier today in evidence—most of you I think were here—when there was talk about brown water out to eight miles—

**Mr Chaffey**—There are no fish there.

**CHAIR**—There is just nothing there. How often does that happen?

**Mr Chaffey**—That does not affect us, because we are much further offshore than that. Out along the continental shelf you get a lot of tide, which moves the water more quickly.

**CHAIR**—Is there an argument, down the east coast there where the shelf is so close, for having it in a bit closer and yet the rest of it at 50? It is very untidy, I know. Should we just stick to the—

**Mr Chaffey**—I guess it would work.

**Mr TUCKEY**—Anyhow, you are basically here to tell us you think it should be 50.

**Mr Chaffey**—That will do.

**Mr Lister**—We should not lose sight of the fact that the Western Australian fishery and the east coast tuna fishery are all 50 nautical miles.

**Mr HARDGRAVE**—Mr Chairman, that leads me to this question: have we had evidence as to why Tasmania is being treated differently?

**CHAIR**—We have got some informal advice which we will not go into right now, because we need to talk about it.

**Mr HARDGRAVE**—But do any of these gentlemen understand truly regulatory—

**CHAIR**—I suppose we could ask a basic question as to why it is 12 in relation to Tasmania but 50 elsewhere.

**Mr Horton**—I asked the same question. The answer I was given was that it is because the shelf is closer to Tasmania. I do not think that is an answer at all, because if you were to take the shelf as being the outermost limits of the exclusion zone, then that shelf should be utilised by other states, when in fact it is not. New South Wales is afforded 50 nautical miles; off Western Australia it is 50 nautical miles. We are asking that Tasmania be afforded the same buffer zone. It is as simple as that.

**CHAIR**—Of the four of you, three are saying yes, it is very desirable to go to 50; Mr Green is saying, for a number of reasons, that perhaps it is a bit premature to do that. You need a bit more breathing space within the industry. Is that what you are saying?

**Mr Green**—I will answer the first question first. My understanding as to why it is only 12 miles is that until recently there was nobody in Tasmania fishing. The reason they

were moved out to 50 miles off New South Wales was that there are lots of boats working off New South Wales. They got together. Now that we have got three or four of us, I thought there might be some stage in a few years time, when we got a nucleus of boats working out of Hobart, when we might be able to get the Japanese out to 50 miles. With this inquiry it looks like we might be able to get them out a bit sooner than I originally thought.

**CHAIR**—But is it your gut feeling—and I suppose it has to be just a gut feeling—that if that were to be the case in the very short term it would turn the Japanese right off as far as—

**Mr Green**—I am concerned that it will.

**CHAIR**—But the other three are not for other reasons?

**Mr Horton**—The comment I would like to make is: if you make that extension to the exclusion zone, won't that lead to increased local participation because of the fact that they have a better chance within that area?

**CHAIR**—I would have thought so, yes.

**Mr McCLELLAND**—Possibly that or possibly beefing up the price of a quota which they then flogged off to the Japanese or leased to the Japanese.

**Mr Horton**—I think this is being used as a bit of a red herring in a way. We are saying, 'Yes, there is going to be a lot of people who sit back and farm their quota out to the highest bidder.' You are not going to avoid that circumstance, that is a fact in any fishery with a quota. So you have to look a little bit past that.

**CHAIR**—We have talked about port access and about the 12 mile and 50 mile. What about the periodicity of the agreement? Last week in Canberra we heard a bit about why it should not and yet why it would benefit if it went beyond one year. Mr Green, what would be your view of the impact of that?

**Mr Green**—I agree with Peter Morrison, who spoke earlier. I can understand the Japanese point of view for their planning that three years would be the sort of time that they would require. I personally could not see any problem with allowing them three-year access.

**CHAIR**—You still feel that you would have access to enough data on the high seas and in the fishing zone for you to be able to operate commercially rather than bring it back 12 months. There was evidence last week that it can take up to 18 months to get definitive data through anyway.

**Mr Green**—But I do not—

**CHAIR**—Not on the high seas you don't, do you?

**Mr Green**—We do not have interest in the high seas; we are only interested in what is being caught in our area.

**CHAIR**—Yes, sure.

**Mr TUCKEY**—For another reason. But, from a conservation point of view, I think that is not relevant, Mr Chairman. The reality is that you are going to have an agreement that requires all that reporting and everything. We are really talking about an agreement that is ongoing for a longer period so that you do not have to start negotiating the agreement the minute the ink is wet on the other one. That is where we see a benefit in trying to extend it at least on one occasion so that you would be at least negotiating 12 months ahead.

