



COMMONWEALTH OF AUSTRALIA

JOINT STANDING COMMITTEE ON TREATIES

Reference: Long-line tuna fishing

PERTH

Thursday, 26 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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PERTH

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Present

Mr Taylor (Chair)

Senator Ellison

Mr Hardgrave

Mr McClelland

Mr Tony Smith

Mr Tuckey

The committee met at 9.10 a.m.

Mr Taylor took the chair.

CRIBB, Mr Andrew Charles Adrian, Program Manager, Recreational Fisheries, Fisheries Department of Western Australia, 168-170 St George's Terrace, Perth, Western Australia 6000

MILLINGTON, Mr Peter James, Director, Programs, Fisheries Department of Western Australia, 168-170 St George's Terrace, Perth, Western Australia 6000

CHAIR—I declare open this public inquiry into long-line fishing for southern bluefin tuna. This is one of a number of public hearings to be held in Canberra and elsewhere. We have had hearings in Hobart, this hearing is here today and tomorrow we will be moving to Adelaide and Port Lincoln to get another dimension to the inquiry. Over the next couple of weeks we will, undoubtedly, be recalling the Department of Foreign Affairs and Trade, DPIE and AFMA, amongst others, to tidy up the inquiry. We hope to table a result of this public inquiry in the parliament on or before 4 November. It is a fairly short fuse and we welcome your attendance here today.

Can I also pay particular tribute to two West Australian members? Senator Chris Ellison is on my right, and Wilson Tuckey, the federal member for O'Connor, is still to arrive. I am sure as soon as he arrives you will know he is here. I welcome their contribution to this inquiry.

We have received a number of submissions from West Australian industry and community groups. Most of them have stressed the economic importance to this state of the bilateral agreement. We have also been looking generally at the social and economic benefits in this inquiry as well as the conservation issues which are very important. We found that wherever we have been there are issues in terms of conservation that need to be addressed.

Towards the end of today there will be a number of witnesses who will be discussing with the committee some of the issues. If there is anybody else who would like to address the committee then we are very happy to receive your evidence, but if there is somebody here who, at this stage, is not formally down to give evidence I would appreciate it if they would indicate to the secretariat as soon as possible so that we can add them to the list. I now call representatives from the Department of Fisheries.

Your two-page submission dated 20 August is now part of the record and is published by the committee. The committee also accepts the amendments that you want to add to the submission. If you would like to make a brief opening statement we will open up the questioning from the committee.

Mr Millington—Yes, I would like to make an opening statement. Basically the Western Australian government would like to briefly outline four issues: first, sustainability; second, our domestic commercial fishery; third, the recreational fishery in the state; and fourth, the developing charter fishery in the state.

On sustainability, I would like to re-emphasise our support for the current Commonwealth government position in terms of ensuring there is a sustainable fish resource for southern bluefin tuna. We point out, though, that as it is a method based fishery there is always the potential for the targeting to move to other species. That is of a degree of concern to us as some of those species our domestic fishery are starting to focus on. The domestic fishery, as you know, is under Commonwealth control but we obviously have an interest in the benefit to the Western Australian community of any Commonwealth controlled domestically based fishery and its contribution to the WA economy.

In addition, of course, there is sustainability of the other incidental species other than, say, the tunas which are the major target for the commercial fishery. They are the billfish and sailfish, which we believe are a significant benefit to the developing charter and recreational fishing activities off this state.

In terms of the domestic commercial fishery, we have a good relationship with the Commonwealth in its development. We are on the WESTUNAMAC, which is the Commonwealth MAC which advises AFMA. Our state officer who sits on it also represents the other state. The general position we are taking is for a gradual development of that fishery. The choice you have is how fast we would like to see the foreign fishing being phased out either in advance of or in parallel with the development of what we see as a very important developing domestic fishery. There is a density problem and other issues like that inasmuch as how can one displace the foreigners to get a local development going while at the same time getting a sufficient fish density to attract them to do it in the first place? It is one of those balancing acts where there is no right answer. We think that the forum, through WESTUNAMAC, is struggling with the idea in a reasonably professional manner and we are happy with that degree of input into that area.

The other area of concern to us is the developing recreational fisheries. The committee is aware of the fact that there has been submissions by the recreational sector and the WA government over the years about exclusion zones for certain types of foreign fishing activity because we believe that the billfish are an important recreation target species, except possibly for swordfish and striped marlin. One of the indications of our seriousness about this is, of course, the fact that in Western Australia we prohibit the sale of billfish, except for swordfish and striped marlin, under our Fish Resources Management Act within Western Australia.

The position we would take in terms of recreational fishing is that we will be seeking over time to be looking at some sorts of additional exclusion zones around key recreational fishing ports for recreational fishing, such as Broome, the Dampier archipelago and Exmouth, to complement what is already happening off Rottneest.

In addition, the other thing we are grappling with is the developing charter fishery. It is quite clear that the benefit to the Australian economy from value adding, in terms of

tourists being attracted to our game fishing opportunities in Western Australia, is quite considerable. We are grappling with it at the state level through a charter boat and tour operators working group which is going to be presenting the state government with a policy proposal for the next five or 10 years, some time early next year I hope. It is quite clearly a commercial activity because people are making money from taking recreational fishers out to fish but it does have a significant impact on the resource as well as having considerable benefit to the local community.

Their needs are probably even more acute in terms of fish density in localised areas than those of the recreational fishers because one of their major attractions is a high strike rate in a particular area which, in turn, is dependent on the density of the fish stocks. This means that the density of the fish stocks for a recreation or charter boat fishing activity may, in fact, be higher than that which the commercial fishery may be able to survive on because the economics of the two are different.

In conclusion, the current bilateral arrangements need to be assessed against the threat that foreign fishing operations may pose to sustainability and also to the economic development of several important Western Australian regional fisheries. The WA government favours the development of a domestic commercial fleet and also the development of a charter and recreational fishing industry. We would like to see some further exclusion zones around places like the Dampier archipelago, Broome and Ningaloo. We would like to see the gradual phasing out of the foreign long-line fleet and its replacement by a domestic fishery because we believe that, in the longer term, that would be of more benefit to the WA community and the national economy.

We want to see the optimising of the benefits between the three sectors in a domestic sense. We believe that if you have three domestically based fisheries the balancing act, which is always difficult, between a charter fishing industry, the recreational sector and the commercial fishery, is much easier to handle.

CHAIR—To open the questioning, your supplementary submission, which we have just seen this morning, is the first time this committee has seen the word ‘opposes’. You say in part:

. . . opposes the continuation of the present arrangements with Japan, particularly where they are important.

I suppose it is an opposition with qualification, is it not?

Mr Millington—Yes, very much so.

CHAIR—Perhaps ‘opposes’ might be a strong word. I think, and I have to say on behalf of the committee, that it is the first time we have seen it. I think we understand and we will explore the balancing that you refer to. I just come back to the economic impact

for WA. It has been suggested to us in submissions that the economic impact for WA is somewhere between \$20 million and \$30 million per annum and that there is a multiplier effect in terms of the port access. Firstly, would you like to comment in terms of the economic impact and, secondly, would you also comment about moving, even in the interim, towards your ideal situation of having the domestic fishermen fully involved and whether, in fact, you see some merit in separating the quota from port access in terms of this agreement.

Mr Millington—I agree with your first comment about the word ‘opposes’—I suppose it is a bit strong a word. What we are looking for, I think, is a gradual phasing out of the foreign long-lining. It is not something you do overnight, it is something you do in balance.

We do believe, just to reiterate, that the long-term benefit to the community is through domestic based use and not just continuing port visits. We believe that there is benefit to the community, especially from the non-SBT side of things where we are talking about the billfish, the sharks and the yellowfin tuna. We believe you are going to get the greatest multiplier benefits in the Western Australian domestic economy by looking at those particular species groups.

The SBT is within a quota context, it can be managed in that, although we believe that more controls could be done there to get a higher degree of rigour in that. But the key issue is: when you are going out and catching SBT you are catching these other things, too, and the same economics to their catching does not apply. But because they are doing it then they are impacting on these other things that we wish to see developed in the WA economy—these other three sectors that we have outlined.

We have no hard figures on what the multiplier values are. We have some general figures of two economic studies we have done on multipliers of our domestic commercial and recreational fisheries in Western Australia. For instance, the last economic study we had on recreational fishing indicated that it was probably worth \$400 million in terms of multipliers into the WA economy. That was three years ago so it was 1992 base figures I think. Using the same base figures, the value of our domestic commercial fisheries was \$400 to \$500 million with multipliers taking it up somewhere between \$900 million and \$1.2 billion.

So there are significant multipliers from the development of a domestic fishery. What they are is something you can only guess at so you take a philosophical stance that, in general, we believe it is best that it be a domestically based development rather than just having continued foreign fishing for those fish resources.

The last thing is that I do believe you can separate the issue of port visits and fishing activity outside the 200-mile AFZ and fishing activity under a quota regime if you can get some better control of the catch of these other fish species, and you can separate

those particular issues.

Mr McCLELLAND—You have said that you favour the gradual phasing out of Japanese access under the treaty. We have heard evidence that one of the main assets or aspects of the treaty is the ability it gives the Australians to monitor the Japanese catch. If the Japanese were not a party to the treaty, is there a risk that they would fish unconstrained and hence deplete the fish stocks to such a point that no industry was viable, be it charter or commercial?

Mr Millington—I quite agree, we are not opposing the treaty per se. What we are saying is that, if you are going to do some fishing within the Australian extended economic zone, for preference that should be done by the domestic fleet and that the arrangements for the treaty are overriding all of it. We would be encouraging the Japanese to stay within that with us. If their negotiating staying within the treaty is access to the 200-mile AFZ—and you cannot retreat from that position if you are on the Australian side—then obviously you try to make sure your arrangements are as focused as possible on getting the quota managed SBT as their focus so that we can develop the other aspects of the activity.

Mr TUCKEY—Just following on that matter in round figures, the commission, which is really the basis of this treaty arrangement, sets quotas for the catch of southern bluefin tuna basically anywhere in the world where there are high seas and within our region, and the allocations are of the order of 6,000 and 5,000 tonnes for Japan and Australia respectively. Evidence given to us in other parts of Australia is that, practically with the exception of what is caught in South Australia for fish farming, nearly all of Australia's quota is otherwise caught by joint arrangements with Japanese fishing boats.

Considering the issue of conservation, where every fish left in the sea is probably to our advantage at this stage, and considering that Australia must gain some benefit if they catch their own fish, should we be continuing to recommend that these joint arrangements be part of the process? In other words, if Australia does not catch its quota, should we leave it in the sea and hopefully make it more available to charter fishermen or Australians who might choose to enter the business? In this regard, would you comment on your views as to why the Japanese see it as beneficial to catch their quota within Australian fishing zone when, in fact, it is constantly argued that if they did not they would still catch it on the high seas. I believe there is a reason but I will not lead you on it.

Mr Millington—Starting with what I recall of your first question, my understanding of the joint venture arrangements was that, the way the Australians who held the quota saw it, they had the opportunity to maximise the value of their product by a joint fishing arrangement which, firstly, gave them bigger boats to operate in a more flexible manner; secondly, allowed the opportunity to therefore handle the catch in a way which maximised its value; and thirdly, gave them an entree into better marketing

opportunities in Japan through the joint venture.

If that is the rational way of doing it, then I do not have much argument with that. I would obviously prefer that it be on a domestically based boat purely with a domestic crew—but whether that is a parochial attitude or not I do not know. But if we cannot get the same market price for what we do take under quota, then I can see great benefit in continuing a joint venture if that is the only way you can do it.

In terms of leaving it in the water, I do not really have much comment on that. I am sorry, I have forgotten the third question.

Mr TUCKEY—I might add in that regard, and I forgot to ask you, that what appears to be the situation outside of South Australia is that Australian quota owners—to use my words in Tasmania—do most of their fishing from their bed because they just sell it off. It has become a pretty handy little investment. Is that in our interests? Should quota granted by the Australian authorities be to people who are going to catch it, or should it be the people who just want to deal in it? That is another part of my question.

But in relation to my final point, the Japanese like most other people in the world usually sign these agreements because they see a benefit. The only benefit we appear to offer in the overall commission agreement is access to be able to catch fish in our Australian fishing zone. I thought you might like to tell us what, in your opinion, is the attraction of doing that when, with this pelagic species, the argument is that you could catch it on the high seas. In other words, what is so attractive about catching the same fish in our waters? There is a reason, I believe.

Mr Millington—I will have to plead ignorance as to the reason, I am sorry. In regard to your other point, the Western Australian government, of both political complexions, supported the move when we actually bought quota when they became available. A lot of the quota in the early 1980s, as you will recall, was moving from being sold from Albany and Esperance back across to South Australia—we went into the market and bought quota because we saw the potential catastrophic effect on the South Coast fishing communities—and we then leased it back to fishermen on the condition that they kept their own quota and they fished it.

Mr TUCKEY—Are you saying the Western Australia government bought quota?

Mr Millington—Yes. Then we leased it back to fishermen on the condition that they did not sell their own and they fished it in Western Australia and landed it in Western Australia. That continued for four or five years before we made the decision that the adjustment process had had enough opportunity to operate and the decision was made to sell it. Most of that quota then was used by the Western Australian based fishermen as their contribution to the joint venture.

I think our Western Australian fishermen fall into the same category as was

indicated for the Tasmanians. They do not fish it themselves anymore although I understand a number of them are actively involved in the business of the joint venture. I am not sure how you would be able to set up a system now that you essentially have a free market system of ITQs to force people to come back to land the quota domestically.

Mr TUCKEY—If the federal parliament, which controls the quota, said that it had to be used or sold for whatever it was worth, would it be your opinion if such legislation was proposed that it would be in the interests of Australia?

Mr Millington—Is not the interests of Australia to maximise the value that we get from a particular resource? If that is the case, then I am not sure forcing people to land it in Australia and then possibly getting a lower price when they sell it into our major markets—

Mr TUCKEY—The lower price issue is an issue I think we should confront separately. I am interested that you have told us that if you do not give some pay-back to the Japanese fishing industry then you get less money for your fish in Japan. That is a very interesting comment which I have heard elsewhere but that surely should not be the basis of our high ranking negotiations with another nation. Would you put that question aside and just address the question of where the economic benefit lies for Australia in either catching its own fish or giving someone else the opportunity to do so.

Mr Millington—I would agree with you to the extent that if we can get it landed in Australia you then have the maximum flexibility about where to seek the best price. It is a secondary issue once you land it. I am just not sure that mandating the landing will, in fact, get you the benefit that you assume you are going to get. I do not know but I just have a feeling that you might not get as much benefit, when government intervenes in these sorts of things, as you may hope. I am not trying to skirt around the issue. I honestly do not know.

Mr TUCKEY—This is my last question. In your supplementary submission in paragraph 3 you say:
Consequently fishing effort can shift in an uncontrolled manner (in the absence of output controls). I can understand that and, of course, I would like it put on the record that Western Australia, over the decades, has been the leader in limited entry fisheries, to great benefit particularly in our rock lobster industry.

In the absence of output controls, have you given consideration at any time to the controls of, for instance, southern bluefin tuna being at the point of sale in, say, Japan? In other words, we have a regime here in Western Australia controlling kangaroo numbers by issuing people with tags to shoot one and the kangaroo is not marketable unless that tag is attached. Could you see that sort of regime applying here and, more particularly, to marlin and these sorts of other fish, because you express also a concern that there is a substantial differential between the amount of fish caught where we have an observer and where we

do not?

Mr Millington—With respect to SBT, if you had a tag on them it would just be another enforcement tool for, essentially, a weight based output and quota management system and you may or may not decide to do it. There are certain merits in using that tool for something like billfish but a lot of the billfish, of course, is not retained by the domestic area. The domestic commercial fleet, I understand, basically if they do catch them, mostly release them. Of course, the ethos amongst the charter and recreational fishery at the moment is for tag and release or just strike and release. Tags are just a tool of outputs.

What I was trying to say there is, of course, that we do not have any MSY estimates for the Indian Ocean yellowfin tuna which is the major target species for our domestic fishery, which means that there is no cap on what they can currently take. And I am not saying that that is a bad thing because in the absence of knowledge of what the total stock is and, therefore, what the total MSY is and then the TAC, it might be a somewhat academic exercise. What we are concerned about is this ability for the Japanese tuna fleet to switch its targeting without essentially any control on one half of what it targets.

Senator ELLISON—Mr Millington, what effect on the conservation of the southern bluefin tuna does the non-inclusion of Taiwan, Korea and Indonesia have on any sort of agreement? We have this bilateral treaty with Japan but Taiwan, Korea and Indonesia are not included. What problems does that present?

Mr Millington—You are asking, essentially, a state based fisheries agency to comment on something which our Commonwealth colleagues have control under. But from my professional perspective, of course, and my knowledge because we do have a relationship with East Java on a government basis, with re-flagging of Japanese vessels under those other three nations' flags, whatever else you want to call it, that, essentially, is a lot of what happens and unless you can bring them into the equation it makes it extremely difficult for Australia and Japan to control, even with the best will in the world.

Senator ELLISON—Are we having control with their boats in our waters?

Mr Millington—As far as I am aware we do. As you may be aware, we are the enforcement agency on behalf of the Commonwealth for the waters off Western Australia. We have 10 officers who work under contract with the Commonwealth doing the foreign fishing inspections in Fremantle and the ATSI patrols out of Broome on the world navy vessels.

I understand we have caught at least one foreign—I think it was Taiwanese, I stand to be corrected—long liner operating in our AFZ this year, within the last 12 months.

Senator ELLISON—We have caught one. Do we know if there have been others that we just have not been able to catch?

Mr Millington—My understanding is that yes, we have, but I could not know the exact details. If the committee wants it I am sure they can either get it through AFMA or AFMA can ask us to supply it to you.

Senator ELLISON—Perhaps the next question is a bit unfair; it is dealing with the treaty. Tell me if you can answer it. If the current bilateral treaty was not in place would Japanese boats be using our ports, do you think?