**CHAIR**—What about the other three gentlemen. What are your opinions about the duration of the agreement?

**Mr Chaffey**—I think it should be kept to a 12-monthly basis myself because you have got to keep a tab on your fish stocks. I think the fishery is partially healthy, but it is certainly not back to where it was in the 1980s. I think it is something that needs to be monitored every 12 months. There could be a problem.

If a disease or something went through the fish, that fishery may have to be closed down or partially closed down for six months, 12 months or two years until the stocks recovered. If you have a three-year agreement there, then you are locked into something with a foreign country that you cannot really go back on even though the fish stocks may need some sort of monitoring and looking after.

**CHAIR**—What we are finding today is exactly the same as we found last week—that there is a difference of opinion at both ends.

**Mr Chaffey**—Yes.

**Mr Lister**—But surely shorter term arrangements leave our options open. I would have thought that was in Australia's interests to have—

**Mr TUCKEY**—That is pre-proposing you can negotiate the quota down. All the pressures at the moment are on the quota going up. Every time you sit down with the Japanese, there is no talk of the quota going down; they just use it as an opportunity to talk the quota up. Everybody is taking the view that short-term agreements guarantee that you can reduce the quota. Yes, over their dead body—but anyhow that is by the way.

**Mr Green**—We just need an agreement—it could be a three-year agreement—whereby you have the ability each year to vary the amount.

**Mr TUCKEY**—All of those things.

**CHAIR**—Yes, all of those things. Has this sort of two-way been beneficial? As the committee members still have a few questions, we will have afternoon tea and then come back for maybe another 10 minutes.

### Short adjournment

**CHAIR**—Gentlemen, you are still under oath or affirmation. Is there anything else from your side of the table you would like to say in relation to this inquiry? We have got to finish by 3.55 p.m. and we have got Mr Buchanan to come and a couple of local business people, so if we could hopefully get this segment over in about 10 minutes, if that is what we need. So are there any points that any of you would like to make in relation to the inquiry?

**Mr Chaffey**—I just re-emphasise that some of the thought behind this 50-mile zone is that our boats are using a different type of gear which is quite expensive; we have got about \$50,000 worth of gear in the water. The recent altercation that I quoted, if you can call it that, was only my vessel and only one lot of gear involved. There could well have been three or four Australian boats fishing outside one another there and, because of lack of communication with the Japanese fishing vessel, they can go through the lot. But we have got no way of knowing he is there and he has got no way of knowing that we are there. It is not just the fact we want a 50-mile fishing zone, it is the fact they could be 30 or 40 mile away and setting 100 kilometres of line and we do not know they are there and they come up and go straight through our gear. That is a possibility.

**Mr McCLELLAND**—Are there procedures such as trying to enforce a requirement that they maintain radio contact that would alleviate that?

**Mr Chaffey**—If you had someone there who speaks English, I suppose it would be a help.

**Mr Lister**—The difficulty is that there is really no communication at sea between the Japanese boats and the Australian boats. They will not talk to our fisherman. Whether they can speak English or not I do not really know. Perhaps I just might mention that Mr Tony Shelton made a submission to this inquiry and he emphasised the point of the language barrier. He believes there is a need for arrangements to be put in place so there can be communication between boats. Remember, this gear that is being set, potentially by upwards of 20 Australian boats in the peak of the season, is all floating gear, it is not anchored in any way. It is very long gear, floats around, and the Japanese are doing exactly the same thing but with much longer length gear. We are risking from the

Australian point of view, \$50,000 that Mr Chaffey mentioned, every time we put at risk these long lines. Fifty nautical miles, if it is a popular area, is not very much distance between operations. To be fair to the Australian fishermen, there is a need for a review of the 12-mile limit because it is just not an adequate proposition when you look at it from an Australian perspective.

**Mr HARDGRAVE**—Is the 50 a hard and fast number? The only reason I raise this is because the natural concern always is that a jump from 12 to 50 and a void, if you like, of activity not filled successfully by Australian operations is going to in itself then cause some obvious cost to the overall Australian economy if the Japanese especially get very upset about it. So is there perhaps some sense in some sort of incremental increase to 50, a staged increase?

**Mr Lister**—Mr Chaffey made the point about the 500-fathom line.

**Mr Chaffey**—To go over what I have already said, you have got to fish outside the 500-fathom line to be successful. You need that room. There may well be a case, as I think the chairman said, for a different buffer zone on the east coast rather than the south coast. The south coast runs out so far in shallow water, as I said, you have got to be 30 mile out there in one of the landfalls before you actually get out to the 500-fathom line. I think you really need a bit of room down there. By the same token, I realise it is a favourite fishing place of the Japanese, and the weather you get down there also gets pretty horrendous. We do not get all that many days we can fish down there actually, because our boat is just not big enough. We have got to have good weather to fish down there but they do fish there. So it is 50 miles, not hard and fast, I suppose, but we need it certainly on the south coast.