Mr Millington—I believe they will because there are certain inherent attractions about coming to Fremantle in the first place, which are independent, I believe, of the fishing operation itself.

Senator ELLISON—What about Port Hedland, do you think Port Hedland might miss out? It is not as attractive as Fremantle, perhaps.

Mr Millington—No, it is not as attractive. If you are only talking bunkerings and victualling, then Port Hedland could, at a pinch. But I think you will find from some of the other submissions you will get today that Fremantle and its other delights are a major attraction for the crews that come here.

Senator ELLISON—And, finally, you mentioned in your submission that one of the qualifications to your opposition is that certain areas should not be included. You mentioned the area within 50 nautical miles of Ningaloo Marine Park, Dampier Archipelago and Broome. Firstly, are there any other areas you would add to that or consider in Western Australia and, secondly, would you envisage those areas being included in the treaty or agreement as being excluded from the operation of the agreement, or would they be allowed to enter that merely for the purposes of access to ports or so that they could handline fish? What was the qualification you were looking at there?

Mr Millington—I will hand over to Andrew for the first question. In terms of the last question, I think that in pragmatic terms the Western Australian government would be reasonably open to negotiation to get our aims in the initial stages. Transiting another targeted fishing activity within those exclusion zones certainly would be something we would be quite happy to talk through. The major objectives there are basically recreational and charter fishing, for that is the billfish that we are looking at. Transiting does not cause us a problem. If there are ways that they can handline or whatever else it is and target the yellowfin, then it becomes a straight negotiation between our domestic commercials and the foreign, which is a different issue. What we are dealing with here is trying to get a higher density in strike rate for particular focused areas for those regional economies.

Senator ELLISON—You would not include Rottneest or anything like that in that?

Mr Cribb—I will pick that up if you like. The reason those areas have been selected is that they are the peak development areas for charter fishing in Western Australia and also for the game fishing scenario, which has got the attraction of having some fairly significant impacts on the local regional economy through tourism and what have you.

The other areas you could add into that list, if you wished to look at some areas that are under development, would be Fremantle—or Rottneest, which is the same sort of thing; Geraldton, which is the Abrolhos Islands zone; probably Kalbarri, although I am not sure they fish that close to the coast anyway in that area; and Carnarvon. All of those are part of the developing sport fishery cum charter fishery.

I guess in terms of all those sorts of things the major economic benefit that we see, not so much from the southern bluefin tuna as from the other species, which are very much the billfish and the yellowfin tuna, will be flowing through the recreational sector and the charter fishery.

Mr TONY SMITH—You speak about the local industry—I am very interested in this—and ultimately phasing it in over time. Are the weather conditions an inhibitor of the local industry developing? We have heard some evidence that in Tasmania, for example, there could be a problem with fishing too far south with some types of vessels.

Mr Cribb—You are talking about the commercial domestic fishery or the other sorts of fisheries?

Mr TONY SMITH—Yes, domestic commercial.

Mr Cribb—I guess that, depending on the gear and boats that they have got, there is going to be an inhibition on that. Probably one of the problems we have had in the past is that people have been trying to adapt fishing boats that were built for other purposes to tuna fishing, in particular rock lobster boats and what have you, which are not really suited to that activity. So I think you would be looking at a small domestic industry which is specific to targeting those species.

Mr TONY SMITH—We have got the capacity, have we, to ultimately develop that sort of an industry, to phase it in. Is that what you believe?

Mr Millington—What you are seeing in the Australian scene at the moment is impacting on our rock lobster fishery, because we have a boat replacement policy in our rock lobster fishery. The people who are getting involved in the development of the tuna fishery are people who are cashed up from our other domestic fisheries. You have got to have money to lose money. So the people who are trying to get into the developing tuna fishery are people who are based in the scallop fishery, which is a highly lucrative fishery, and our rock lobster fishery. Not unnaturally, to get economies of scale they are seeking to

have large boats which suit their tuna fishing activities, which they then want to use during the rock lobster season. That then brings them head to head with one of our problems, that being an input fishery in rock lobster we have a control on boat size. So we are having that interesting debate—this week, actually—on our coastal tour with the rock lobster fishermen.

We are going to go through a phase where people use smaller boats which are coming from other fisheries and not directly adapted. If there is a high enough perception of a return, through market development and also catch rates, from that fish stock then you are going to get recapitalisation into larger, purpose built boats. That is why we have used this phase of 'gradual'. You have to go out there and—excuse the pun—test the water, see how you go and then see whether it is worth that extra investment to go.

Mr TONY SMITH—I have an impression that we are getting a bit of an overstatement at times about the value of the industry as it now is: having the Japanese here the value is quite large. We are being told that there is \$20 million to \$30 million and sometimes I think even \$50 million has been suggested. Are you able to comment on those figures at all? It is very hard to know whether those figures are overstated, or those who are promoting them have an interest in keeping the status quo.

Mr Millington—I honestly cannot comment on those figures. You would have people who are more qualified to do that. All I can supply you with is estimates of the local contribution to the economy of our current set of domestic activity. I can give you the economic reports we have got, which show you the multiplier, roughly two to one.

Mr TONY SMITH—It is interesting that you talked about \$400 million in terms of recreational fishing. It seems that that is an extremely high figure.

Mr Millington—That is all recreational fishing. I am just not saying with this.

Mr TONY SMITH—But we have the continuance of the bilateral agreement, although at the moment we are reviewing it every year. If it is going to impact on recreational fishing—and it does impact on it to a degree, it would seem—are you losing quite a bit there, potentially, so that we are into a false economy situation? We are taking away from that industry and getting it in another way.

Mr Millington—There is some interesting economics that come on with recreational fishing. If it is a domestically based recreational fishery with domestic fishes, then the net benefit to the Australian community is possible negative because they use imported fishing gear which we pay for, et cetera. But from the Western Australian perspective, if it is channelling money through a region—obviously the strong push from this government is for regional development—you get those dollars circulating in the region and therefore you get regional development. So there is a positive in that sense, despite the net benefit.

The other thing, which is why we have put in there some material about the charter fishing, is that if you get other people coming into Australia on a tourism trip and one of the major attractors for them to come there is game fishing and things like that, then there is a net benefit to the Australian economy from that activity. I am not pretending that we can give you figures which will show that the net benefit of what we are saying for Western Australia would be good as against the activity from bunkering. I honestly do not have those figures, which is why again I am emphasising the gradual approach.

Mr TONY SMITH—Do you have a problem in this part of the world with seabird by-catch? Are you aware of that?

Mr Millington—Because we are only an agency on behalf of the Commonwealth, basically the observer work and our AFZ reports from our officers go direct to AFMA. I will have to duck that question because that is where the central clearing house for whatever information we have resides.

Mr TONY SMITH—This is the last question I have, Mr Chairman, if I may. You say here that the variation between the level of take of billfish on boats with observers as opposed to boats without observers indicates some difficulties with the current arrangements. Can you elaborate, please?

Mr Millington—Again that is just me plumbing into our AFZ work. If you look at the raw statistics you see that there does seem to be some discrepancy between the reported, observed take of billfish when somebody is on board the boat and what the logs say when they are not. But since you have probably only a two to three per cent coverage of observers for every fishing operation, it takes you time to build up the statistics. As you would recall, in the Taiwanese gill-netting off the north coast it took about four or five years to gather enough statistics about the dolphin by-catch for us to know exactly what was going on.

Mr HARDGRAVE—Thank you, Chairman. Just looking at the southern bluefin tuna as a species, how under threat is it, as you understand it?

Mr Millington—My understanding when I used to work for the Commonwealth—again I am talking professionally—is that it is quite severely threatened.

Mr HARDGRAVE—Have you been able to chart any decline in Western Australian waters?

Mr Millington—I do not have the statistics so I cannot answer that. I am sorry.

Mr HARDGRAVE—When you are looking at tougher restrictions on Japanese operations in West Australian waters, how far out are you talking, as far as an AFZ is concerned?

Mr Millington—The ideal ultimate in point, of course, is the entire AFZ—

Mr HARDGRAVE—Which is?

Mr Millington—The 200 miles.

Mr HARDGRAVE—The 200 miles.

Mr Millington—But, obviously, you start pragmatically. You start from the centres of the development of the commercial fishery, for instance, at Geraldton and Carnarvon and one would be looking to work out as we go to minimise conflict. Again, I am talking gradualism; I am not talking overnight.

Mr HARDGRAVE—Sure. I am trying to steer my questions down this path: if you were to gradually increase it to 200 nautical miles off Western Australia—Tasmanians have got it as little as 12 at the moment, they would like 50, so there is all sorts of variations around the coast—would that have a net benefit to the southern bluefin tuna population or the stock of the fish?

Mr Millington—The fish stocks for southern bluefin tuna, from my understanding, are segregated in terms of size in different areas. One of the reasons a lot of the quota from West Australia went east was that a lot of our fishing activity was on the smaller, in short, juveniles which were found in-shore. If you fished out of South Australia you could get the larger ones where the unit value per kilo was higher.

Mr HARDGRAVE—And larger again in Tasmania?

Mr Millington—Exactly. My understanding is, of course, that the OKA and OKI grounds, whatever, off the north-west are where you get some very large fish. Obviously, if you want to maximise your flow-through of juveniles into the adult population then if you can push them slightly off-shore which seems to be where more of the juveniles are, then, obviously, you are going to get a benefit. But, pragmatically, our Japanese friends are not going to fish there in any big way. They are pushed by the economics to try and target the larger fish because they get a maximum value for them too.

Mr HARDGRAVE—Essentially, if you were to place some tougher restrictions on Western Australian waters they could move more of their operations, say, off Tasmania?

Mr Millington—One would certainly advance that hypothesis from a West Australian point of view and ask them to say it is not the case.

Mr HARDGRAVE—Yes. But the signal from Western Australia to the Japanese would be, essentially, go off to Tasmania, wouldn't it?

Mr Millington—Not for all activities. Obviously, the balance we are looking for is that we would like them to come into Fremantle for bunkering activities. That is the dilemma we have in West Australia, which is the national dilemma as well.

Mr HARDGRAVE—Yes. There is a multi-problem motivation, though, I would submit, from the Western Australian submission. One is, obviously, a concern about the fish stock of southern bluefin tuna, and as you have just said the numbers of juvenile off the West Australian coast are more pronounced than perhaps off the Tasmanian coast, and that is the migration pattern of the particular species.

But, of course, the other thing is the potential domestic industry as in West Australian operations filling the void that could be created by pushing.

Mr Millington—Not necessarily on southern bluefin tuna, though, that is the key point.

Mr HARDGRAVE—Okay.

Mr Millington—What I am trying to do is point out that as far as professional competence is concerned we are quite happy with the fact that the combination of AFMA, BRS and CSIRO have got their handle on that. They are quite competent to provide advice to government on how they do that for southern bluefin tuna. We were just trying to indicate our concern about the fact that once these boats are on the water they can start targeting these other fish species which are of interest to us.

Mr HARDGRAVE—I guess that, with the Japanese operation being so extensive and the long-lines being so long, they tend to impose upon these other potential fishing activities.

Mr Millington—Exactly. That is our major thrust.

Mr HARDGRAVE—So by gradually increasing the restriction out to, say, 200 nautical miles, you believe that domestically we will have greater control over a whole range of activities?

Mr Millington—Yes. There are two issues you are dealing with for the domestic fisheries. It is just not technology and it is not the size of the boats, there is also a learning curve for the skippers. There is 50 years of experience in the fishing masters in the Japanese fleet who know what they are doing. They have built that up over time with primitive technology and now they have the best technology and the best minds. From the domestic viewpoint, we have probably comparable technology nowadays but we have to develop the knowledge and skill in the people going out there and finding the tuna. That is going to take a bit of time.

CHAIR—I want to come back to the words ‘opposition to the present arrangements’. I have listened to your answers to some of my colleagues about the economic impact. I am not saying it is not difficult, it is difficult to quantify what the economic impact is, both in Western Australia and nationally. But if you cannot do that, would you not say that the attitude of the Western Australian government is perhaps a little unrealistic under the circumstances, particularly where the Tuna Boat Owners Association—without wanting to put words in their mouths—in their submission are basically saying that sort of approach is being unrealistic? How do you react to that sort of comment?

Mr Millington—Yes, basically you do that.

Mr Cribb—I think the key element in this whole submission is that you actually have a Japanese fishery which, although it is focused on southern bluefin tuna—and a lot of work has been put into management of southern bluefin tuna—is in fact a multi-species long-line fishery. So when you get a decrease in the southern bluefin tuna catch and so on, they are free to move on to other stocks of fish which, from a Western Australian point of view, have greater economic potential through other uses.

The trouble is that those other uses demand reasonably high stock density. I am talking particularly about the charter fishing scenario and the tourist fishing scenario developing around the Broome sailfish tournament and those sorts of things, which are becoming events of national and international interest. They are a tourist drawcard to those regional centres.

If you allow a fleet to operate without any level of control on those other species, you seriously compromise the development of those sorts of activities. That is what it comes down to. So you really have to try to pick some winners, in the first place, and say that these are the areas we are going to allow the domestic industry to develop. To do that, we are going to have, in some way, to constrain the Japanese fishing effort on those particular species.

So even though the discussion here has been focusing on southern bluefin tuna, I think the real issue from the Western Australian point of view is very much on the use of those other species that are being taken by a long-line fleet.

Mr Millington—The wording may have been somewhat unfortunate. You could have said that the Western Australian government opposes the continuation of the arrangements with Japan in its current form. What we are seeking is a modification so that we can move towards these exclusions so that we can get the density.

Mr TONY SMITH—I take it that perhaps that submission, as it is put, also implies that you would prefer annual review rather than something let go for two to three years.

CHAIR—That is something that has been raised in every hearing we have had. Should we, for a number of reasons, stick with the status quo of an annual? Is it in everybody's interest or some people's interest to extend it? Do we go two years or three years, and what would be the effect of varying the periodicity of the agreement?

Mr Millington—It is like the old strategic planning versus operational planning conundrum you have. If you have some idea of where you want to be in five years time, then it really does not matter if your agreement is a five-year agreement as long as Australia is quite clear that, in five years time, we want to be there and you structure agreements so that it reaches there.

I, for one, would prefer we get a five-year one, with everybody knowing definitely what happens at the end so that they can plan their business and charter boat fishing and other things accordingly. That is so long as what we have in five years is something that—and I know it is a difficult job for you—you and the Australian government are fairly certain is a consensus view amongst Australians of where we want to be in five years. I am not trying to prevaricate, but I would prefer that we do not go through this cycle every year.

CHAIR—So in your view, in terms of risk management—to pick up Tony's point—you would prefer to see a longer period?

Mr Millington—Yes.

Mr TONY SMITH—Or borrowing the words of C.S. Lewis, 'Progress is getting where you want to be'.

Mr Millington—Exactly. That is a good summary.

Mr TUCKEY—I have two or three follow-up questions. More and more as this inquiry has gone forward, we find ourselves looking at the treaty, which is our area of responsibility, but more and more issues related to Australia's management of the Australian fishing zone come up. The reality of life is we have not got a treaty on marlin. I think you are saying it should be included, along with some other by-catch type fish. Is that your view?

Mr Millington—For preference it should be mentioned, yes.

Mr TUCKEY—In other words, it should be the southern bluefin tuna and marlin commission, if you like. I do not think we need to make that the heading but, from the treaty point of view, I want your view that our treaty with the Japanese and other international fishing nations should cover a number of other species and, more particularly, the recreational type fish.

CHAIR—Just before you do that, I am sorry to interrupt, but we have got to be careful. This committee, as Wilson has said, is dealing with the treaty dimensions of this. We have a separate parliamentary committee—I think it is the House of Representatives primary industry committee—is actually looking at the fishing industry at the moment. So we do not want to get into—

Mr TUCKEY—I do not mind getting into it, Mr Chairman, but I think we have got to separate the issues.

CHAIR—Sure.

Mr TUCKEY—That was not really why I made that comment because, in fact, I think something that is going to come out of this particular inquiry might be a substantial reference to that other committee from us.

CHAIR—Yes, there could well be.

Mr TUCKEY—So I do not want to discourage your comment in that area, and there are a couple of other comments I have there because I think they are relative. Having said that, I just wanted to get that on the record because I think that is good advice to us personally.

It might be that some of the representatives of recreational fishing might be more able to do this, but we have talked about the price of a fish in Japan and how, of course, southern bluefin tuna is probably the ultimate. Have we any idea what sort of market value a marlin, once caught and chucked down in the freezer, has compared with southern bluefin tuna? Do you know what that might be?

Mr Millington—We could find out and get back to you today with an estimate.

Mr TUCKEY—It is an interesting thing when one considers this fish in the ocean. What is its retail value in your opinion—and again you might want to take this on notice—of the guy who buys it with his rod? In other words, what does he spend to catch that fish? I would imagine it would be substantially more than the price per kilo for that dead marlin in some Japanese fish shop. So it is an interesting aspect of what we should understand if we are to make recommendations as to the widening of the treaty arrangements.

I put a question to you and you said you did not really have a view on this, but my understanding is that the reason the Japanese agree to these arrangements is that they catch better fish once they get inside the AFZ—they are fatter or whatever. Is that your understanding?

Mr Millington—That was my understanding but I was not going to say that I was an expert on that.

Mr TUCKEY—That is fine, there is always a reason why these things happen. In terms of the treaty, there is an access fee agreed. From the information you have given us about monitoring of by-catch species which are excluded from the treaty, would it be in Australia's national interest to try and negotiate a higher access fee for the purpose of having an observer permanently on every boat fishing within the AFZ?

Mr Millington—I will go backwards. I think that if you have a look at a lot of the north American-United States foreign fishing treaties—I know the actual boats they are dealing with are often larger, more comfortable and catch more—you will find that their general bottom line is that they try and have an observer on board every boat all the time, because of this issue of trying to get some sort of truthing into the whole exercise rather than doing it on a statistical basis.