**CHAIR**—How far out is the continental shelf? How far out is it on the southern coast of New South Wales, for example?

**Mr Chaffey**—It is a lot further than ours is, I can tell you that, Mr Chairman. I cannot give you a figure on it. The Australian continent goes out a lot further than Tasmania does, of course, because we drop off more dramatically. I just could not give you a figure. I do know, but I cannot think. It is quite a substantial amount.

**Mr TUCKEY**—Just to come back onto the damage to gear, we had evidence given to us as to the VLS or whatever it is, this new system of locating these boats. I ask the question because there is evidence too of these very long lines drifting back into closed waters and everybody seems to say that as long as it is done honestly it is okay. I asked the question then of the extent to which the lines themselves, because they have some dan buoys and that associated with them, could have locater beacons on them.

Are you recommending to us that, when this bilateral agreement is renegotiated, there should be procedures agreed—and it appears that the Japanese might need a bit of

help too from trawlers and other people—that give some protection to this gear by way of requiring that it be clearly locatable in the water and that as such it is the obligation of other vessels in the area to keep a watch on their gear? It could be a radar signal or something, so you know where those lines are. I am not using this as an argument against the 50 kilometres but looking at it as a problem anyway. Should it be part of the negotiations to overcome this problem, or at least place liability on the vessel that cut them? There should be a process. It is not good enough to have a lookout out there like that; with modern-day electronics you ought to know where they are.

**Mr Chaffey**—The gear is very hard to pick up in the water. We have got radio beacons, and the only successful way I think it could possibly be carried out would be that the Japanese or indeed the other Australian boats had your radio beacon frequency numbers. But to do that you have got to be able to communicate with them and tell them on the radio. Your beacons change position in the line. You do not always leave the one beacon in the line in the one position all the time, because that beacon is in the water longer so it obviously wears your battery out so you alternate it up and down the line. Unless you can communicate with somebody to let them know which beacon you have got on the end of the line and where your line is, you are still up against the same problem. As far as visual picking up of the gear in the water is concerned, it is very difficult. We have got—

**Mr TUCKEY**—No, you could not do it visually.

**Mr Chaffey**—No.

**Mr TUCKEY**—I am talking about electronics. You are taking a judgment on replacing a battery. Surely, relative to your \$50,000 worth of line, to get some uniformity in the system you would always have the same signal at one end and another signal at the other, if that was all that was required. In other words, you would have designated signals for your line. But again, we are talking about a line. If you want to fly into Hobart airport, the airport radar will pick up the signal of your locator beacon, not your plane, and they know which one it is.

**Mr Chaffey**—That is sophisticated gear.

**Mr TUCKEY**—That is getting up to that point. But don't worry, with modern-day electronics I bet you that Japanese boats could record that. What I am really saying to you is this—and if you do not want to do it, tell me. If you have got a problem with damage to your equipment, which is extremely valuable, should our negotiators not be trying to find a solution to that along the lines I mentioned? Or do you just let them keep running over your line—or us running over theirs?

**Mr Chaffey**—Obviously, it would be an advantage if we did have some sort of system where everybody could recognise everybody else's gear in the water, for sure.

**Mr Green**—It would have to transmit a lat-long, because at the present moment you can pick up a beacon but you do not know where the beacon is. You know roughly it is out there—

**Mr TUCKEY**—A radar can.

**Mr Chaffey**—No, you will not pick these up on radar.

**Mr Green**—You are talking something really sophisticated now.

**Mr TUCKEY**—Anyhow, I really do not think we should discuss the technicalities but the idea. There are two reasons. I was told by the department the other day that they do know where these lines are from the locator beacons. The other issue was surveillance. We have this problem of their lines drifting into forbidden waters.

**Mr Horton**—Mr Chairman, if I could just raise a point—changing the subject matter slightly. I do not think we have really touched on this. I think the most vital thing about moving this buffer zone out to 50 nautical miles is that we create a better proposition for vessels to diversify that does not really exist at the moment or exists in a diminished fashion.

Some of those fisheries that we depend on currently need to have some pressure valve, if you like, to remove some of those vessels. If you make it more desirable by moving that zone out to 50 nautical miles for people to diversify into that area, then that is to be encouraged.

**CHAIR**—Does the 12-mile zone apply only to bluefin tuna or is it general fishing in the Tasmania area?

**Mr Horton**—SBT would be the prime target species.

**Mr Chaffey**—Yes, it does not affect any other fish. It is a recognised state line.

**Mr TUCKEY**—Evidence has been given that Australian fishing capacity could not catch our full 5,000 tonne as negotiated under this treaty. Is that a common view among everybody here and nobody wants to try?

**Mr Chaffey**—I would say that would be a pretty fair comment.

**Mr Horton**—But that situation will not remain like that. The situation will change depending on how many people come in to it and how much of that remaining quota is taken up by farms or taken up by other interests.

**Mr TUCKEY**—But you do not perceive a situation where an Australian fishing



entrepreneur would decide to go out there with the Japanese—go up to Japan and buy one of their boats, for that matter—and fish as they fish?

**Mr Horton**—That may well happen, although we already heard it said earlier by one of the other speakers that the high value fish is the chilled fish. Why would we want to compete in a frozen market, when the chilled fish are the better proposition?

**Mr TUCKEY**—That is another reason, but what I am asking is: why can't we catch by one means or another the same quantity of fish?

**Mr Horton**—I think that will happen.

**Mr ADAMS**—If we do that in a 50-mile zone, we could increase the amount of chilled fish that is going into the market. Is that correct?

**Mr Nickolls**—These boats do not always fish just for tuna either. They go to other parts of the world.

**Mr Chaffey**—Without the presence of the Japanese, a lot more people involved in other fisheries would be more inclined to go out there and have a go. It is a bit daunting when you think about putting your gear in the water. It is a big expense. You cannot afford to lose it.

There are other fisheries like crayfishing in Tasmania that look like going to quota. Those quotas are going to be caught up reasonably quickly and some of those boats are capable of going out there and having a go at long-line tuna. So I think it had actually opened it up for other boats as well.

**CHAIR**—But it would be your judgment that, if it were to go out to 50 nautical miles, the Japanese would not be miffed to the point where they would pull out completely?

**Mr Horton**—There is no guarantee of that.

**Mr TUCKEY**—They will not pull out.

**CHAIR**—No, they will not pull out. We valued that discussion. If we can ask you to take on notice that particular question on port access. If there are any supplementary comments you would like to make, you could give them to the secretariat within the next 10 to 14 days. That would be a great help. Thank you very much.

[3.13 p.m.]

**BUCHANAN, Mr Leslie Robert, President, Tasmanian Sashimi Tuna Fishermen's Association, RMB 905, Arthur Highway, Tarrana 7180**

**CHAIR**—Welcome. We do not have a written submission from you, do we?

**Mr Buchanan**—No.

**CHAIR**—You might like to give us a brief statement.

**Mr Buchanan**—Yes. The boys have pretty well touched on just about everything. I have a few problems with the fees. I have the latest paperwork on the Australian-Japanese bilateral fisheries access negotiations and I see that after five years there is an outstanding debt of about \$3.5 million from the Japanese to Australia for fees incurred by illegal fishing operations off New South Wales. That has not been rectified.

**Mr TUCKEY**—Were they fines?

**Mr Buchanan**—They were fines. They were actually fish confiscated. The fines have been paid but the fish were to go back to the Commonwealth and that has not been paid. In this document it appears that Australia cannot do very much about it because Japan is saying that it is up to Australia to negotiate with the fisher. I think that is pretty poor. It is stated in *Cost recovery for managing fisheries* in 1992, where it was discussed, and that debt is still outstanding. That was by the Industry Commission.

**Mr TUCKEY**—So basically the bilateral agreement needs better recovery mechanisms for fines levied against other countries.

**Mr Buchanan**—Yes. I think that should be used as a lever with the Japanese. All the way through this document, which I think you would all be privy to, is the Tori poles. I do not know whether the senators are aware of Tori poles. It is mandatory for Australian fishermen to use Tori poles for birds but the Japanese do not want to use it. Australia has actually made up a system for Australian fishermen to operate under and the Japanese say they have their poles and they will use what they want. When you have read this you will see that the negotiations have not gone very well.

Also, if I might move on, and I will try to finish as quickly as I can, I will just touch on what the boys have already spoken about, the 50 miles. It seems to be a pretty big issue. It has taken more than five years to get to the 15 to 20 miles, so it is well over five years to get to this stage, but I must say that the 50 miles is certainly a big issue. We have not just got SBT tuna fishermen, what we have is SBT fishermen which no longer can pay the exorbitant fees of quota or leasing quota. So what they have done and what they are actually doing is gearing up with long lines to target the minor species like rose

bream, which we know is a good quality fish. So gear interaction will be considerable in the next few years.

If Japan is made aware that it is our intention to increase up to 50 nautical miles then they can prepare themselves. As well, we need for Australian fishermen to be aware that they can gear up to go out and do fishing. The way it stands at the moment with the quota size, it is pretty high risk. If you go into this fishery and you have to compete with the Japanese, there is not much incentive for Australian fishermen to get out there and make a big investment. As you have already heard, we are talking \$50,000 worth of gear, and a boat to go with it is considerably more. There must be an incentive for Australian fishermen to get out there and have a go and that 50 mile, I think, is a big enough incentive for people to want to invest.