There is no right answer, because you have got to look at the cost of putting somebody on board for that fishing operation and whether that in fact makes a big difference in the profit margin they make in activity. It might be that we get enough information out of a statistical analysis by upping the number of people we have on board boats that it becomes statistically significant in any one year, and saying that what we see there must be happening elsewhere. My preference would be, yes, to have one on each one, but you would have to look at the cost-benefit on that.

In terms of the marlin, we will get the price to you. But, just as a comment, the valuation of recreational fishing is an extremely complex matter. I have just come back from the World Fisheries Congress in Brisbane, where it was quite clear that there is a whole lot of controversy in the academic community, especially amongst the economists, over how you value a particular recreational fish coming out of the water as opposed to its commercial value. There is a whole mountain of scientific papers, with about three or four different methodologies. There are three different camps and they cannot agree on how you do the valuation, so there is that problem.

Mr HARDGRAVE—You are talking about economists here, of course.

Mr Millington—Exactly, yes. On the by-catch issue, I just know that, on a micro-scale, one of the things that took us 18 months to negotiate with the Commonwealth on our offshore constitutional settlement agreements—which we reached finally in February last year—was this whole by-catch issue. Unless you sew up the by-catch you get this bleeding sore going on at the edge. It is like squeezing the silly putty, it always comes out the holes somewhere. The by-catch is what gets squeezed out. You have got to control the whole gamut of the fishing operations—where they fish, how they fish and their by-catch, as well as the quota species.

Mr TUCKEY—In marlin fishing, as the long-line is dragged up alongside the boat what percentage would still be alive?

Mr Millington—I do not have the figures on that.

Mr TUCKEY—Would it be significant? What is the status of these fish, having been hooked for 10 hours or something?

Mr Millington—My understanding is that the mortality of any fought marlin, whether it be by a commercial fishing activity or a game fishing activity, seems to be significant. There seems to be physiological evidence that there is some—

Mr TUCKEY—That they survive?

Mr Millington—No, that they die. That is why, for instance, the recreational fishing community is moving towards things like striking, where they break the strike as soon as they see it and photograph it coming out of the water, rather than playing it for the entire time—all of those sorts of things—because there is a recognition of those factors. One of the saving graces for the commercial sector is that, if the trace is a long trace, then the thing is not actually fighting as hard as it would be against a game fishing rod and possibly the physiological damage it is undergoing is less. I am sorry, again I cannot answer you, but those are the variables.

Mr TUCKEY—Okay, it is a matter we might pursue with AFMA through their observers. The reality is that, as you made the point, a lot of Australian commercial fishermen release these billfish. Clearly there is little point in releasing them if they are dead or going to die, but on the other hand, in a treaty concept, the argument might be that if they are likely to survive they should be released. In other words, you cut the line and just let them swim away.

Mr Millington—You have put your finger right on a very important question which really does need to be pursued: what is the mortality rate of these animals once they are released, and are there simple technological fixes you can make to lessen it, such as making longer traces and using different hook designs?

Mr TUCKEY—Now I want to go down the middle of the road on domestic and this treaty, because I have a considerable interest and responsibility in the rock lobster area. We continue to get evidence that Australian fishermen are not accessing the bluefin tuna area because their boats are not sufficiently substantial to go out and compete in the deeper waters where the larger fish are. The circumstance of limited entry fishing in Western Australia regarding the lucrative rock lobster industry—you have made mention of this—is that we limit the fishing effort of any boat to 150 pots less 18 per cent. In fact, the fishing effort is the pot, is it not, not the boat?

Mr Millington—No, it is a combination of both, unfortunately.

Mr TUCKEY—You reckon? There are a lot of fishermen that would argue with you—

Mr Millington—I realise that.

Mr TUCKEY—That it is the pots in the water. The speed, I guess, of a large boat to get around to service them may be a contributing factor.

Mr Millington—Yes.

Mr TUCKEY—But is it a fact that, by that policy, we are restricting the lucrative rock lobster industry from building boats of a size that would allow them off-season to pursue, in Australia's interests, our own quota?

Mr Millington—I am also a member of the Rock Lobster Industry Advisory Committee, which is the state based advisory committee for the fishery. We are actually in the middle of our annual tour up the coast and this is one of the very issues we are discussing. As I alluded to, yes, it does. The point is, though, that there is nothing for nothing. Our scientists say that the combination of boat speed and deck area do contribute to the whole effort equation. How many pots you can carry of the number of pots you have, and how quickly you can move them between spots, contributes to your effort. If you get rid of the boat length control, you then turn around to the fishing industry and say, 'There is nothing for nothing. How many pots do you want to lose to have no restriction on your boat size?' That becomes the debate.

Mr TUCKEY—By that you are talking about the total pot allocation of the industry?

Mr Millington—That is right. Is it worth another two or three per cent in our domestic fishery to allow boats to then become multi-method boats, going into the domestic tuna fishery?

Mr TUCKEY—But you would agree that, if that political issue could be solved along the coast, there would be better opportunities for Australian or Western Australian fishermen to build boats that would be multi-purpose, in getting out to the deep water to exploit our tuna allocation?

Mr Millington—Yes, especially in the initial phases of the fishery while people explore it to see whether it is worth building a purpose built boat for nothing but tuna.

CHAIR—Just one final question: it has been suggested to us that there is no unexploited fish resource within the Australian fishing zone. How do you relate that to

WA waters, and what is your reaction to that comment?

Mr Millington—I could name you five fish stocks off Western Australian which are currently not exploited to what I would say is a reasonably high level.

CHAIR—Is SBT one of those?

Mr Millington—SBT is not one of those. As far as ones within Commonwealth jurisdiction are concerned, my understanding is that the northern long fat-tailed tuna is one which certainly does not have a high degree of fishing pressure on it, and the yellowfin tuna seems to be one which the preliminary analysis seems to indicate could be exploited at a higher level in Western Australia.

Mr TUCKEY—Notwithstanding 750,000 kilograms taken out in 1995.

Mr Millington—My understanding is that they might be coming towards the upper level but there certainly seems to be a bit more slop there.

Mr TONY SMITH—In relation to that answer, what you are really saying is that they are all exploited but in varying degrees.

Mr Millington—Whether you have got a good enough handle on the population dynamics to be able to say that you can get a bit more safely within a sustainable context.

Senator ELLISON—I have been given a note to say there is a hundred nautical mile limit around Rottneest and Exmouth.

Mr Millington—Yes, there is already.

Senator ELLISON—We mentioned earlier the exclusion zones in relation to this bilateral treaty. Would that zone apply to this treaty?

Mr Millington—One would hope so.

Senator ELLISON—Would the treaty be subject to it?

Mr Millington—I thought it was already.

Senator ELLISON—Okay.

Mr TUCKEY—Just in closing, coming back to my reference to tagging, in other words control at the point of consumption, and the reference to Taiwan and these other operators: is it your view that a control at the point of consumption, were it able to be negotiated, would be the better solution to controls than the current arrangements?

Mr Millington—Why I appear to be prevaricating is because I am not sure what your objective in that tagging exercise is. Is it to have an audit trail of every fish caught out of the Indian Ocean by these third flag vessels—

Mr TUCKEY—No, in terms particularly of southern bluefin tuna, the reason that people can have quite expensive boats at sea for many months and sometimes catch one fish a day is the value of that fish, \$6,000-\$10,000 on the Japanese sashimi market. Clearly the exploitation of the resource would drop dramatically if we were putting it all into canned cat food, which is where a lot of it did go. The reality therefore is that if the Japanese were to be convinced to say, ‘We will only accept X thousand tonne of southern bluefin tuna for sale in Japan, accepting that some would be sold in other places but for nowhere near the same financial return, and we will consequently, through the Southern Bluefin Tuna Commission, issue X thousand tags representing Y thousand kilograms and that is all, we will not sell any more’—would that be a more desirable means of controlling exploitation than all the arrangements we have now?

Mr Millington—My experience would be that you would never abandon what you already have—

Mr TUCKEY—I am not talking about abandoning. I said would it be more desirable.

Mr Millington—It would be a useful supplement, but my understanding of the way the Japanese SBT works is that your point of control would be the moment they are landed with the tag on, at whatever port you are going to land it on, which is only two or three in Japan. From the moment it is sold into the retail or wholesale market in Japan, I would suggest to you that that is the point where you lose control.

Mr TUCKEY—I agree, but that does not matter. If they cannot get into the country without a tag—we do exactly that with kangaroo. It cannot be dealt with commercially, and in fact it is illegal to have it, if you have not got a tag on it. So you could go and board a vessel and you would expect that each one down in the freezer would have a tag on it.

Mr Millington—It is certainly worth exploring from an enforcement point of view.

CHAIR—Any final comments? Thank you very much for your evidence.

[10.20 a.m.]

ATKINSON, Captain Eric John, Harbour Master, Fremantle Port Authority, 1 Cliff Street, Fremantle, Western Australia, 6160

CHAIR—Welcome. The committee has received and published your submission. Do you have any amendments before we invite you to make a general comment?

Capt. Atkinson—No.

CHAIR—Would you like to make a short opening statement before we question you?

Capt. Atkinson—Yes. As a matter of interest, when vessels were reluctant to access the port of Fremantle, up until the latter part of last year we had only received about 40 visits and most were cases of emergency. Once agreement was agreed on quota and the new figures were set, those figures dramatically increased to the point where last financial year we had 184 vessels visit the port.

CHAIR—Let me explore the quota, as distinct from port access. Are you saying that you think they should remain linked or your feeling is that they need not be linked?

Capt. Atkinson—I see the quota as the issue that is driving these vessels away from the Australian ports and the restrictions that are placed upon them. I am not saying that the quotas are not correct. That is for others to argue. What I am saying is that, in the maritime law, all vessels should be allowed free access to a port. I do not believe that there should be an issue, by either party to the treaty, that should allow it to use that matter as a lever or a threat to the other, in terms of trying to reach agreement on these issues.

Mr McCLELLAND—You speak in terms of the loss of Japanese visits to Australia in the present tense. That is, you believe now that they have gone from Fremantle to Indonesia. Is that still occurring or have they returned to the Fremantle port?

Capt. Atkinson—The vessels have returned but they have not returned in the numbers they used to. In the mid-1980s, we had approximately 300 visits per annum and last year we were down to 184. I believe it was because of the inability of the two governments to reach agreement on the quota figures which, I understand, are a quota figure for worldwide. I find it absolutely amazing that one individual government can place that constraint on another government worldwide, but that is not for me to argue here.

The vessels were going to Indonesia. They were being bunkered from a mother ship which was taking fuel—I believe—in Singapore and bunkering these ships in the middle of the ocean which, to me, is a very dangerous practice and environmentally

unsound. Whilst there was disagreement between the parties, the vessels were going elsewhere.

Mr McCLELLAND—In short, you do not think they have returned to their full complement.

Capt. Atkinson—We would have lost quite a significant number of vessels because the previous year we had about 235 visits. I would suggest we have lost between 50 and 60 visits to the port of Fremantle from the inability of the two parties to reach agreement.

Senator ELLISON—Can you tell us what proportion of the port of Fremantle's work force is employed in jobs which provide services for the Japanese fleet?

Capt. Atkinson—Yes. The interesting thing, in terms of the submission that the Fremantle Port Authority put forward, was that we made reference to the fact that there is somewhere in excess of \$20 million generated in revenue to the state through the visits of these vessels. Last financial year the Fremantle Port Authority received \$370,000 in revenue from the 184 visits that we received from these vessels. That works out at less than \$2,000 per vessel. In terms of employees, apart from the normal services, which are the port operations, the signal station and the harbourmaster's area, we provided pilotage and mooring to the vessels and fresh water and there would be a berth hire charge. That equated to approximately \$2,000 per vessel.

Senator ELLISON—That was the figure you mentioned of \$370,000-odd?

Capt. Atkinson—Yes, that is the total amount.

Senator ELLISON—And what percentage of your revenue would that equal?

Capt. Atkinson—In terms of our overall revenue?

Senator ELLISON—Yes, for the year.

Capt. Atkinson—Fremantle Port Authority's revenue, I think, is in excess of \$20 million.

Senator ELLISON—So the revenue you get from the visitors—

Capt. Atkinson—It is totally insignificant.

Senator ELLISON—Totally insignificant?

Capt. Atkinson—To the authority, but to the state of Western Australia it is quite

significant.

Senator ELLISON—And to what extent do Japanese fishing vessels, other than the Japanese long-line tuna vessels, use the port?

Capt. Atkinson—We do receive frequent visits from research vessels and from Japanese training vessels. Each year we regularly receive a call from approximately six to seven research vessels and training vessels.

Senator ELLISON—I take it they would not be much by way of a source of revenue.

Capt. Atkinson—They would be included within the revenue that I quoted of \$370,000.

Mr HARDGRAVE—The Western Australian government would like to gradually increase the fishing zone or enforce it out to 200 nautical miles. Would that have the impact of sending more signals to the Japanese to go somewhere else?

Capt. Atkinson—I think the nature of the beast is a small thing called a bluefin tuna. From my understanding, and I can stand corrected on this, the main fishing areas exist between New Zealand to the southern coast of Australia and South Africa. These fish follow the ocean currents and, when they come across the southern part of Australia, they come up across the bank. When they reach the western part of Australia, they then disappear and dive. It is then up to the vessels to find the fish again. It is at that point those vessels make attendance to the port of Fremantle—when the fish leave the bank and go to the deeper waters.

In terms of extending the boundaries to the 200-mile limit, I would have to stand corrected on that in terms of whether the bank itself is within the 200-mile limit. If it was, then I am sure it could have significant impact.

Mr HARDGRAVE—In other words, the location of Fremantle is obviously very important to the Japanese fishing fleet?

Capt. Atkinson—There are four main stopping points, if I may call them that, in the Southern Ocean: one is in New Zealand, the others are Hobart, Fremantle and South Africa. In fact, it is quite interesting when one talks about being able to monitor what is happening with the catches.

The way I have been led to believe South Africa are dealing with some of it is that they have set up areas which are free zones for the Japanese fishing industry, where they can come in and set up their whole industry. They do their whole crew changes from there; they do the discharge of their cargo and loading into containers and the exporting

back to the Japanese market from there. The vessels are then able to stay in the Southern Ocean and fish longer. There must be quite a significant cost saving to the Japanese fishing industry by being able to do that. At the same time, the South African government, I am sure, are able to more or less tag every fish that comes through that area.

Mr HARDGRAVE—I was going to get on to the question of transshipment shortly, so we will come back to that. But the question I have now is that surely the development of a stronger domestic fishing fleet for southern bluefin tuna would be of greater economic impact or importance for Fremantle harbour than the visits that may come and go of Japanese fleets.

Capt. Atkinson—When one talks about competition between ports, I would have to say that I do not think that would necessarily be the case. I think it would be lovely for Esperance and Albany but from a Fremantle Port Authority point of view not necessarily so. I fully support the development of the local industry and I believe in terms of the quotas that are issued that the Australian fishing industry has enough problems to keep up with its own quotas. I think with the nature of the type of vessel that they use compared to what the Japanese fleets use, they have great difficulty in accessing the deeper water where the larger fish are.

Mr HARDGRAVE—I guess, Chairman, where I wanted to take this—

CHAIR—Can I just ask a question?

Mr HARDGRAVE—Sure; you are the chairman.

CHAIR—I want to get one thing clear. You heard what the WA government representatives said. They used the word ‘opposition’ to the present agreement. You are saying that you agree with a move towards an indigenous industry, but do you agree with the WA government representatives in terms of this particular agreement?

Capt. Atkinson—In terms of this agreement, with the quotas what I find difficult to come to grips with is the fact that once they get outside the 200 nautical mile limit they are free to do what they want. If we continue to go down the path of forcing them away from Australian waters, where we can monitor perhaps what is happening, then who is to say what the limit on the catch will be? Let us face it, to go to Indonesia and to come back from the southern oceans must be a significant cost to that industry which means technically that they should then have to catch more fish to pay for those lost days. Alternatively, perhaps what they are doing in some way is bringing the mother ships down from Singapore and carrying out some questionable actions, say the fuelling of the ships in the middle of the ocean, which I do not particularly agree with.

I believe there should be some control. I believe that control is absolutely necessary. I think it needs to be given good, long, hard thought, because the last thing you

want to do is force them away from your area of control into an area where you have got absolutely no control at all and they can do what they want.

Mr HARDGRAVE—You are obviously talking about the kinds of signals that we are sending to the Japanese. If we are sending them signals to go away, essentially they might and do some strange things near our coast whilst not within our particular area of authority. The question I was wanting to ask was with regard to transshipment. If we were to go down this path, sending a signal to the Japanese of greater reliance, if you like, on coming to an Australian port—in your case, Fremantle—what sorts of advantages are there for Fremantle if we were to make available transshipment facilities?

Capt. Atkinson—That is a very interesting question. The Fremantle Port Authority did receive an approach some years ago from a group—I think it was Kailis and France—who were holding negotiations with the Russians with regard to deep ocean fishing. The concept that they were looking at was setting up something similar to what has been established in South Africa for the Japanese fishing industry. It is not exactly a free port area but it is an area where they can set up their operation, they can bring the ships into that area, and they can discharge their cargo straight into the freezer containers which are then taken to another part of the port and immediately loaded onto ships to take back to the home country. That has got a significant impact on the operations within the port itself and a huge potential for the local industry as well. That is my perception.

Mr HARDGRAVE—All right, so the Japanese would obviously view that in a positive light and there are great benefits for Australia, too.

Capt. Atkinson—Yes, but I cannot speak for the Japanese. But, certainly, with the changes that have taken place on the waterfront in Australia in the last few years, and I daresay in the next few years, I think this has a huge benefit.

CHAIR—We heard a similar view in Hobart, where I think they are utilising about 25 per cent, not of freezer space but of what could be freezer space.

Capt. Atkinson—The only freezer space that I am aware of, and because of the way we are structured in the Port of Fremantle I cannot verify this, is the freezer space in terms of bait that is supplied to the vessels themselves, because they do take a lot of bait when they are in port and that is usually frozen. Now, the reason I say that I cannot verify it is because in the old days you would have had to have waterside labour load that cargo but these days we do not involve ourselves in that operation and the vessels are free to do their own loading and their own handling of the cargo.