**Mr HARDGRAVE**—What sort of gearing up time are you talking about?

**Mr Buchanan**—For actual long lining, not only for bluefin but the minor species—it has been suggested that cray fishermen will be restricted in their fishery and have the capabilities of going and doing this, so maybe the cray fishery will come under quota in the next 12 months. They will be gearing up ready for another fishery. I am saying in approximately two years. So if the negotiations with Japan were carried out on a 12-monthly basis it would be much easier for Australia to negotiate, I feel.

**Mr TUCKEY**—But what is the linkage there? The negotiations are about how many tonnes of fish, anywhere in the world, Australia, Japan and New Zealand are allowed to catch. But if your cray fisherman here wants to go out and start catching fish, that is an internal matter. With the purchase of quota he can theoretically do that as soon as he can get a line on the back of his boat.

**Mr Buchanan**—Yes.

**Mr TUCKEY**—That has got nothing to do with the negotiating period of the bilateral treaty?

**Mr Buchanan**—No.

**Mr Lister**—It has, to the point that if the Tasmanian rock lobster fishery comes under quota management, as Mr Buchanan said, and if they catch their quota of rock lobster reasonably quickly—if that happens—and if they have suitable boats and if they can lease tuna quota, those domestic Australian boats, particularly those based in Tasmania, can fish in the tuna fishery. What we are talking about is increased effort, increased gear, increased conflicts in terms of gear loss, et cetera. So over a short period of time it is quite possible that we are going to have a lot more boats, particularly fishing inshore rather than well offshore, in the tuna fishery off Tasmania.

**Mr TUCKEY**—So you want a 50-mile limit. Was that the purpose of that argument?

**Mr Lister**—Yes.

**Mr Buchanan**—Yes.

**Mr TUCKEY**—I see. The question asked a minute ago was: what is the gearing up time? I thought that was in response to that question.

**Mr Buchanan**—I would envisage that the gearing up time would be approximately two years, with the incentive that there was a 50-mile buffer zone.

**Mr McCLELLAND**—You do not think they would gear up without that 50-mile buffer zone?

**Mr Buchanan**—The costs are too great. Fishing itself is—

**Mr TUCKEY**—For what might be left out there if the Japs were competing?

**Mr Buchanan**—Yes.

**Mr HARDGRAVE**—But there is also the question, as we heard earlier, about the traffic that is already in the 12-mile area now.

**Mr Buchanan**—That is in the 12-mile area at the moment, yes, and in the negotiations the Japanese are not happy with 15 to 20 miles. I am sure they are not going to be happy with 50.

**CHAIR**—I come back to the point you made about penalties. I just had a quick flip through the bilateral agreement and I cannot find anything. Is that in the head agreement or is it in the bilateral?

**Mr Buchanan**—This was discussed in this paper. Sorry, you may not have it but I will certainly pass it across.

**CHAIR**—There is nothing that I can find there.

**Mr Lister**—It was discussed as part of the negotiations for this current bilateral arrangement. Basically we are talking about an incident that occurred in 1992, which is four years ago, when an Australian court passed judgment against the skippers of two Japanese boats, the *Kotobuki Maru No. 23* and the *Kotobuki Maru No. 38*. They were fined a certain sum of money and the value of their fish on board was to be confiscated to the Commonwealth. They paid their fines, which resulted from their fishing off southern

New South Wales inside the Australian fishing zone, where they were not permitted to fish. The value of the fish has been determined at about \$3.5 million. So there is an outstanding court order and a penalty on two boats going back, say, four years minimum, for more than the value of the current bilateral contract.

The only action that Australia has taken, and has been able to take so far, is to bring up this issue at each bilateral agreement. It has not been able to resolve it, and the only action that the Australian Fisheries Management Authority has been able to take beyond that is to register those two boats under the Australian Southern Pacific Fisheries Agency register as being boats of not good standing, which effectively means that they are not allowed to fish in the Australian and South Pacific region until the court order is satisfied.

It perhaps highlights a deficiency, and I think Mr Buchanan is on about this. If we have rules of engagement, if you like, into the Australian fishing zone and someone breaks those rules and the Australian court imposes some form of penalty, surely the court order should be satisfied as part of a bilateral negotiation.

**CHAIR**—The point I am making from my quick look through the bilateral is that there is nothing in there at all, whether it be notes of discussion or whatever it might be, to cover the issue of penalties. My question really was, if it is not there—and perhaps we cannot see it—if it is not there, then is there something in the head agreement in terms of the fishing agreement between our countries or in terms of the head agreement—

**Mr Lister**—I don't know that there is, but the point I am trying to make is there should be something there.

**Mr TUCKEY**—That is the problem.

**CHAIR**—Well, that is what I am asking.

**Mr TUCKEY**—That is the issue, that they cannot recover the money and there should be something in there that lays down a procedure.