Mr TONY SMITH—Just a couple of points. You first of all mentioned that it is worth between \$20 and \$30 million a year to Western Australia. Where do you arrive at those figures?

Capt. Atkinson—I think those figures will be verified later today with some of the other persons who are—

Mr TONY SMITH—So you are just relying on what you have seen?

Capt. Atkinson—I am relying on information provided to me but, for example, I have spoken to BP Fremantle, who do the majority of the bunkering to these vessels, and they are talking in terms of millions of dollars per annum lost to them.

Mr TONY SMITH—You said a moment ago that you do not want to force them away from an area of control. Do you agree with these propositions: we ought to expand our own industry, number one; number two, it is undesirable to have marketing in quotas; number three, it is better for us to sell sashimi to Japan than for Japan to be taking it up there and selling it? In the light of that aren't you really saying that we are never going to develop our own industry because we have got to keep the status quo, because we want to control what they are doing?

Capt. Atkinson—Not necessarily. If I may make reference to the third point first. One can always relate that back to the livestock industry in which Western Australia is a major player. For example, I think last year we exported something like 3.8 million livestock to the Middle East. The customer tells us what they want. I doubt very much if we could turn around to the Japanese people and say, 'If you want this fish and you want it this way then this is the only way you can have it.'

In terms of a local industry, one must also remember that we are still a very young nation, we are still growing; population-wise we would still be less than 20 million people; it will grow and it will develop but I would hate to think that what we are talking about is catching a very valuable species and turning it into cat food, and if that is what you mean in terms of an industry then I do not think I would support that. But if it was an access to the market so that the Australian industry had a percentage of the total market then, yes, I fully support that concept.

Mr TUCKEY—If I can just revisit this transshipment for a moment. You have made reference to the fact that in South Africa they are relocating product to containers. I think the evidence given to us in other places was that the transshipment tended to be to specialist mother ships, and I assume that related to the very low temperatures at which they hold this fish. From your experience, is it a fact that there are containers that can travel on container ships that will maintain those same temperatures?

Capt. Atkinson—My reference to the containers was based mostly on my knowledge of the proposition that was put to the Fremantle Port Authority some years back in terms of Kailis and France and the negotiations with the Russian fishing fleet which was that the mother ships processed the catch so that when it came out the other end it came out in a cardboard box ready for export and that went straight into freezer

containers.

I can stand corrected on the quality of the tuna, in terms of transportation in containers as opposed to transportation in a mother ship. I really do not know enough about the industry to be able to make a comment on that.

Mr TUCKEY—Yes. I was interested in that point simply because it would be a lot more simple if transshipment was available.

Capt. Atkinson—Absolutely. The other interesting part, if I may say so, is that by bringing the mother ship into port too, you have ability to monitor the mother ship as well. Whereas, perhaps the way the situation is at the moment, the mother ship may sit out in the middle of the ocean and who knows what is being transferred to the ship.

Mr TUCKEY—Thank you.

CHAIR—Are there any more questions?

Mr TUCKEY—No.

Capt. Atkinson—Thank you for the opportunity to speak to the committee. I would like to make sure that everyone understands that I am here representing the government.

CHAIR—Just before you go, we heard the Western Australian government representatives talking this morning about the multiplier effect of two or two and a bit. We have had evidence to indicate that it could be as high as five. Perhaps we will get it from some of the providores in due course on this. What is the anecdotal evidence that you have in terms of the multiplier effect?

Capt. Atkinson—Put it this way, we have had to do all sorts of things in the Port of Fremantle. We have put up security fences to keep ladies of the night off the ships. We do know that there is quite a significant quantity of money that goes across to the casino. We do know, and I can verify the fact, that when the Japanese tuna industry boat crews buy whisky they do not buy the average whisky which I, as a Scotsman, would probably buy. We are talking about \$200-odd duty free bottles and not just by the bottle but by the case. So I have seen quite significant evidence in that respect but, again, I must admit that I rely totally on the local industry to supply me with my information.

CHAIR—But, in a word, it is significant.

Capt. Atkinson—Yes.

CHAIR—Thank you very much. We will break now and reconvene at 10.55 a.m.

[11.00 am]

EVANS, Mr Nathan, Associate Lecturer in Environmental Policy and Law, School of Biological and Environmental Sciences, Murdoch University, Murdoch, Western Australia 6150

CHAIR—Welcome. I should point out to you the committee has sighted and published your submission. Are there any amendments that you wish to make to that submission?

Mr Evans—No.

CHAIR—Would you like to make a short opening statement in relation to what you had to say in the submission?

Mr Evans—I have just a few remarks because I have covered a lot of content in the two articles which form part of my submission, particularly the second one which has just been published. I am coming from a rather different perspective than some of the earlier witnesses. My particular concern is with natural resources policy and the extent which legislation has responded to environmental issues. In the particular case of the fishery it has done that very poorly. In that regard I refer to the Auditor-General's recent report. I appreciate that this committee is not concerned with the content of that report, but it is a very potent demonstration of the relatively poor environmental performance of the commercial fishery.

In that regard I would refer to the fact that the Endangered Species Protection Act listings of the wandering albatross as an endangered species and, more importantly, the listing of long-line tuna fishing as a key threatening process predated the subsidiary agreement by some nine or 10 months. Given the government policy commitment to reduction of albatross by-catch, I feel the subsidiary agreement could have been worded more strongly to give greater effect to the Endangered Species Protection Act listings.

Notwithstanding that, there is a three-year process in place to mitigate the threat to albatross by-catch, one year of which has now expired—the listings occurred in August 1995. So, to be sure, there is no requirement for another two years for by-catch mitigation measures to be implemented. However, I think there could be moves in that direction at this early stage at least to give effect to the spirit of those particular listings as well.

CHAIR—The question of the environmental impact statement has been raised with this committee. We have taken evidence and we have questioned witnesses on it. At this point in time it seems to me, and I think my colleagues would agree with me, that it has been suggested that to produce an EIS in relation to SBT would take too long and would be unrealistic. On the other hand, we have had a public hearing with HSI which indicates

that, as you have suggested, they would be moving towards putting SBT on the endangered species list. So that is the other side of the coin. How do you react to, firstly, the EIS and, secondly, HSI's attitude?

Mr Evans—With respect to the EIS, I am not sure if there would be anything gained in formally assessing the fishery as such. I think we are fairly aware of the impacts, the most obvious ones being albatross by-catch and the question of the sustainability of the fish stock. So going through a formal assessment I think will not gain anything in that regard. The threat abatement planning process has a lot of opportunities for public input as that progresses.

With respect to the listing of SBT as an endangered species, all I can do, I guess, is refer to the scientific evidence. We have heard arguments for a zero take of SBT to give the stock time to recover. I have listened to the science and I am in no position to evaluate the content of that science, so I have to rely upon those who conduct that science who argue that a zero catch should be considered. At the same time, I do recognise that science is only one part of the decision making process.

I will step back from that for a moment and just refer to the dolphin by-catch issue which has been dealt with previously. In that case there was some scientific evidence that suggested that the by-catch of dolphins was not unsustainable—that is, we could afford to go on taking however many million dolphins as by-catch without threatening the species. In that case, of course, science was not a persuasive factor; it was, rather, public aspirations and community expectation, and science played a minor role. So if the science says there should be a zero catch of southern bluefin tuna, that is just one variable to go into the decision that is properly that of policy makers, along with public expectation and emerging environmental values. That is a long-winded answer, but it recognises that science is just one factor.

CHAIR—The Fisheries Division of the CSIRO indicated to us that it is not an endangered species. I would have thought that there is a good scientific basis for perhaps at least looking objectively at the status quo. What other evidence do you have that might fly in the face of what CSIRO are indicating?

Mr Evans—Again, I am not a scientist, so all I can do is listen to the scientists. If it is being seriously debated, I would then seek a second scientific opinion. Turning to the universities would be a next approach.

Mr HARDGRAVE—Do you think there is some conflict in the fact that a lot of the scientific evidence we are discussing here and now essentially has been collected through fishing activities for the CSIRO? The Japanese fleets provide that.

Mr Evans—With respect to albatross or the SBT itself?

Mr HARDGRAVE—The SBT, in particular, but everything is gathered and supposedly acquitted at the end of the particular fishing activity. Are you satisfied that there would be fair and reasonable information there?

Mr Evans—I know that observer status on vessels is not high. It ranges somewhere between two and 10 per cent. So I am not particularly encouraged by that. Clearly, checking scientific veracity would seem to me a fairly cost effective way of doing better—just put some more observers out on those vessels.

Mr HARDGRAVE—It was put to us at one point by a witness that the Japanese long-line fishing activities provided the only real raw data on fish stocks. In other words, we would be worse off without their activity in our waters as far as our knowledge of this particular—

Mr Evans—Sure. I am certainly not advocating excluding them from waters but, rather, beefing up the legislative framework within which they access our waters.

Mr HARDGRAVE—Would you then prefer to see us looking at what I think was said earlier was a US type model where, essentially, every boat that is in our waters and involved in these sorts of activities had an observer on board?

Mr Evans—I think that is probably unnecessary and unrealistic. But there could be a higher observer status, maybe with a greater random compliance element to it.

Mr HARDGRAVE—And would it be a reasonable thing to perhaps get the Japanese to pay for that under this treaty arrangement?

Mr Evans—I think so. In one of my papers I refer to a Bureau of Resource Sciences study which showed that some Japanese long-liners knowingly violated Australian legislation whilst operating in the AFZ, so there stems my hesitation with respect to relying upon some of the Japanese information. As well, I think there have been one or two vessels previously excluded for violation, much to the chagrin of the Japanese. So it is useful to avail ourselves of that information and it should be done better, I think. The fact that Australia has not put in place legislation with respect to marine scientific research, as available under the Law of the Sea Convention, shows that we have a long way to go in terms of doing better in terms of our policy framework supported by law.

Mr HARDGRAVE—So you would be satisfied if there were a greater domestic activity rather than a Japanese activity? In other words, extension of the exclusion limit and those sorts of matters would appeal to you?

Mr Evans—Not necessarily, because evidence is starting to mount and the effect of that is forcing people more into the high seas and in that sense the AFZ is a partial artifice. I would advocate beefing up not only the Australian legislative framework but the

whole regional treaty context, with respect to by-catch issues as well. For instance I suggest, and it is starting to be experimented around the world, conditioning in-zone performance on high seas performance—and other countries are doing it. Australia is just, I feel, a little less assertive than it perhaps could be with respect to general compliance enforcement and legislation.

Mr HARDGRAVE—So in that regard in-zone activities, if you like, are a sweetener to compliance on the high seas.

Mr Evans—Sure.

Mr McCLELLAND—On that point about Australia being less assertive, I have got a two-pronged question. Are there any environmental safeguards that are proven to the extent whereby you would advocate that they become mandatory, such as, for instance, the tori poles on albatross by-catch? That is my first question.

Mr Evans—I think the tori poles have only been regulated for for perhaps six months, so it might be too early to gauge the effectiveness of it. Certainly, the fact that that information is not readily available in the literature in the public domain suggests either a lack of commitment to it or that it is not encouraging. So, at the very least, rather than the understated terminology adopted it could become in the agreement a lot more insistent about committing—of course I do not know the funding levels and so forth—to research, to the extent of even reducing fishing effort, if need be, just a little bit. I guess the essence of that response is that we can do a lot more without too much pain and the fishery sector relative to other industrial sectors has a lot further to go in terms of wearing environmental cost.

Mr McCLELLAND—So is it true to say your focus is that we should be identifying some specific measures and then making those measures mandatory?

Mr Evans—Certainly.

Mr TUCKEY—I want to extend the questioning on the viability of various measures to avoid by-catch of birds. To what extent have people you know addressed the practical issues of, firstly, tori poles, and secondly, putting the line out or pulling it in at night time? Are there other papers on alternative measures, such as letting the line out below the waterline, if that were practical?

Mr Evans—The simple response to that is, no, there is not much published on it. Because it is such a new area of research very little is available. To the extent to which I have heard that anything has been experimented with it is the tori poles and the streamers to try to scare away birds—I guess using a scarecrow approach—and thawing bait so that it sinks rather than floats. To me, sure, they are moves in the right direction, but they are rather painless measures and, of course, I am not a fishery scientist. But that is the extent

of feedback I have got from speaking with people within AFMA and state fisheries. That would suggest to me that there has not been a lot of research or thought put into it, but rather waiting pending the development of the threat abatement plan which is still two full years away.

Mr TUCKEY—You made reference to the requirements of other nations. To what extent have you detailed them in your submission? Have you given us some specifics that could be followed up by our research people as to what those exact measures are?

Mr Evans—No, in so far as the albatross is not an issue elsewhere in the world as such.

Mr TUCKEY—But just in the broader sense, in your previous answer you referred to the requirements in these treaties of other nations and inferred that Australia is probably more liberal in its response than they are. I am asking whether you are able, either now or later, to give us some references that we might pursue in that regard.

Mr Evans—Certainly. It will probably have to be later, but certainly there is a little bit of information on the response to law of the sea policy measures.

Mr TUCKEY—Yes, I think it would be helpful to this committee if you were to give us some information on other references we could follow up.

Senator ELLISON—You might have been here earlier for the state government's evidence when it was put to us that there should be some exclusion zones included in the agreement, those areas being Ningaloo, Dampier and Broome. What is your view on having those sorts of exclusion zones included? Would it be environmentally beneficial, and are there any legal problems?

Mr Evans—I confess my ignorance and surprise that Ningaloo was raised because I have never heard Ningaloo raised in the context of tuna fishing before. I was not aware there was an environmental issue with tuna fishing per se—fishing for other species, perhaps.

The Western Australian law is rather detailed with respect to fisheries access to Ningaloo and other marine protected areas—there is a very detailed formula. The Commonwealth legislation provides far fewer details with respect to access, therefore to restrict access I imagine would be a simple act of legislating to exclude fishers if we needed to. However, to my knowledge, in Ningaloo it is more a recreational fishing issue than a commercial fishing issue.

Senator ELLISON—The state government's evidence says:

The Western Australian government opposes the continuation of the present arrangements with Japan

in Western Australian waters, particularly where there are important developing commercial charter or recreational fisheries such as within 50 nautical miles of Ningaloo Marine Park, Dampier and Broome.

What you are saying is that you did not think that was an issue and that this bilateral treaty would not have application to a marine park, for instance.

Mr Evans—Certainly not, no. There is potential for conflict in the event of a marine park being declared in a fished area. But my understanding was no, not with respect to this particular fishing effort.

Senator ELLISON—What happens if we have a bilateral treaty with a foreign country which allows them to fish in a certain area and there is state legislation which says, 'You can't fish in that area.' Which of the two prevail?

Mr Evans—State legislation does provide for access, though, so in that sense it is hypothetical. Ultimately, if it came to that, that would probably generate real constitutional questions, because the Commonwealth would be signatory to the treaties and yet we would have a state legislation excluding access. It does not exist currently at law and, if it did, that could certainly invoke real constitutional law questions. The fact that the offshore constitutional settlement fisheries have just been renegotiated at the beginning of last year shows the depth to which those constitutional and legal questions persist.

Senator ELLISON—Are you aware of a 100 nautical mile exclusion zone around Rottnest and Fremantle?

Mr Evans—No. I am not sure what it is excluding.

Senator ELLISON—A note was given to me earlier that such a zone existed. I mentioned it to the WA government and they suggest there was such a zone. What I am trying to work out is what is the effect of that zone as far as this treaty is concerned? Does it carry any weight?

Mr Evans—I am thinking on my feet—

Senator ELLISON—Perhaps you would like to take it on notice.

Mr Evans—I could take it on notice. My immediate response is that, given that the Commonwealth is a signatory to this, that would take primacy, but I would certainly have to turn my mind to it.

Mr TONY SMITH—Are you aware of a study that indicates something like 44,000 albatrosses were being killed as a result of Japanese long-liners?

Mr Evans—Certainly.

Mr TONY SMITH—As far as Australia is concerned, it is in excess of 8,000 albatrosses.

Mr Evans—Yes.

Mr TONY SMITH—You use the words ‘reduce the incidental take of albatross’, and I have seen this a little bit and I am disturbed by it, particularly given the direction you are coming from. If one albatross is taken, is that not one too many? It can be done and it just requires resolve, it seems to me.

Mr Evans—‘Reduce the incidental take’—my sense is that we could probably develop fishing methods to get albatross by-catch down to zero without a lot of pain and investment in the technology to reform the fishing methods. That is a sense I get from talking to people in research facilities and fishery agencies.

Mr TONY SMITH—We now have a situation where apparently the wandering albatross is getting into that endangered species zone.

Mr Evans—Indeed.

Mr TONY SMITH—You say, ‘Without a lot of pain.’ It seems to me that it is something which is not being properly addressed but tinkered with only.

Mr Evans—Tinkered with to the extent that there is a three-year process to develop a response. I think we could have a rather more urgent response, at the very least.

Mr TONY SMITH—Without pain, you say.

Mr Evans—Yes, without pain. I think so. As we have heard already, so far we have tori poles as a requirement as of November or December and I have seen no more developments since that time. I know AFMA is struggling to keep their head above water with respect to by-catch issues, and that says to me that a lot more could be done with a little pain.

Mr TONY SMITH—For example, night fishing eliminates sea bird catch.

Mr Evans—It is suggested it will reduce the take, yes. My sense is that initiatives will not be pushed until legally required to do so, which is still some time off.

Mr TONY SMITH—Do you think it could come to the stage where the wandering albatross would need to be put on the endangered species list before any resolve was generated?

Mr Evans—It actually is on the endangered species list. It was listed in parallel with the threatened long-line fishing listing, so it is actually on the endangered species list.

Mr TONY SMITH—I thought we heard evidence, Mr Chairman, that it was not.

CHAIR—I must admit I have not looked at it since, but there was a technical argument—and you would know far better than I—that there is an incremental approach to listing. What I think we were told by HSI was that it was at the bottom end at the moment and had not moved into the second increment. Is that true?

Mr Evans—There are two or three scales of endangerment, if you will, and it is not at the most endangered scale on the schedule of the ESP Act.

Mr TONY SMITH—But once it became such, then there would have to be mandatory measures taken?

Mr Evans—Sure.

Mr TUCKEY—So your recommendation to us is that the treaty should contain some mandatory measures now, isn't it?

Mr Evans—Sure.

CHAIR—There being no further questions from members of the committee, I will just ask a general one. Let me just go back to the rationale for the establishment of this committee. It was basically a political decision to constitute this committee because there were perceptions out there that as a nation we were, either in fact or perceived to be, entering into treaties, conventions, protocols, whatever you want to call them, without due consultation. This committee was established very early in this parliament, as was a treaties council, which is an adjunct to COAG, and of course the officials group will continue as well. So there are three elements to the overview or the purview of the treaty making process. But one thing that happened late last year—I ask this of you as an associate lecturer in law, perhaps—is the Teoh case. Are you aware generally of the Teoh case?

Mr Evans—Certainly.

CHAIR—Would you like to give us a general view, your view, not specifically in relation to this bilateral agreement, of the implications of the Teoh case in Australian domestic law? Are you able to do that?

Mr Evans—I probably can; I just have to reopen Teoh in my mind. There have already been a couple of commentaries coming from Teoh. A suggestion from Teoh is that it moves forward the binding nature of treaties, to the extent that perhaps a government

does not need to commit to implementing those treaties by legislating. Merely the act of signing a treaty demonstrates a commitment by the government to the principles and the letter of that treaty in so far as Commonwealth administrative decision making is concerned. So it certainly has brought the internationality of the world into more routine Commonwealth decision making.

CHAIR—It has always been that that was not the intention. It was not the intention of the previous federal government, and certainly on the present government's side of the political fence that was not the intention either.

Mr Evans—Indeed.

CHAIR—As you would know, the previous government introduced legislation into the last parliament with statutory amendments to correct that situation. That died with the breaking of the parliament. We made the comment in our first report to the parliament, on 19 September, that Teoh continues to raise question marks about the treaty making process. Would you agree with that as a general statement?

Mr Evans—Certainly as a general statement, yes.

CHAIR—Would you as a lawyer, which I assume you are, say that there is a need for government to address the situation in statutory terms, or do you leave it to the common law processes and other processes?

Mr TUCKEY—Mr Chairman, just before that is answered I would like to ask Mr Evans: would you like to add to your thoughts as to whether in fact there is a statutory law solution? There was a lot of debate over that particular measure that was brought to the parliament, as to whether it would stand up to constitutional scrutiny anyway. You might like to add something on that in your response.

Mr Evans—I am now going back in my mind. Last year a professor at an eastern states university, Professor Martin Tsamenyi, did a review of the implications of international treaties for Australian fishing. I have not read his particular report but I think the essence of it was that he documented the number of commitments Australia has made internationally and regionally which have not yet been enshrined in domestic legislation. This is linking back to the particular tuna fishing agreement: Teoh would suggest that many of those implications, which were perhaps signed off on without people thinking deeply about them, may now come to be factored into decision making at the level of catch allocations, quotas, statutory fishing rights.

Should it do that? I will answer that by turning the question around. If that was not the government's intent, then perhaps it should not be so willing to accede to international commitments if the intent is not then to give effect to those. I do question the wisdom of committing to an international obligation, yet stopping short of giving effect to it in

decision making. In the absence of that link I am not sure of the point of taking the initiative to sign in the first place.

CHAIR—We are digressing from the bilateral agreement, but this is the first occasion when we have had somebody from academia in a legal context to talk to about this. We certainly made that point in a very generalised way in the first report to parliament. I think that so far—without being too insular about the whole thing—this committee is already showing that it is the way to go in terms of developing the treaty making process. The difficulty, which comes back to Teoh, is the signature and the ratification, and the period between. As you would know, we get involved once the signature has been made but before the formal ratification. That still poses a problem, even for us, as to what we recommend to the parliament, whether it be this bilateral or whether it be the 26 or 32 others that we will have to deal with by next week or the week after. It is also relevant to a public inquiry that we are about to start into a far wider issue which would be close to your heart—desertification.

Mr TUCKEY—Just following that point, the evidence that has arisen—Teoh points to it—is that we had a period in our political history when ministers got a nice, warm inner glow from running around the world signing treaties on a number of issues, with no serious intention of legislating to put them into entire force.

Bringing that back to this particular issue, which is much more specific, what is your view of the other signatories to this treaty, in terms of Japan and New Zealand? To what extent have they legislated to enforce this agreement on their own fishing industry, and have you a fairly high degree of confidence that they do, in fact, administer it in their own countries with vigour, were we to add other conditions such as practical approaches to preventing the environmental damage to albatross and other by-catch? How committed do you think they would be in that area? Or, in fact, I suppose my question is: is their present day performance such that they would be seen to enforce other measures if, over time, we negotiated them?

Mr Evans—I guess I return to my previous comment where observers on Japanese vessels recorded a number of violations—knowing violations of Australian law—so in that sense I am not encouraged. Having said that, though, a treaty can only be as good as the number of signatories—can only be as effective as the number of signatories—to that treaty. Of course, I am not privy to the machinations of treaty making, but I understand there are efforts to extend tuna fishing beyond its trilateral status to a much more truly regional status. And it seems that that was part of the success of the dolphin by-catch response. It was born as very much a micro-level local concern and largely, I think, to Australia's interest in the dolphin by-catch issue, it soon assumed regional and then international imperatives.

So, in that sense, there is a lesson to be learned that, when the conditions are right, there will be a developing interest in it and there is no doubt, inarguably, that the dolphin

by-catch policy and dolphin by-catch problem have been dealt with very satisfactorily. At the level of a single Australia and Japan treaty, the effectiveness may be somewhat reduced as compared with a much more truly regional response to the issue. So I would seek extending environmental commitments as they pertain to fisheries to a true regional context, rather than just bilateral, even trilateral, and efforts should be heading in that direction.

Mr TUCKEY—Really, what I would like you to be a bit more specific about is whether or not, to your knowledge, the compliance measures applied, for instance, at unloading in Japan or in any other destination are such that the treaty agreement is being kept by their administration and, for instance, when one thinks of other nations that might be encouraged into this particular agreement whilst the goodwill of the government would be there, how much would exist with their officials if, for instance, there were inducements to turn a blind eye—

Mr Evans—Sure. And in that regard I really could not comment—I have not done the research as to enforcement and compliance in the ports of other flag states.

CHAIR—I think you are quite right in that treaties—and we are digressing from this bilateral, but I think it is worth it in the context of this inquiry to make a few points like this on the public record—are only as good as the commitment of the parties to those treaties. If the spirit of the treaty is not there in the first place then it is a worthless piece of paper or it is a worthless protocol.

I am interested in and I thank you for your comments, albeit brief, on Teoh because I think that, as a government—and I will become political at the moment although I suspect around this table Bob McClelland would share these views as a representative of the opposition—there is a commitment at the parliamentary level to correct perceptions out there in the electorate at large that, in fact, Australia is not being pushed into some of these treaties by some external force, and that by doing what the government has done in terms of this committee, the Treaties Council and the ongoing officials group, we are committed to consulting with people like the witnesses we have here today: with local government, state government and non-government organisations. I would hope that you would share that view, that that is in the broadest public national interest.

Mr Evans—Certainly, what has been published, by way of partial response to that, are suggestions that perhaps there is a breakdown at some level in the actual treaty negotiation efforts as well, in that it has been recorded that DFAT, in its various antecedent forms as well, has often expended tremendous energy in excluding other participants with an actual management responsibility from actual treaty making itself. I think that may be part of the problem as well. DFAT does not have a marine presence; it does not know about fish. So in terms of wider consultation, of course, that is good public policy making but in terms of bureaucratic policy making there probably needs to be some up-front—

CHAIR—That is why it is so important that we get you and others here today representing, in particular, non-government organisations to hear what they have to say about all the issues because there are dimensions that bureaucrats and, I am reluctant to say it, politicians forget about at times and that is what this committee is all about.

Mr HARDGRAVE—Chairman, can I just perhaps give Mr Evans the chance to embellish that comment a little further in relation to this treaty. It has been said by other witnesses that essentially the Japanese are recognised worldwide as the bogeymen in so many different ways as far as a lot of these agreements are concerned—getting them to comply. So, on that sort of basis, are you satisfied about the transparency of these arrangements? Are they sufficient? Should we be trying to scale them up a bit as far as our requirements are concerned—our genuine national concerns about fish stocks, about by-catch, about all of these other issues—when we are negotiating these treaties?

Mr Evans—The simple answer would be that I think they could probably be made more transparent and accessible to the wider public, firstly. Then, secondly, perhaps even the content of and the commitments contained in some of the treaties could be made more explicit as well. I concur with your earlier comment that Japan is probably perceived as the bogey person, wanting to exploit the resources of other nations whilst preserving its own backyard. A partial response to that, I think, and a way of deflecting, if you like, that public concern is to make more potent commitments in a very transparent fashion. This is certainly a step in the right direction. But I know my comments reflect those of certainly a number of other people as well that as we become more legalistic, as expectations and individual aspirations are enhanced and increased, we have to just be that little bit more careful and strive to do better.

CHAIR—Thank you very much; we were most appreciative of that, and particularly that last comment. Are you aware of the desertification inquiry?

Mr Evans—Yes.

CHAIR—Are you going to make a submission? Because we would be interested to hear what you have to say.

Mr Evans—I am aware that you are undertaking it so I will turn my mind to it.

CHAIR—It is going to be early next year before we really get into it because it is a very detailed one. But we would welcome your input, after listening to you today. Thank you very much, indeed.

[11.40 a.m.]

SUTTON, Dr David, Acting Coordinator, Conservation Council of Western Australia, 79 Stirling Street, Perth, Western Australia 6000

WATSON, Ms Giz, WA Coordinator, Marine and Coastal Community Network, Conservation Council of Western Australia, 79 Stirling Street, Perth, Western Australia 6000

CHAIR—Thank you very much. The committee has accepted and published your submission dated 22 August. Are there any amendments you wish to make to that?

Dr Sutton—No amendments.

CHAIR—Would you like to make an opening statement?

Dr Sutton—Yes. The basis on which this treaty is established and the way in which it reaches its decisions are of concern to us with respect to the ecological sustainability of the fishery and the ecosystem that depends on that fishery. The points that I would like to raise that highlight those concerns are, firstly, the Australian National Audit Office report on the Australian Fish Management Authority which was very critical of its operation, including how it sets quotas, the information it uses, how it interprets that information and what it does with it. We would be happy to talk about some of the concerns raised in that report as they relate to the treaty and to the sustainability of southern bluefish tuna.

The second point is that we understand that the scientific committee, which determines the quotas, can never agree on the quotas. At least for the last few years, it has failed to come to agreement on the quotas and therefore the quotas remain the same. We are concerned that those quotas are being set at levels for which there is no valid or justifiable scientific ecological information to ensure that they are reliable.

The third point comes from evidence from other fisheries worldwide such as the cod fishery off Newfoundland, which was understood to have been the best managed fishery in the world. It collapsed despite the best advice and despite supposedly the best management. In that sense, I am relating what we do with our fisheries to what might have happened elsewhere.

The fourth point is that we are very concerned about the impact of this treaty and the activities that go on under it for by-catch concerns—albatross, billfish and sharks in particular.

Finally, we are concerned that potential problems that are coming out of the treaty are being driven by the economic situation, the economic concerns and the subsequent government decisions that are made.

That is a sort of a summary of our major concerns. We consider that there should be a moratorium on further southern bluefish tuna catches, or at the very least a substantial reduction in quotas, until the ecological side of this can be established.

CHAIR—How do you reconcile those views then with the evidence that we have been given, that the catch per unit of effort is increasing, which indicates to the committee that in fact stocks are relatively healthy?

Dr Sutton—Our understanding, from the comments made from the Audit Office, is that the bases of those sorts of data are so thin, if you like, that the value of that kind of information with respect to actual proof of what is going on is not substantial enough for us to be ignoring the precautionary principle.

CHAIR—But surely if you did not have a bilateral agreement like this, you would have no statistical data on which to make some sort of objective assessment as you would argue has been made?

Dr Sutton—Without catch data?

CHAIR—Without catch data.

Dr Sutton—I do not think it is up to us to determine how catch is made, but the same argument has been put with respect to whaling. At the moment, Japan is the only country still putting forward the argument that it has to go out and actually catch and kill whales in order to determine how many of them there are left.

CHAIR—Norway, too.

Dr Sutton—Norway, yes. But the vast majority of countries have turned around from that view. Now it is not up to us as conservationists to determine how best to establish what fish stocks are, but certainly it should not be through continued commercial activities if you are uncertain.

CHAIR—We just happen to be reporting to the parliament in the next couple of weeks about the whaling amendments—that is the only reason I know that.

Ms Watson—Could I just add a comment to that? It is a reference to the Auditor-General's report, page 149, which actually says that the Australian stocks estimate indicates that southern bluefin tuna stocks are below the desired ESD biological level, which would be at odds with—

CHAIR—Yes, but to be fair, since that report—that is report 32, is it not?

Ms Watson—Yes.

CHAIR—We have had evidence since then to indicate, with both AFMA and ANAO, that it has come on since then perhaps. There are some modifications to what they have said in there—and we have had some evidence in Canberra only 10 days ago on just that.

Ms Watson—I might add that it is my understanding of the fisheries management framework that it is very hard on the basis of a season to make any assessment—you have got to look at a trend over at least 10 years or something like that to get some idea on what you are picking as a blip on the stock. There are so many variables in fisheries management that yes, you do have fluctuations in population, especially with a highly migratory species. I would challenge that it indicates anything other than a particular anomaly in any one season.

CHAIR—Let us just assume that the bilateral agreement, the status quo, is maintained. From a conservation council point of view, do you think that there is merit in one year, two years, three years? What do you see, from a conservation point of view, as the optimum method of looking at whether there is a dis-economy or whatever in the agreement?

Ms Watson—On the economics or the ecological sustainability?

CHAIR—Both. You can comment on both, but I guess your emphasis will be on the ecological, as a conservation council.

Ms Watson—This is part of one of the points we were planning to address a little later. But if you do the economics on it, it makes more sense and you make more money to fish it now to extinction. There are well recognised studies done that you actually make more money, in a pure economic argument, to pursue that. That is what the history of whaling is. So I have no doubt that you would come up with that answer if you follow just an economic argument. But I think the weight of evidence, in terms of ecological sustainability, is that we still do not know enough; therefore, what you do in the absence of information is to act in a precautionary way.

CHAIR—In a precautionary way, do you come back to the one year? Would you see the status quo satisfying, albeit perhaps unsatisfactorily as far you are concerned, more than a two-year or a three-year agreement?

Ms Watson—I think there would be merit in winding it back if that was an appropriate means of—

CHAIR—What, from one year?

Ms Watson—Sorry, over a series of years.

Mr TUCKEY—Mr Chairman, I just follow that point. One of the reasons for the reaction of the Japanese fishing industry, as compared to its administrators when they put a black ban on Australia ports, related to the refusal of the Australian, and I presume, New Zealand negotiators to agree to the Japanese proposition that there should be an extra 6,000 tonnes of quota for experimental purposes. Are you aware of that, and do you want to comment on it? Just so I do not interrupt again, has your organisation got any knowledge of how many of these fish, particularly the by-catch that are alive when they actually come alongside, would live if they were released? Do you have any anecdotal or other evidence on that?

Dr Sutton—I think Giz has information that she has become aware of with respect to the survival of by-catch, and we understand that it is quite low if you release it because of the stress on the animals.

Ms Watson—Particularly the associated by-catch with tuna. I have not got reference to that here, but I could probably produce that.

Mr TUCKEY—The point about that is if there is any more substantive evidence that suggests that most of them are going to die is an argument for taking them, is it not? If there is a powerful argument that they do survive, then in fact there is an argument for releasing them as they come alongside the ship. I think that is an interesting point for us in terms of the by-catch which is constantly being raised as being included, or should be being included, in our bilateral arrangements. But the other issue is this proposal regarding experiments. I gather, from the comments you have made already, that you do not think that is a good idea?

Dr Sutton—There may be some justification in using experiments on animals to determine management strategies. However, in our view, because of the strength of the scientific arguments for the present knowledge of the sustainability of that stock, there is not much justification for increasing catches in order to do those sorts of experiments.

In terms of by-catch, for example, I think that the best approach would be to simply go back to basics and say, 'Let's find out first about what happens to animals when they are caught'—on an experimental scale, if needs be—'but don't simply carry on the activities which are currently thought to be unsustainable in terms of the survival of these animals.' And do the testing on that basis.

The same applies to how you assess the sustainability of the stocks. In our view, again, to carry on at quota levels which are probably unsustainable, or may well be, there is no justification in increasing those quotas for experimental purposes. I think if anything they need to be substantially cut back and then some method of determining the sustainability of the stock established, be it tagging or whatever.

Ms Watson—Could I just clarify something? It is my understanding, reading the

documentation, that there currently is not a limit on by-catch, that they are allowed to keep billfish, marlin and everything else, which is a problem.

Mr TUCKEY—Absolutely. The proposition that is put to us time and again is that this bilateral arrangement should be expanded to deal with by-catch in its varying forms. The reality, nevertheless, is that once you drop a hook with some bait on it in the water at some depth, you cannot put a sign on it that says, ‘Marlin, don’t bite’. Consequently the question really is that, having hooked themselves, because they have responded in the same way as a southern bluefin tuna, when we get them up alongside the boat, do we take them because they are going to die anyway, or do we let them go? I just wondered about the extent to which you are able to add to our knowledge as to their likelihood of surviving. You are suggesting it is low?