**Mr Lister**—Perhaps a solution to the problem would be for the bilateral agreements to be rewritten to include the concept of flag-state responsibility where a government picks up the obligations of nationals who do not behave by the rules.

**CHAIR**—That again is coming up at the current renegotiation.

**Mr Buchanan**—Yes.

**Mr ADAMS**—There was a fine because of underestimating the catch.

**Mr Buchanan**—Fishing inside—

**Mr ADAMS**—There was another incident of somebody understating the catch. Do you have any information in relation to that?

**Mr Buchanan**—No, I don't; I'm sorry.

**Mr Lister**—I am aware of it, but I think that issue was resolved, as I understand it.

**CHAIR**—Mr Buchanan, do you have anything else?

**Mr Buchanan**—Yes. As to the by-catch provisions for the Japanese with the black marlin and the shark, Australian fishermen cannot take a shark unless they take the carcass. Now we find in this report that the Japanese are continuing to kill the shark, instead of cutting the line and letting them go, just to retrieve the hook and the fins, and still dropping the carcass. Now, under the agreement, what they catch pretty well they keep. Australian fishermen also, as far as black marlin go, we cannot take it. They are taking it. But I must say that in the further negotiations AFMA are looking at it, but it is a worry.

**Mr Lister**—I think there is another issue on the by-catch side of it. Australian vessels tend to set after midnight in the dark, so the by-catch of seabirds is minimal—if it can be called a by-catch, accidental catch is more appropriate—whereas the Japanese set 24 hours a day. Now if they set during daylight hours, the accidental catch of seabirds would have to be a lot higher. In fact, Australian observers on board Japanese vessels have reported catches of seabirds, accidental catches. As Mr Buchanan said, on Australian vessels there is a mandatory requirement that they have Tori poles, but it is not a mandatory requirement that the Japanese have Tori poles, so perhaps there need to be more specific issues argued in these negotiations with the bilateral agreements to cover such things as by-catch and accidental catch of seabirds.

**CHAIR**—Last week we had evidence about measures taken in relation to the special sort of bait that sinks very quickly—

**Mr Lister**—Frozen—

**CHAIR**—The frozen type.

**Mr Lister**—The frozen stuff floats.

**CHAIR**—It floats, does it?

**Mr Buchanan**—It floats.

**Mr ADAMS**—It is all unfrozen.

**Mr Buchanan**—Unfrozen bait will go down a lot quicker.

**Mr HARDGRAVE**—Do you have any knowledge of what proportion of these Japanese boats have Australian observers?

**Mr Lister**—Yes. According to the observer reports it is around about nine to 10 per cent.

**Mr HARDGRAVE**—Do those observers play any role in overcoming the often stated language barrier as far as coordination problems and so forth are concerned? Do they play any active role?

**Mr Lister**—All I know is what I read in the observer reports, and they are published after each Japanese fishing season. I think communication has always been a problem, as I understand it.

**Mr HARDGRAVE**—Do the observers play a role in trying to alleviate those problems or are they simply mute observers?

**Mr Lister**—I am not an observer; I have never been one. I do not know the answer to that question, I am sorry.

**CHAIR**—Any more questions?

**Mr Buchanan**—I might just add that the access fee for the Japanese, I think, is set at \$1.45 million.

**CHAIR**—At \$3.45 million.

**Mr Buchanan**—I'm sorry, \$3.45 million.

**CHAIR**—The total is \$3.45 million. For Tasmania it is \$1 million.

**Mr Buchanan**—Okay. So it is broken up. That is the actual full cost.

**CHAIR**—That is right. The \$3.45 million is broken down that way.

**Mr TUCKEY**—It is the national cost.

**Mr Buchanan**—That is something that I wanted to know.

**CHAIR**—It is \$1 million access fee for Tasmanian waters of that \$3.45 million.

**Mr TUCKEY**—It is broken into three areas—east, west and south, presumably.

**Mr Buchanan**—I just looked at the costs in 1992 of the observers. I just wondered if that was included—

**CHAIR**—We took some evidence on this last week, and my recollection was that, of those fees, if you took the observers and the research costs, there is very little left over, and what is left over goes back into the kitty anyhow.

**Mr Buchanan**—It was well over \$1 million back in 1992. I was just wondering what it was.

**Mr TUCKEY**—I think the evidence we have received from the DPIE and from AFMA is that the thing is relatively self-funding.

**CHAIR**—Yes, exactly.

**Mr Buchanan**—Right. Thank you.

**CHAIR**—Thank you very much, and I do apologise again for making you wait.



[3.31 p.m.]

**KRUIMINK, Mr Frederick (Rick) Stefan, Marine Superintendent, Sabre Marine and General Engineers, 4 Hornby Road, Glenorchy, Tasmania**

**MacMILLAN, Mr Cameron, Managing Director, Aqua Scuba Diving Services Pty Ltd, 52 Collins Street, Hobart, Tasmania**

**CHAIR**—I should point out that we have submissions from both the engineering company, Sabre, and Aqua Scuba Diving Services. They are, in fact, incorporated and published as part of our record. Do you have any amendments to either of those reports?

**Mr MacMillan**—No.

**CHAIR**—Okay. Would either of you like to make a short statement to start off with?

**Mr Kruimink**—Yes. We are probably the main supplier of engineering services in Hobart to the Japanese long-line fleet, either directly or through subcontractors. We repair all sorts of damage. What services we do not provide we bring in locally. One perhaps interesting development I heard you talking about earlier was the environmental effect of hooking seabirds. We fit the Australian-developed bait caster which overcomes, to some extent, the hooking of the fish by casting the bait clear of the propeller wash, and that means it sinks more quickly. There is less time—

**CHAIR**—Some of them go through the hole, don't they?

**Mr Kruimink**—Pardon?

**CHAIR**—Some of them you put through the hole as well; is that correct?

**Mr Kruimink**—The bait is on a long line and it is flung off to the side of the ship rather than directly into the propeller wash because propeller wash will bring it back up to the surface 100 metres aft.

**Mr ADAMS**—And there is a new throwing line, isn't there?

**Mr Kruimink**—Yes. It is developed in Australia by a crowd in Ballarat and we fit them in Hobart.

**Mr ADAMS**—What is that called, that new piece of technology?

**Mr Kruimink**—It is simply the bait caster developed by—I cannot think of his name at the moment, but he is out at Ballarat in Victoria. I do not think it is compulsory,

unfortunately, but it is good business for us.

**Mr ADAMS**—I am sorry I interrupted you. I thought you had finished.

**Mr Kruimink**—No, that is it.

**CHAIR**—Do you want to make a statement?

**Mr MacMillan**—The Aqua Scuba Diving Services business has been doing the diving work on the Japanese fishing fleet for the last 25 years. We are only a small business and we rely heavily on the income from the fleet. We did notice a big downturn in the last year from them not coming in and it has affected us quite a bit. Also, with the new Department of Labour and Industry regulations coming in pretty heavily on the commercial dive industry, it has more than doubled the costs of putting divers in the water. The downturn in local spending by private business and government has put a lot of pressure on our industry. To put a team of divers in the water over the last 18 months costs probably three times as much as it did beforehand. Over the last 18 months I spent in excess of \$30,000 upgrading our equipment to meet the DLI standards. One of the reasons was to be able to service the Japanese fishing fleet. That is about it.

**CHAIR**—Is all of the sort of work you do for the Japanese fleet done in the water? We had some evidence earlier today that all your work, whether it be propeller or bottom or inlet or whatever, is all done in the water. There is no single lift or anything like that here?

**Mr Kruimink**—We have pulled out a few—that is out of the water on a slipway.

**CHAIR**—You have pulled out a few?

**Mr MacMillan**—One ran over a container off the west coast. It is cheaper to do the work in the water than to put wheels under it and put it on the slip. It is a big expense to put a ship on the slip.

**CHAIR**—That is a last resort.

**Mr MacMillan**—Yes.

**Mr HARDGRAVE**—What proportion of your company's business is connected with this?

**Mr Kruimink**—It varies from year to year, obviously. One source of work comes from their habit of talking to each other at sea, rather than talk over the radio, they try to get the ships nice and close together and the inevitable collisions occur some years. We get two or three of them in one year and it is up to 15 to 20 per cent of our work. But

generally speaking, probably 10 per cent of our business would be based on the industry.

**Mr HARDGRAVE**—What about you, Mr MacMillan?

**Mr MacMillan**—It depends on when the fleet comes in and that sort of thing, but I would say 15 per cent to 20 per cent. We have a down time in the winter. Usually the fleet comes in in the winter and then towards the Christmas period which is a big injection for us. We could be flat out for two to three weeks with them.

**Mr HARDGRAVE**—So it is hardly cream on the top of your other activities, it is obviously integral to your business?

**Mr MacMillan**—Yes, it is integral. It is part of how we budget for the year.

**Senator ABETZ**—How many people do you employ?

**Mr MacMillan**—When the fleet is in, Aqua Scuba employs three divers and two people in the office.

**Senator ABETZ**—You tell us—and possibly I have read it incorrectly—in your letter to us that this is worth between \$12,000 and \$18,000 per year. If that represents up to 20 per cent of your business, even at \$18,000, that makes a gross income for your business of \$90,000. You employed how many people?