Dr Sutton—That is what we understand. I believe that the evidence of what happens to other organisms when they get stressed should be applied in that case. When animals are stressed after having been caught, they often experience subsequent disease and mortality because of that. The ocean is such a difficult environment to work in in a scientific sense that to establish the survival of a released organism is quite difficult. The committee in its advice should take into account the precautionary principle in all of these issues. That is what we are trying to do. That is the way we function. We do not have full knowledge, as you do not, but we have to be very careful about what we do. The international evidence is that stocks are crashing, despite good management or supposedly good management, and we have to take that into account.

Mr HARDGRAVE—I suspect that there is an agreement between domestic fishing operations, the state governments’ aspirations for expanding those and the conservation movement in this regard. Do you agree that domestic operations are more likely to take into account these various concerns than these sorts of international operations?

Dr Sutton—I do not think there is a great deal of evidence for that. In Western Australia, most of the fisheries are already over-exploited or fully exploited. The information on which those stock status assessments are made is the same sort of information which is used to establish that for the southern bluefin tuna. We would argue that you cannot place an enormous amount of reliance on it, particularly if you are taking stocks up to the fully exploited status.

Mr HARDGRAVE—So you are saying that domestic fishing operations would have just as great an impact as the Japanese operations. You misinterpreted my question.

Dr Sutton—Maybe I misinterpreted your question.

Mr HARDGRAVE—I was simply trying to draw an analogy from you that the domestic—as in based here, going from here, fishing here and bringing it back—kind of an operation would have less an impact and would be more controllable than something

via this treaty mechanism.

Ms Watson—I am not sure about that. For example, with the vessel monitoring systems, my understanding is that although it is going to be a requirement for Japanese vessels, it is not a requirement for Australian vessels. I think it should be a requirement across the fleets.

Mr HARDGRAVE—What I am heading to is that a comment was made before that Department of Foreign Affairs and Trade in these sorts of negotiations are looking at things from an economic and diplomatic point of view and not necessarily from a fisheries point of view. I guess your submission would be they are looking at it from a conservation point of view necessarily also. On that basis, if there are those two flaws within the negotiation process for this sort of bilateral treaty, are we greater advanced on both the fishing industry front and the conservation front by heading towards a greater reliance on a domestic Australian operation rather than a Japanese operation coming into our waters? Not necessarily: is that what you are saying?

Ms Watson—Not necessarily. I would argue from what I have read that the restrictions on the Japanese fleet are in advance of some of the restrictions on the Commonwealth fisheries run from Australia—only in particular areas, there are differences. I do not think necessarily. You would argue we ought to be able to have better control over Australian managed fisheries, but I would argue that we have not to date, on the basis of what the Auditor-General has come up with also.

Mr HARDGRAVE—We have heard about Japan being the bogeyman or the PC version of the bogeyperson. On these international treaties, you are suggesting that perhaps Australian fishing operations, left to their own devices, are just as bad?

Ms Watson—I do not know whether I would like to be quoted as saying that precisely. But we have concerns.

Dr Sutton—There is evidence, and I have heard this myself in meetings in Queensland, that Australian fishers will avoid the regulations if they can get away with it. There are issues of the location of fisheries as well. International fishing countries or organisations are much less inclined to look after their own stocks—or there is a possibility that they will—than if they are reliant domestically upon those stocks.

There are two levels here: one is the international level and fishing in other people's waters and how much reliance you can put on people to comply with that. Someone on this committee, while I was sitting here, raised that issue about governments turning a blind eye to what their own fishing fleets may be doing. But I think the same thing will apply in Australian fishing waters. Where you have highly mobile fishing fleets, they will exploit those area if they have the opportunity to do so. If you take into account

the degree to which fisheries, both in Australia and internationally, are reaching the peak of their capacity to sustain areas, and in many cases are over that, it puts an enormous amount of pressure on people to not comply with regulations because their survival is based on how much they can catch. If there are too many of them, then there is much further pressure on the stocks.

Mr HARDGRAVE—So the idea of extending things gradually, as the Western Australian government suggested, out to 200 nautical miles, really would not prove much from a conservation point of view?

Dr Sutton—It may or it may not. There are two issues: one is the assessment of the stocks and how capable they are of taking further pressure. The other one is what controls you put over what happens. Those two things have to go hand in hand and, if either of them falls apart or is unreliable, then the stocks will go downhill. So it is very much dependent on those two things.

Mr HARDGRAVE—Are you satisfied with the transparency of this arrangement as far as ensuring the Japanese accurately report the catch that they are pulling out of our waters?

Dr Sutton—I cannot comment, I am afraid.

Ms Watson—I would argue that there are flaws. For example, logging systems can be falsified. There are ways and means of getting around the checks and balances. The comments within the Auditor-General's report would apply equally to foreign vessels. I think the vessel monitoring system is a very good means of addressing that, but it is not totally foolproof and observers, as was mentioned before, are very far away.

Mr HARDGRAVE—Apart from expanding the observer team to a larger number—perhaps the majority of vessels who operate in the water or whatever—surely the idea of the Japanese fishing vessels reporting in before they start to fish and reporting in after they fish is a reasonable system? How would you imagine they would get around that? Are there more fish sitting out on a boat off the coast or something?

Ms Watson—My information really comes from what happens within offshore fisheries and Australian fisheries. I cannot imagine that the Japanese have not thought of similar ways of getting around—

Mr HARDGRAVE—What ways have you heard?

Ms Watson—Transfer of fish at sea and things like that.

Mr HARDGRAVE—So they leave a boat sitting out off the coast?

Ms Watson—Yes.

Mr McCLELLAND—Following on from that issue, but looking at your broader submission, assuming that all of your concerns are valid about the risk to the stock of southern bluefin tuna, and given that it is an internationally migratory species, if you did not have this treaty with Japan, what would you propose be done about, firstly, data gathering, and, secondly, enforcing international quotas?

Dr Sutton—I think there has to be a question at the moment as to whether or not there is much control anyway. One of the earlier points that I made was that we understand that the scientific committee that advises on the quotas is not able to reach agreement, and therefore what is happening—

Mr McCLELLAND—I understand your argument based on the audit report, but what I am getting down to is, do you or don't you favour having this treaty? That is what we are looking at.

Dr Sutton—I would favour having the treaty, but I favour having the treaty provided that the information that the treaty functions on is based on the precautionary principle and is based on the best available scientific information and is not influenced by political and economic considerations. I think it is much better to have a treaty where everyone agrees on how they are going to behave than to not have one, but, with all of the issues of the validation of the science and the processes that have to be gone through, it seems that that is simply not happening. So there has to be in question how much the treaty is really controlling what is going on.

CHAIR—Would you agree that one way of doing that is to divorce the quota from port access in terms of the treaty?

Dr Sutton—I am sorry, I do not understand.

CHAIR—At the moment, the quota is involved with port access. The two are part and parcel of the treaty. What has been suggested quite widely during our hearings is that the two should be divorced. If in fact you do divorce them, then I think I can say that the majority view is that perhaps the port access would still occur and you do not use the quota as a bargaining lever in the continuing process. Would you agree with that?

Dr Sutton—I think I would go along with you fully. One of the major criticisms of this document relates to that, because it talks about conflicts of interest. I think that the treaty, if it can remove conflicts of interest, will be much improved.

CHAIR—In the by-catch mitigation area, and Tony Smith has raised this a number of times today, there is also a fairly large body of opinion that the tori pole arrangement is not altogether satisfactory, but there are other measures in terms of the baiting

mechanisms and all the rest of it. What do you within the conservation movement see as the way to improve the situation in terms of the by-catch, mechanically?

Mr TUCKEY—Practical measures.

Dr Sutton—I am afraid I am not in a position to comment on that with respect to this fishery, but I guess what needs to happen is that there has to be research into how to avoid by-catch. For example, the turtle exclusion devices are one method of trying to avoid turtle catches, and that has simply come about because of research into the problem. So, if that happens, there may be ways of doing it. It is the same with the albatross: I understand now they are trying to sink the lines so that the albatross will not be able to access the baits.

CHAIR—One thing with the tori poles is that they are only required within the fishing zone and not on the high seas, and there is the body of opinion that in fact the large majority of the quota and the catch occurs on the high seas. So it is a mechanism. But there was also evidence given to us that, quite apart from the baiting arrangements, there is something that has been developed in Tasmania in relation to throwing the bait out.

Mr TUCKEY—To keep it out of the wake turbulence.

CHAIR—And frozen bait as distinct from fresh bait is, I think, the other one.

Ms Watson—You need raw bait, not frozen.

CHAIR—Yes, it is the other way around. Okay.

Dr Sutton—While I think of it, can I refer the committee to the World Wide Fund for Nature document. I do not know if you have—

Mr TONY SMITH—That is the WWF document?

Dr Sutton—Yes.

Mr TONY SMITH—I am interested in that myself, actually.

Dr Sutton—I was just referring to this because it talks about the importance of by-catch and about the extent to which by-catch is a part of the catch. It is an astronomical figure.

CHAIR—How about your sending that to us and we will certainly table it for this inquiry.

Dr Sutton—It certainly highlights that as being a huge problem.

CHAIR—Anything that you feel that should be brought to our attention, give it to us.

Dr Sutton—I have just found what I was looking for—fully a third of the world's catch is by-catch.

CHAIR—Yes.

Mr TUCKEY—Mr Chairman, can I ask a couple of quick questions. I raised the question earlier of whether these agreements should deal more with control at the point of consumption as compared to the actual catching. Have you any comment to make on my question about the consuming nation issuing, for instance, tags which identify fish that are available for sale in their premium markets? Have you any thoughts about whether that would be effective or better than the current arrangement?

Secondly, in fishing, where it is so difficult to do as a farmer would when he goes down and counts the cows in the paddock, is our major problem the improved efficiency or increase in fishing effort that so many technological advances have made? That is, just even a GPS which we are now using on both sides of the equation. In that regard, what is your comment on long-lining and, more particularly I believe, purse seining as acceptable methods of catching fish—notwithstanding their efficiency, but their effect on the conservation aspect?

Dr Sutton—With respect to the demand side management, which is really what you are talking about, isn't it, in terms of people's—

Mr TUCKEY—It is not so much demand, it is limiting the access, limiting the demand, by saying that you are only getting so many fish.

Dr Sutton—Oh, I see—

Mr TUCKEY—I am really talking about what happens in kangaroo management where a shooter is issued with so many tags and unless the kangaroo carries such a tag he cannot sell it. Really, the scenario is if the Japanese sashimi market said, 'No tuna can be auctioned on this floor unless it has an irremovable plastic tag around its tail.' Have you ever considered that as a means, for instance, of denying access to the Japanese market to people who are not members of the treaty? For a start, the Japanese would have to agree to that, but I am really asking you if you see that as a better method?

Dr Sutton—You are only presenting that as a method of ensuring compliance with quotas?

Mr TUCKEY—To a degree, yes.

Dr Sutton—Without having thought about that specific issue, I think all possible methods of ensuring that countries or organisations are complying with regulations that are set down to ensure ecological sustainability should be investigated. So, to that extent, I would go along with that as a valid suggestion.

Mr TUCKEY—And what about—

Dr Sutton—But I really do think you have to address problems like this from the scientific viewpoint, from the community attitude viewpoint, from the education viewpoint and also from the statutory and monitoring sides as well. I do not think any of those things are going to work well by themselves.

Mr TUCKEY—What about conservation by reduced effort, that is, less hooks in the water, less efficient fishing methods?

Ms Watson—I will comment on that. My understanding from the experience in, particularly, the west coast of the US, which is considered to have some of the best managed fisheries in the world—certainly the best researched—is that gear restrictions and, basically, modifying the method of catching has had limited success. In fact, they are moving towards using as a management tool no take areas, basically exclusion zones. I would support that in this case also, because gear restrictions are one of the tools but they are certainly not the answer. Again we would refer to the collapse of stocks all down the Americas. They are actually arguing that they want 20 to 30 per cent of their coastline to be no take from any fisheries at this point.

Mr TUCKEY—Arguing, or moving in that direction?

Ms Watson—I understand they are making policy moves in that direction, but I have not got anything in writing on that.

Mr TUCKEY—Do you believe you could draw actual initiatives to our attention, on notice?

Ms Watson—Yes, certainly.

Senator ELLISON—What is your view on the problem—or otherwise—that boats from Indonesia, Taiwan and Korea present to Western Australian waters generally, as far as fishing goes? Do you think that there is not a problem there or there is?

Dr Sutton—I do not have any information but I could well believe that if that is happening then it does pose a problem. Most of Western Australia's fisheries are, as I

said, either fully exploited or overexploited, so any further impact on those fisheries is certain to be creating ecological problems.

CHAIR—That is not the evidence we had this morning from the Western Australian government.

Senator ELLISON—That is what I was about to say. They said that one boat was apprehended in the last year and they also had evidence that there are other boats around.

Dr Sutton—I am sorry, I am not sure if I expressed myself correctly. I was saying that if that is happening then I believe it does pose a problem.

Senator ELLISON—That leads me to the next question: do you believe it would be desirable to have bilateral treaties with those countries as well as Japan? Does that then bring them into the tent of control, so to speak? It brings them into the regime.

Ms Watson—Are we referring to tuna specifically or fisheries in general?

Senator ELLISON—We are talking about tuna here, but if you want to base your remarks on fishing in general as well, please do. But we are talking about tuna, of course. What do you think?

Ms Watson—I think that bilateral treaties, particularly in the northern waters, are going to be critical. I think that we could do a lot more in terms of forging those treaties. My understanding, also, in relation to the Indonesian fishing effort is that it is a very complicated issue and it is related to such things as the closing of major fisheries in the Timor Sea, which were traditional fisheries for Indonesian people. When the arrangement was made for access to oil it excluded those Indonesian fishers and their effort has been displaced into the northern part of Western Australia. I think that is an issue that would perhaps be well addressed by a treaty.

Senator ELLISON—How do we bring them in, though? How do you go about it? We all say that it is desirable to bring them in. Have you got any ideas how we go about it? Is it something your foundation has looked at?

Ms Watson—We mostly have our work cut out!

Senator ELLISON—I have got another question, which might be easier. Are there any areas off the Western Australian coast which would be excluded from the operation of this bilateral treaty for environmental reasons?

Dr Sutton—I do not believe I am in a position to answer that.

Ms Watson—My understanding is that outside of the 50 nautical mile is already

excluded from the Japanese long-line operations.

Senator ELLISON—The Western Australian government, in its submission, mentioned that it would like to see this agreement exclude areas within 50 nautical miles of Ningaloo, Dampier and Broome. Were you aware of that? Have you got any comment in relation to that?

Dr Sutton—Was that comment made in relation to established marine parks?

Mr TUCKEY—I think it was aimed at preserving those grounds either for local exploitation or, more particularly, exploitation through game fishing. I think that was the logic behind their argument. It is now being put to you on the basis of your previous advice to us that there should be areas excluded from fishing.

Ms Watson—That is right. I think it is traditional method in fisheries management to separate your users, so as to allocate resources between recreation or commercial. That spatial separation is usually what they are trying to attain with those sorts of regulations. I would suggest that it is not the correct basis on which to create exclusion zones. Exclusion zones really ought to be that and there should be no fishing—the same rules for everybody.

Senator ELLISON—If I said to you, ‘The Japanese can catch tuna around Ningaloo Marine Park,’ you would not like that, would you?

Ms Watson—No.

Senator ELLISON—That is what I am getting at. I cannot find out from anybody here today what is excluded and what is not. You are about the fourth person I have ask this of. We are even making discreet inquiries of the department in Canberra, and I am still no better off!

Mr HARDGRAVE—Everything from the beach, east.

Senator ELLISON—I just wondered if there were any particular areas of environmental significance of which you said, ‘Any bilateral treaty should exclude this,’ and, in particular, in relation to southern bluefin tuna, ‘This should be excluded from this particular area.’

Dr Sutton—I know I am going to avoid the question, to the extent that the Western Australian coastline has been examined for the importance of particular areas to be considered as marine reserve areas. Certainly we would be very supportive of those recommended areas being established as marine parks and of consideration being given to excluding significant fishing activity in the proximity of those parks—just on simple ecological grounds, as distinct from a full knowledge of the relationship between those

areas and stocks which might either pass them or move through them.

Mr TONY SMITH—This is probably just an adjunct to Mr Hardgrave's point: a fish that can be worth up to \$30,000 can produce great fertility of mind and thought when it comes to producing non-compliance with regulations. There are a couple of points I wanted to make. There is a comment here that the Australian fishing zone has significant stocks of tuna and billfish. You would not, I imagine, agree with that particular comment, first of all given what you have looked at through the Australian audit office reports and, generally, from what you know. You would not agree with that comment, I presume.

Dr Sutton—I am sure that there were reports that came out in Newfoundland about the stocks there, as well, that would have been very similar to that. The audit office certainly questions the basis on which stock assessments are being done. On that basis, on the basis of the precautionary principle, we should be very concerned about statements like that.

Mr TONY SMITH—I think those statements come from those propagating the treaty itself. They do not cut too much mustard with me, by the way.

Ms Watson—And it is a very broad statement.

Mr TONY SMITH—Yes. I am just a little bit curious about the degree to which the by-catch of albatrosses, in particular, has been promoted at large. Very few people know that there are up to 8,000-plus albatrosses killed every year in this part of the world, and you mentioned that 44,000, as I discovered yesterday on the plane. Really, do you see your council as being in a position of promoting that? I regard that as an extremely serious issue. What do you think about it?

Dr Sutton—We certainly think it is serious. I do not know who could argue that it was not serious.

Mr TONY SMITH—Almost too serious to be looking, really, at whether something has to be done. There does not seem to be the resolve to do anything but there would be if suddenly someone said, 'Well, there is no more fishing until you can guarantee that there will not be one albatross caught in this process.' I am sure that something would be done immediately, don't you think?

Dr Sutton—I think so, and I think that it is part of the responsibility of those involved in the decision making process regarding this treaty to take those sorts of things into account. We certainly considered all by-catch issues, be they billfish or sharks, great white sharks or albatross, to be of great significance. So, yes, the message from us is quite clear with respect to the way we lobby on that behalf. There is a network of conservation groups around the country and we tend to feed our comments into national and international conservation organisations to take the running on those sorts of issues.