**Mr MacMillan**—In that period, when the ships are in, the business employs three divers and one guy in the store and one secretary.

**Senator ABETZ**—What is your gross turnover?

**Mr MacMillan**—I could not tell you offhand.

**Senator ABETZ**—What would be the actual impact on your business if instead of getting Japanese fishing boats into port, they were in fact Australian fishing boats? Would there be any difference for you people?

**Mr MacMillan**—The local boats do not need divers like the Japanese boats do, being much larger ships and carrying much more gear and fishing lines and that sort of thing. They carry more to maintain them.

**Mr Kruimink**—We employ 14 or 15 people from our own resources and any number of subcontractors, given the nature of the incident. If they did not come here, if it could be repaired locally, it would affect our business. The Japanese are more likely to deal with someone who can provide an integrated service with backup; the Australians tend to do it themselves and that sort of thing.

**Mr HARDGRAVE**—But let's face it, if they collided 100 nautical miles or whatever measure off the Tasmanian coast, they would not be about to struggle past Hobart to go to Indonesia, would they?

**Mr Kruimink**—No.

**Mr HARDGRAVE**—The point is that the business is still going to be there even if there is a 50-nautical-mile exclusion zone. Would that be a fair comment?

**Mr Kruimink**—Yes, I would think so.

**Mr McCLELLAND**—Just as a side issue, do you have any problems communicating with members of the crew? Is there someone who speaks English usually on board one of these vessels?

**Mr Kruimink**—No. The agents usually provide interpreter services. They are quite good. Sometimes their technical interpretation makes things a bit difficult, but no problem. We have fixed everything that has come our way.

**Mr HARDGRAVE**—Are they good payers—on time?

**Mr Kruimink**—Yes. They demand good service, but we have never had a problem.

**Mr BARTLETT**—Senator Abetz actually asked the question that I was going to ask. Would it be right to suggest, though, that whilst some businesses might be affected adversely by a switch-over from Japanese ships to Australian ships, there would be other businesses that perhaps could benefit?

**Mr Kruimink**—The overall benefit to the economy would remain pretty much the same.

**Mr ADAMS**—Do you set your own rates, or do you negotiate a rate with the—

**Mr Kruimink**—No, it is a standard rate, our standard rate.

**Mr ADAMS**—What you would charge an Australian boat is what you have negotiated with the—

**Mr Kruimink**—Yes. The only other point with the Japanese is that it is foreign exchange into the country.

**Mr ADAMS**—Yes. Do you do that on an averaging basis? Do you average it?

**Mr TUCKEY**—Bill them in Aussie dollars and just—

**Mr Kruimink**—It is all Aussie dollars, via the agents. We do not bill the Japanese direct at any stage; it is always done via the agents.

**Mr ADAMS**—When we start talking about the new bait casters, how many boats would you have fitted that on?

**Mr Kruimink**—I think we have fitted four or five, but the design that was done in Australia has been partially copied—I do not know how it goes with copyright—by a Japanese company and they are making life difficult.

**Mr ADAMS**—They are pretty good at that.

**Mr Kruimink**—Yes, they are pretty good at that.

**Mr ADAMS**—And you do this work up in Prince of Wales Bay?

**Mr Kruimink**—No, we do it in town.

**CHAIR**—Has anyone got any final questions? Are there any final comments?

**Mr Kruimink**—We would like to see them have and use access to Australian ports.

**CHAIR**—And the bottom line is that you would like to see the agreement renewed?

**Mr Kruimink**—If there could be some way to encourage a bit more money to be spent down here rather than in Japan. They tend to come out here all shiny and bright, and very little gets done here except emergency maintenance as far as we are concerned. That is all we do, emergency maintenance. I do not know if there is room for surveys to be done here.

**Mr HARDGRAVE**—On that basis, the obvious extension is that, if the transshipment matters came into play and you had boats based here, obvious benefits would be there too.

**Mr Kruimink**—Yes. We fly complete engines in from Japan for them when need be. We have done it. It is remarkable.

**CHAIR**—Thank you very much indeed. Let me say thank you to everybody who has appeared today. It has been most informative. I am sure that we all got a lot out of it and we are much better informed as a result of today. We go off to Fremantle in a couple

of weeks better informed than we were last week and no doubt when we come back from Fremantle we will be better informed again. Particularly, we come through Port Lincoln.

I thank everybody. It has been most helpful and we look forward to preparing a report and submitting in the parliament towards the end of October. I thank my parliamentary colleagues for coming today from everywhere and I will just ask the deputy chairman to close proceedings.

Resolved (on motion by Mr McClelland):

That this committee authorises publication of evidence given before it this day.

**Committee adjourned at 3.44 p.m.**