Mr TONY SMITH—When it comes to catch per unit of effort, Mr Chairman said that the evidence was that it was increasing. Obviously, that would depend on the increasing level of technology in finding the fish in the first place, so perhaps really that could be an illusory figure if the technology is such that you can identify more quickly where the fish are located.

Ms Watson—That is correct, because it is on the number of hours that the boat goes out and yes, if you have a better GPS or a better sounder that picks up—

Dr Sutton—An echo sounder.

Ms Watson—Yes, that is right. And that is constantly happening, especially in our high value fisheries.

Mr TONY SMITH—Can you just clarify the point with me in relation to the wandering albatross. Is it on the endangered species list? Do you know, or is it going to be put on the endangered species list?

Ms Watson—My understanding is that it is and that it would have to be in order to trigger the process for long-line fishing to be examined as a threatening process. I think the species has to be listed before that is triggered, but I could stand to be corrected on that.

CHAIR—What HSI said to us was that it was on the bottom end of that incremental progression and it is yet to move from the bottom to the next one up. Now, what that means I am not quite sure.

Ms Watson—It probably means it is in the category where insufficient information is known about its numbers to make an assessment.

CHAIR—Okay, no more questions? Thank you very much.

Luncheon adjournment

[1.15 p.m.]

STAGLES, Mr Ian Paul, Committee Member, West Australian Recreational and Sportfishing Council (Inc.)

CHAIR—I formally reconvene the hearing. As I have done with the other witnesses, I point out to you that your submission of 7 August and enclosures have been published by the committee. Are there any amendments to that submission?

Mr Stagles—No, there are not, Mr Chairman.

CHAIR—I invite you to make a short opening statement.

Mr Stagles—Thank you. Rather than read something that I prepared prior to this meeting, during this morning's session I wrote down a few notes. I am a member of the recreational fishing community and here in Western Australia we tend to be reasonably well organised so I actually represent everybody. We do not have a troupe of people to represent the different areas. We have, over recent years since 1992, wrestled with the bilateral and previously the joint venture access arrangements. Collectively, as recreational fishermen, and particularly game fishermen, both I and Neil Patrick now actually monitor Japanese long-line activity off the west coast on a weekly basis. We are provided with the information from Canberra so we have a very accurate idea of what is caught and what the effort is as far as the Japanese fleet is concerned. Since 1994 we have provided submissions to AFMA in relation to this bilateral treaty. Some of our wishes and aspirations have been achieved but I am afraid they have been far outweighed by the ones that we have not achieved.

The amount of information we have to hand is probably somewhat greater than our scientific colleagues' in that we have access to accurate individual club and organisational records going back, in some instances, to the early 1950s. We have concentrated our research data in the period commencing at 1980 when, at that point in time, the Commonwealth government was at least getting reasonably accurate reporting of catch by the Japanese fleet. We subsequently discovered that in some areas the reporting was not accurate. We were able to obtain Japanese catch information from Japan and it was found to be, in some instances, in conflict with the information that had been presented to the Australian government.

We commenced in 1994 providing recreational input to the long-line effort on the west coast, to the point where we now have a representative on WESTUNAMAC in Mr Neil Patrick.

I have listened with interest this morning and there are a couple of points that I think I need to make. Firstly, there has been a lot of discussion on southern bluefin tuna. In order to expedite what I have to say, I have decided purely to concentrate my efforts on

what happens on the Western Australian coastline, in which case I do not want to say anything at all about southern bluefin tuna because basically they do not catch them. I just had a quick look at information provided by AFMA prior to recess and in 1993 265 kilograms of southern bluefin tuna were caught by the Japanese fleet and in 1994 98 kilograms. The southern bluefin tuna issue is an issue that rests with the other states rather than Western Australia.

From the recreational viewpoint, we have long since stopped pursuing southern bluefin tuna. Some 20 years ago when I started going fishing in Perth waters we could regularly go and catch what would now be our bag limit of southern bluefin tuna. That option was denied us somewhere around the mid-1980s. The only incidence of southern bluefin tuna contact we have now is occasional encounters with very small juvenile specimens.

The earlier Japanese effort along the west coast was very significant. The mid-1980s were as terrifying for the tuna and billfish populations along the west coast as they were for the stockbrokers in town. The heady 1980s provided some horrific catch data, which I have set out in a submission which you have already received, and the impact on the recreational fishing was dramatic.

In real terms we have not until two years ago had a recreational fishery for marlin in the southern part of the state, in Perth waters. We are able, by comparing the Japanese catch to catch records from my particular club, Perth Game Club, to draw a correlation with the efforts on the part of the Japanese.

The access fee the Japanese pay for the west coast is currently \$275,000. Of this I understand \$170,000 goes in observers and incidental management, which leaves the Commonwealth the princely sum of \$100,000 to do with what it will.

Because we have a representative on WESTUNAMAC we have a voluntary billfish release code of practice in place with the local domestic fleet, which at this point in time is probably only around nine or 10 vessels, although there is a total of 80 licences currently issued on the west coast for Western Australia tuna long-lining. There is a very high latent effort sitting there.

A question earlier by Mr Tuckey related to the value of recreational marlin. I cannot tell you exactly what the value is but I can perhaps give you some insight, in that a recent socioeconomic survey in New South Wales indicated that there is something around \$96 million spent by game fishermen only pursuing offshore pelagic game fish. If you simply pro rata that to the Western Australian coast, which is much longer but not as densely populated, you have a figure of around \$20 million. In the 1995-96 season the total of all marlin killed on the west coast by all registered clubs was less than 10. So it makes the fish very valuable.

A question also was raised in relation to the survival rate of marlin when they were caught. From the recreational viewpoint, we know clearly what that is. Dr Julian Pepperell's research has indicated that an 80 to 90 per cent survival rate is common amongst most robust billfish. It is unlikely to be anything like the same with long lines, given that the fish might well spend as long as 10 hours on the hook in the presence of predators.

I concur with the fisheries department that the government's view that the incidence of marlin being taken, and being released, seems to vary on whether or not there is not an observer on board. We should also make the point, given this opportunity and given we have parliamentary privilege, that no doubt a significant number of AFMA jobs depend on bilateral access. Although there are some very conscientious and diligent people in AFMA, I certainly have received the distinct impression in the last two years that the whole AFMA organisation starts to twitch if the Japanese are not about to sign a cheque. If we are in the position where we must have the Japanese here to sustain a bureaucracy to manage a fishery poorly, then we are all wasting our time, and we need to address that.

It is also worth saying that we favour the Japanese fleet's presence for a couple of reasons. One, it does give us the only state based statistical historical data that we have available on that fishery. If we exclude the Japanese immediately, we lose that data which goes back over many years. We importantly and dangerously open ourselves then to offering the same UNCLOS access to other nations who are far less reputable than the Japanese as far as fishing is concerned.

Given the fact that the Japanese have a history of non-compliance, their current level of compliance, in our opinion, is good. Automatic satellite reporting was an excellent step, but we still need to ensure that some key areas are addressed. The effort that the Japanese put in currently is fairly insignificant. The agreement that they access under is a tuna agreement. They are primarily on the west coast, targeting yellowfin tuna when they have an unacceptably high by-catch of marlin. That is all detailed in my earlier submission.

The unstated potential management downside—as Mr Tuckey made reference this morning—is that you cannot, in discussing this treaty, put fisheries management away to one side and simply discuss the mechanics of it, because whether it is a good treaty or not depends on how it is managed. The fishery here that has the potential to be a saviour of the Japanese or another SBT disaster, as far as we are concerned, is the big eye tuna fishery.

According to the Bureau of Rural Resources own million dollar publication, *Fisheries Resources*, the status of marlin, yellowfin tuna and big eye tuna on the west coast is unknown. The only evidence we have is primarily the evidence that game fishing clubs have provided over many years. The game fishing community is definitely accessing the same stocks as the long-liners, and scientists are now starting to recognise this,

because in a two-year period—I think it was 1983 to 1989, only four marlin were caught and two of those had Japanese long-line hooks in them. That is the same as a research tag. It indicates their contact previously with a commercial fishery.

We are accessing the same stocks. The question that we often have posed ourselves in periods of depression is: how many of those fish got killed and why were those fish lucky enough to escape because that was prior to the code of practice which says that the Japanese will not specifically target black or blue marlin but will release them, if they are alive, alongside the boat?

The compliance on the local fleets is worth mentioning because the compliance level on local long-line operators has been terrible. When we first made the inquiry about the local long-line fleet, AFMA were some three years behind in collecting catch data. If anybody tries to convince me that you can manage a fishery when you are three years behind with the catch data, they will have a tough job. As part of fisheries management, we need to look at the management alongside what we agree to.

In principle, the idea of the Japanese fleets remaining here is agreeable to us. At this time, there has been no indication from the Japanese that they wish to reduce what we call a by-catch of billfish. In one nasty year in 1986, the Japanese took over 9,000 striped marlin alone out from Broome. Twenty years later, we saw the first striped marlin back in Perth waters. They were once the most prolific species we had. So we have suffered the onslaught of Japanese long-liners probably more than the east coast ever has. Our fishery is not as robust, we do not have the same stock numbers, we do not have the same rich currents and so we are far more vulnerable. To apply the same management strategy as you have on the east coast to the west coast is dangerous.

Having said that, the only way we can think successfully to control the by-catch with Japanese long-liners is to create exclusion zones, be they purely as part of the AFZ or for a whole year or seasonal portions only during pre-breeding aggregations of yellowfin tuna and striped marlin. The only way to manage the by-catch kill is by exclusion. That is evidenced by everything that has happened since the Japanese fished here in the early 1950s.

We are positive about the response and cooperation we are now getting from AFMA, but it is only the beginning for us. There are over 400,000 recreational anglers in this state and we have one representative on the WESTUNAMAC and no representatives on AFMA. We have to take every opportunity we can, including these forums, to try to make our point that, if agreements are being reached with foreign countries to fish our waters, we really need to have more input because we know more about it than anybody else.

CHAIR—Thank you very much. Going back to the WA government's submission this morning, by implication from what you are saying you do not agree with them in

terms of opposition to this agreement, albeit they did then provide some caveat to that opposition.

Mr Stagles—If I was to use the word ‘opposition’ in a sentence, I would say we are opposed to the agreement in its current form. With modification, the agreement could well be acceptable to us.

CHAIR—Yes. The second thing is that the Queensland government has submitted to this committee that the Commonwealth does not regard game fishing as an industry. Do you agree with that view? What has to be done to reverse that perception of the Commonwealth government?

Mr Stagles—I sat in as an observer on one WESTUNAMAC meeting where the subject of some lengthy discussion was exactly that. It would appear that AFMA’s Commonwealth definition of recreational fishing encompasses the charter industry and they recognise those as commercial vessels. The recreational industry basically is not recognised, which obviously is an oversight, because it is far bigger as far as billfish are concerned than both the charter and the commercial fishing industry.

CHAIR—What is actively being done to reverse that, apart from the lobby? Is there something else that is being done?

Mr Stagles—No, apart from the Commonwealth government cutting funding to our national fishing organisation, very little.

Mr HARDGRAVE—I am gathering, from what Mr Stagles has said in his opening comments as well as his written submission, that the Japanese are using this treaty and the access afforded by it to come down and fishing anything else other than southern bluefin tuna.

Mr Stagles—The agreement, as I understand it, is for a tuna long-line agreement. It allows them to fish any tuna that have been available to them.

Mr HARDGRAVE—But they are coming down for the by-catch—that is really what they are after in Western Australian waters.

Mr Stagles—There is no doubt about that. You would not be running 14 long-line vessels over a two-month period 100 miles off Port Hedland in the vain hope that you would catch southern bluefin tuna. You are just not going to do it. They are targeting something else.

Mr HARDGRAVE—They are not really acting in good faith in accordance with the spirit of the treaty.

Mr Stagles—I do not know whether they are acting in good faith or not. I think that, over the years, they could well have been given to believe that what they are doing is acceptable. It has only been in the last two years that we have started to see, in transcripts of negotiations and submissions that are going before AFMA and DPIE, that there is a recognised recreational fishing group that is concerned about what is going on. We are fairly new on the scene as far as Commonwealth recognition is concerned.

Mr HARDGRAVE—I know you do not specifically want to talk a great deal about southern bluefin tuna, but if I could just direct you to the notion that we were told this morning that, essentially, the stocks that would be in this water here are very small in size. From a commercial fishing point of view, the Japanese would surely be more interested in what is happening across the Great Australian Bight and over towards Tasmania than Western Australian waters anyway.

Mr Stagles—The treaty and the various amendments which have occurred in the last few years have made it difficult to find out exactly what the implications of directing the fishing effort could be. For example, only this morning, when I was sitting there, I read that there is a limit to the amount of southern bluefin tuna which can be caught off Tasmania; there is a limit to what can be caught off the east coast. If I then draw a conclusion from that, which was a total of 600 tonnes, it means that the remaining 1,800 tonnes, from memory, needs to come from South Australia and Western Australia.

Mr HARDGRAVE—Is it going to be possible?

Mr Stagles—I would not have thought so. But if you look at historical data from the Japanese fisheries department, you will see that there is a significant effort outside our AFZ, between our AFZ and sort of heading towards South Africa, which is the route that the larger southern bluefin tuna end up following during part of their life cycle.

Mr HARDGRAVE—So going down this 200-nautical mile exclusion zone track which was floated as a gradualist approach by the Western Australian government would be a good thing, would it?

Mr Stagles—With fisheries management—and I view what recreational fisherman are doing now as being part of fisheries management—you must look at the downstream implications of any decision. If you create a zone closure and the Japanese fleet is committed to fishing in a pattern around Tasmania, it will find a way to complete its fishing pattern and still fish, whether it is outside the AFZ, whether it is a different part or whatever. If we simply said, ‘Okay, no Japanese vessels inside 200 nautical miles’, we would automatically sticking be up our hand to accept other nations fishing under the UNCLOS agreement. To me, they could never do that at the same access fee because the compliance requirement and enforcement would be horrendous.

Mr HARDGRAVE—Essentially the treaty is a good thing for a number of reasons.

Mr Stagles—Yes, I think there are good features in the treaty.

Mr HARDGRAVE—One last question to finish it off. Should we be looking at beefing up the observer program we have in our waters to perhaps keep a closer check on the activities? You talk about 14 boats off Port Hedland. I am sure other members of this committee would be quite stunned to think that the Japanese would be using the spirit of the treaty to fish for other things, targeting the by-catch. Would a beefed up observer program ensure greater compliance, in the spirit of the treaty?

Mr Stagles—In relation to that particular fishing effort, AFMA have in the last two years been very good in responding to any requests we have to have a particular fishing pattern monitored. When they concentrated those vessels there in the last two seasons, on both occasions they sent observers up. So we had an observer there.

In looking at the observer's reports and comparing the catch rate on a vessel that he was on to the catch rate of the other vessels, you actually get quite a reasonable indication as to what might be going on across the fleet. Sure, from a historical data point of view it would be good to have two or three observers there. But, reading the observer's reports in some detail, they are not totally pleasant circumstances to be in, I would think, so staff recruitment might be the problem.

Mr HARDGRAVE—That 50-nautical mile limit applies everywhere except in Tasmania, as you know, where it is 12 nautical miles. Sitting back here as somebody in Western Australia, how would you react to suggestions that extending it from 12 to 50 is more than just a smoke and mirrors approach to the problem?

Mr Stagles—It is a smoke and mirrors approach to the problem. The effect of the current bilateral arrangements is that the effort on the west coast is capped at 20 vessels. The minister responsible has indicated that next year it will come down to 15. If they are only operating a maximum of 14 vessels, all we have done in two years is removed a latent effort. That, in itself, is good but we have had no impact on the biomass, on the stocks, or on recreational fishing opportunities.

CHAIR—So the same principles apply whether it be here or—

Mr Stagles—I think we have made some changes. We have had a certain distance to go. It is smoke and mirrors up to here. Now we come to some real decisions.

CHAIR—But isn't that important in terms of public perceptions?

Mr Stagles—That we use smoke and mirrors on occasions?

CHAIR—No—perhaps I should not have used the term 'smoke and mirrors'. Isn't important that people understand that that is what is trying to be done in the national

interest?

Mr Stagles—Yes. The transparency of this whole treaty now is far better, as far as we are concerned. I have increasing confidence in AFMA. I have reducing confidence in DPIE. I recall a document that went around parliament when this treaty was signed late which indicated that the views of the various states had been accommodated. Obviously they do not know what the word ‘accommodate’ means because we had nothing in there that we had asked for, so we were not accommodated.

CHAIR—On that one, I do not think it will happen again. As you may or may not know, we indicated in our first report, which was tabled in the parliament on 9 September, that we would really shy away from that in the future. We would expect ministers, whether they be the DPIE ministers or the foreign minister, to not have to bring something like that. I do not want to get into too much detail, but the problem with that one was that this committee was not formally constituted at that time. As chairman designate I had to agree to something in anticipation simply to get us around a bit of international embarrassment.

Mr Stagles—To be fair, as far as we are concerned we had avoided our most vulnerable period, which was the first six months of the year. The Japanese fleet is unlikely now to go and target huge quantities of yellowfin tuna in the north-west and then incur this high by-catch of marlin.

Mr McCLELLAND—Aside from creating these exclusion zones, are there any other methods whereby you are going to reduce the extent of by-catch?

Mr Stagles—I do not honestly think so, at this point in time, with the exception of the big eye tuna fishery.

Mr McCLELLAND—How would you reduce it there?

Mr Stagles—The big eye tuna fishery north of our waters is fished intensely by the Indonesians. They use, I think, a fairly deep-set technique. There is some Western Australian technology being developed which is along similar lines, where the hooks are set deep, they are set quickly, they go through that top shallow, warm layer, past the marlin, past the billfish, and sit on the thermoclines where the big eye tuna and broadbill swordfish travel. So the by-catch for big eye tuna, using those methods, would be broadbill swordfish. But, again, broadbill swordfish have been a legitimate target of the Japanese here all the while.

Mr McCLELLAND—Is it therefore the case that the only way you are going to preserve marlin, for instance, is to cut them free before you pull them out of the water? If so, do you know if there is any research as to their likely survival if you do that?

Mr Stagles—We do not know at this point in time the percentage of marlin that come alongside the long-line vessels that are alive that would survive if they were released. We suspect that the majority of marlin that come alongside the vessel are taken. If there is an observer on board, the live ones are cut free, and that is all. That is the suspicion.

Mr McCLELLAND—We do not know if the ones that are released survive?

Mr Stagles—No, we do not know. You could not really draw any parallels with a fish that is caught recreationally, which might take only 10 or 15 minutes, tagged with a research tag, perhaps with a DNA sample taken for research, and released. That fish is going to be in good condition. But I would think that a fish that has been hanging on a long-line in shark infested waters has much less chance of surviving than a recreationally caught fish.

Mr McCLELLAND—This is being fatalistic, I know, but is there any point in cutting it free if it has got no prospects of survival?

Mr Stagles—Herein lies the tough nut. If you accept that a percentage of them are dead and therefore Japanese fleets can take all of them, you have achieved naught. If you say that it is not acceptable to take any marlin from Australian waters, that all marlin must be cut free, then a percentage of marlin must survive. Therefore, this is better than every one that is caught on the hook dying. It is a matter of enforcing it and I think it is the one area where the long-liners have a black mark still against their name.

Mr McCLELLAND—Perhaps there needs to be more research, do you think, as to whether any marlin have prospects of survival from a long-line catch.

Mr Stagles—Yes. I suppose, over a period of time, with enough shipboard observers, you would be able to get some reasonable statistical data, but you would need to be using the same devices that we use recreationally, which is—

Mr McCLELLAND—Tagging and that sort of thing.

Mr Stagles—Yes, but with sonic tags so that you can monitor their movements and so on. It is a very expensive exercise.

Mr TUCKEY—Can we have some expansion on the joint venture and bilateral vessels? Presumably the joint venture vessels operating within the quota available to Australia are then licensed by Australia, and presumably Western Australia had some role, because you point out in your submission that the Western Australian parliament decided to limit the area in which those joint venture fishing boats could fish and that they escaped that particular constraint by becoming bilateral vessels. If all of that works out, in each case were they Japanese vessels? Did the bilateral benefit come from the fact that they

then caught fish not subject to the commission's ruling—in other words, they did not catch southern bluefin tuna?

Mr Stagles—To be honest, I cannot answer one of those. My understanding is that currently the joint venture access arrangement has lapsed, that it is no longer being pursued as an AFMA tuna boat operators joint venture.

Mr TUCKEY—That might have come out of this ban on our ports at the same time as the Japanese said that they would not enter into joint venture arrangements. But when they 'went bilateral', really what you are saying is that they just went back to being Japanese fishing boats permitted to be in our waters but, by not catching southern bluefin tuna and catching yellowfin or whatever else instead, they had the right to operate.

Mr Stagles—Yes. My understanding was that it was a simple radio call. They had to switch access arrangements and they could do that by radio.

Mr TUCKEY—And they paid some money for access?

Mr Stagles—There was a total amount of \$275,000 for 20 or 21 vessels so that, providing there was room for the additional vessels travelling north to access, they simply drove across the line on the map and that was it.

As to whether the joint venture benefited from species other than southern bluefin tuna, we have been unable to ascertain whether that was or was not the case. The only commercial information we were ever able to find out about the joint venture was that they had not put in their corporate affairs returns. We could not find out any details of any transactions.

Mr TUCKEY—You say that they did not put in corporate affairs returns. Is that the Australian holders of the quota?

Mr Stagles—The joint venture company. We have no knowledge of what they caught and who shared the money, or any arrangements. That was not a transparent arrangement.

Mr TUCKEY—So our joint venture sharing of Australia's quota under the commission rulings are not reported in terms of the corporate arrangements. But presumably AFMA has some idea of what they did.

Mr Stagles—We know both previously joint venture and currently and previously bilateral catch data, but we do not know, as far as the joint venture was concerned when it was operating, who were the beneficiaries of the catch other than southern bluefin tuna. We do not have any knowledge of the commercial arrangements.

Mr TUCKEY—The treaty, of course, relates purely to southern bluefin tuna.

Mr Stagles—If you mean the joint venture, specifically southern bluefin tuna, yes.

Mr TUCKEY—Are you aware whether the treaty is the fundamental access treaty? Does it just give them access to catch other types of fish without limit?

Mr Stagles—The bilateral or the joint venture?

Mr TUCKEY—The bilateral treaty, the treaty that we are interested in, which is designated ‘southern bluefin tuna’.

Mr Stagles—It is actually my understanding that it is designated a tuna long-line agreement, which would allow them to catch any of the tunas.

Mr TUCKEY—But restricts the amount of southern bluefin they can take?

Mr Stagles—It merely restricts the southern bluefin tuna. If I may comment on a point that you raised earlier about including billfish, it sent a shiver up my spine when you mentioned it. If we are seeking to get billfish excluded, I suppose our preferred position would be to make it a nominated range of tuna species, to make the bilateral arrangement cover those species and have a form of management in place to ensure that it is a sustainable level of harvesting. But we would be keen to seek an exclusion of marlin in its entirety.

Senator ELLISON—Can I ask you about the 100-nautical mile zone around Rottneest. As you understand it, that is incorporated within the agreement that we are dealing with here?

Mr Stagles—It should have been. Whether it is a point of discussion or a supplemental agreement or whatever, it was introduced—I had a look through the file at lunchtime—by the then minister, Gordon Hill, or he was successful in getting it introduced. I am not sure whether it came in just before or just after the 50-nautical mile closure.

Senator ELLISON—In relation to Exmouth, is the situation the same?

Mr Stagles—That is as I understand it.

Senator ELLISON—So on the Western Australian coast you have 50 nautical miles above 34 degrees south.

Mr Stagles—Correct.

Senator ELLISON—But with the exception of Exmouth and Rottnest there is a 100-nautical mile zone.

Mr Stagles—That is currently my understanding.

Senator ELLISON—In relation to the Western Australian government's submission this morning that you should have further zones in relation to Ningaloo, Dampier and Broome—and I was not quite sure whether they said the same would apply to Rottnest or Exmouth because they did not mention those—what is your view about those three zones?

Mr Stagles—I think, to be honest, that the fisheries department had misinterpreted the current access arrangements. I think they were not aware the current exclusion zones were in place.

Senator ELLISON—So you would argue that, with the current zones, there is no need for the three areas they were looking for?

Mr Stagles—I think the areas of significance that they referred to do warrant exclusion zones but I do not think it is a simple 100-mile bubble around the port. Ningaloo is covered because it is covered under the 50-nautical miles exclusion zone and the 100-nautical miles around Exmouth. At some point in the future, we may have to look at that but I do not think we do at this time.

If you look at the Dampier archipelago and Broome, in particular, the waters between those two areas are the areas that cause us all the heartache with marlin by-catch. If you were to protect those areas, you would do it by putting an exclusion zone in, right out to 200 miles from somewhere south of the Dampier archipelago up to north of Broome. That is exactly the sort of thing we are proposing.

Mr TONY SMITH—Would you say that 20 years ago you would regularly catch southern bluefin tuna? You made the point before that your last catch was in the mid-1980s. Would you say that that is the best indicator that this stock has been overfished?

Mr Stagles—I would be loath to suggest that it was the best indicator. As far as recreational fishermen are concerned, it is a significant indicator for us.

Mr TONY SMITH—A strong one.

Mr Stagles—Yes. But CSIRO and AFMA, I think, at this time have a very clear understanding of the perilous stock levels that southern bluefin tuna went down to. My understanding is that there are some indications it is recovering. But to me, I think it is important that, if we are considering changing in some way this bilateral access agreement to incorporate other tunas, we need to look very urgently at big eye tuna because it is far

more vulnerable than even the southern bluefin. That is my understanding.

Mr TONY SMITH—I think it is the second most valuable of the species.

Mr Stagles—Yes, it is.

Mr TONY SMITH—There is a point on which I need some clarification. You said in relation to AFMA that they were three years behind in terms of catch data. I did not quite pick up how you made that statement.

Mr Stagles—When we first started talking to AFMA about obtaining regular catch data from the Japanese long-line vessels, we wanted to sit that alongside what the local fleets were doing. The problem that we have is that the local fleets, under private and commercial secrecy arrangements, do not have to tell us. That makes it very difficult. To go back about two years, my understanding from the then head of that section, Lindsay Chapman, was that they were about three years behind in collecting the tuna reports from Western Australian long-line vessels. That is not quite as frightening as it seems, given that a lot of vessels were doing very little. But it indicates to me at least an attitude that prevailed then in relation to reporting.

Mr TONY SMITH—You also said that you know more about this sort of thing than anyone else.

Mr Stagles—I almost regretted saying that, after I had said it!

Mr TONY SMITH—I guess that from AFMA's point of view—and believe you me, I am not pushing their barrow—if they were here they would probably laugh at that. Would they?

Mr Stagles—I do not think everyone at AFMA would, to be honest. Where we got most of our information from over the years was, in fact, AFMA. I suppose we should be complimentary if we could. The reason that we have as much knowledge of this fishery as we do now is that we are able to get the information—and any other information that we request—from AFMA. It would be great—I wish my colleagues from state government were here—if we could get the same quality of information as quickly on our local fisheries.

Mr TONY SMITH—You also made some comments in your submission on the DPIE national interest analysis. Do you place much weight on that? I did not pick up all of the comments, by the way—some of them are blurred on my copies. Perhaps you should just outline some of those, because it seems that you are a bit critical of the DPIE document, particularly in regard to the consultation side of it. I am looking for the comment you made.

Mr Stagles—I can remember the two particular areas. DPIE, in my view, glossed over a lot of the issues in that document. There were, as far as I was concerned, interpretations and inferences which we certainly would not agree with. The one in particular was that we were ‘accommodated’. We were not accommodated.

They made reference to the UNCLOS agreement as being about ‘sustainable economic yields’. I think that was one of their expressions, or something thereabouts. The UNCLOS agreement cannot be summed up in three words. The UNCLOS agreement puts obligations upon us, and it is a principal treaty that applies in this area. The UNCLOS agreement, as I understand it, makes it incumbent upon us, if we are providing access to foreign countries to fish our resource, to manage it. Simply doing the paperwork, sending out an observer and providing information to people like me is not managing it. We are not managing it, in my opinion.

Mr TONY SMITH—The word ‘accommodated’ is linked to the previous sentence, too. It says that relevant states were ‘also consulted’ in regard to the negotiation of the agreement and that the agreement proposed ‘accommodates their views’. You are saying that the word is ‘accommodate’, but does it not go back to the consultation process? In order to get an accommodation, you have to have consultation.

Mr Stagles—I do not want to be teaching somebody in Canberra the English language, but to accommodate means to do a kindness or a favour, or to provide suitably. In neither of those areas were we accommodated.

Mr TONY SMITH—So you were not consulted either?

Mr Stagles—We were consulted but our views were not accommodated.

Mr TONY SMITH—Going back to your submission, I have a couple more points. You comment here at 1.5, in the second paragraph:

This year with eleven vessels switching access arrangement from Joint Venture to Bilateral, in order to again fish the waters off our North West coast, the wishes of the State Government and recreational anglers were circumvented.

Can you just explain that?

Mr Stagles—Yes. That was last year’s submission. The joint venture no longer exists. But what had happened was that, in that particular year when it happened, both the minister and the then shadow minister supported our view in parliament that the practice was unacceptable and made submissions on our behalf to Canberra and so on.

CHAIR—But nothing happened?

Mr Stagles—I am afraid not. They came back next year and killed even more.

Mr TONY SMITH—Lastly, recommendation c. under 2.6 reads:

As there are no controls in place to restrict foreign ownership of West Australian longline licences. It will be possible therefore to create a de facto foreign fleet if beneficial ownership changes to foreign companies.

Mr Stagles—What we have always tried to do in our submission is think past what are the current issues of importance to us, to try and indicate what we perceive as downstream effects. There is a real possibility that, if you have a valuable resource there, to which you are not providing access to the Japanese, they could simply come in and put four vessels in, owned by Australians and Japanese jointly, and still fish it. They just fly a different flag. It is perfectly possible.

CHAIR—Any more questions?

Mr TUCKEY—Yes, Mr Chairman, a couple of questions. Firstly, in your submission you refer to the pre-breeding aggregation of yellowfin tuna and point out that that seems to be the period when they are caught by this activity that is causing you so much trouble with game fish. Where do they actually move to to breed—further north or whatever? Secondly, in terms of big eye tuna, is it your knowledge that a zone of exclusion to Japanese long-liners could be created that would protect them, or are they just to be found anywhere?

Mr Stagles—We really do not understand very much about big eye tuna at this point in time. Historically the Japanese have caught them from the sea mounts off Perth, right around to the other side of Albany and principally around the Albany area, coming in quite close within 15 nautical miles offshore, as they can do south of 34—or they could under the joint venture, I am sorry. I do not think there is a way at this point in time to close off an area effectively and protect any stocks of big eye tuna because, as I said earlier, my understanding is the Indonesians are fishing them heavily outside our AFZ to the north and catching a lot of them.

By reasonable assumption, it could well be the same fish stocks. We catch big eye tuna occasionally in Perth waters, fishing recreationally. They are generally big fish—anything from 50 to 60 kilos. So it is likely they are moving down the west coast. I do not think you could single out a spot and say, ‘If we closed it off we would protect the big eye tuna,’ until we know more about it. But you certainly could do a zone closure to protect marlin.

The yellowfin tuna normally breed at around 20 to 29 degrees Centigrade water temperature. The temperatures that the Japanese are fishing in in that particular area are generally around 26 to 28. Interestingly, if they pull tuna out of 29 degrees, it is just about poached when it hits the deck; the water is too hot. The quality of yellowfin tuna that they are catching around there is low grade product. They catch high volumes and it is low value product—probably between \$7 and \$11 Australian a kilo, which is significantly

below southern bluefin tuna.

Mr TUCKEY—Does it still strike a sashimi market or does it go into cans?

Mr Stagles—No, our understanding is it is not sashimi market. It is low grade, possibly canning, steaks—we do not know. At that time when the tuna schools are coming together in those water temperatures it is just prior to them going into 29 degrees centigrade, so I understand, which is the trigger to start breeding. It is when they all come together that the marlin come in to feed on the tuna and end up as by-catch.

CHAIR—There are no more questions. Thank you very much indeed, that was very good evidence.

Mr Stagles—Thank you.

[2.05 p.m.]

ROMARO, Mr Terry Stephen, Managing Director, Ship Agencies Australia Pty Ltd, D Berth, Victoria Quay, Fremantle, Western Australia 6160

CHAIR—Welcome. I just point out that your submission has been received into the evidence and has been published. Are there any amendments to the submission?

Mr Romaro—No, there are not.

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

Mr Romaro—Yes, thank you. I am disappointed that I did not come a bit earlier in the day. I could not get away, but I would have appreciated hearing some more evidence. It was enlightening to hear what I have just heard. I am representing Ship Agencies Australia who are agents for the National Federation of Fisheries Cooperative Associations of Japan. We offer their vessels ship agency services in Australia. We also have a company, which is Ausmarine Fisheries, and in the last three years we purchased a tuna boat which is a 507-tonne long-line tuna vessel. It is the largest frozen vessel in Australia for that purpose and we are also now trying to put into place what we have learnt from the Japanese. Our combined companies' total SBT quota holding is approximately 119 tonnes, so we are in the SBT tuna business as well.

Being an agent for the Japanese, I have been very aware of the economic input that they have had into our economy. I also believe that by cooperating with the Japanese we at least get to have some input into the management of the global resource of the SBT, which I think is an important factor. I have another concern that if we went to a policy of opening our ports to any foreign fishing vessel, I do not believe that that will be in the interests of Australia, or our small businessman, because I just do not believe any other nation that has long-line capacity is as economically well-off as the Japanese. We have had some experiences in the past with other nations and economically we have suffered, so I would be concerned that if we ceased the agreement with the Japanese and opened everything it would be not to our benefit anyway.

I do not know if I am allowed to comment on previous people's submission—what I heard just previously. I heard mention made of a target catch of the tuna boats. My clear understanding is that the tuna boats do not just target SBT tuna, they target tuna. We certainly do in our ship and we are mirroring what the Japanese do. They are after SBT—we would all like to catch that if we could—but certainly yellowfin and bigeye are acceptable if we cannot catch SBT. I do not think any Japanese ship, as we do not, would target anything except tuna. The by-catch naturally would be anything: shark or marlin or whatever else got on the hook. But with most of those you will find that the returns are so poor that you certainly would not target them. There is no question, I would say, that tuna is the actual target species, but not just SBT. Yellowfin and bigeye are a valuable resource

as well.

I would not be unsure that the Japanese—if we came to an agreement with them that they could only use our ports and not our 200-mile zone—I would not be surprised if they were even acceptable to that, if that was a futuristic wish of the government because, in the very recent past, a lot of Japanese ships boycotted Australian ports and proved quite clearly that they can exist without coming in. But economically it is much cheaper for them to come to our ports rather than arranging tankers, et cetera. So they are probably still happy to catch their fish outside the 200-mile because, as people have mentioned before, the fish inside the 200-mile, at certain times of the year, are a reasonable size but at other times of the year they are only small.

CHAIR—So what are you saying: you would not link port access with the quota?

Mr Romaro—Definitely not. It was mentioned before that there are no SBT caught on the west coast. I always assumed the west coast goes around to the border so there are, as I understood, reasonable amounts caught off Albany and Esperance—there always was in the past. There is restricted access now to some of those areas, so naturally it will never show up now that they are being caught. I think the Japanese are excluded from fishing in some of those zones, except for joint ventures. I do not think bilateral vessels are allowed there so that certainly would not show up as much of a catch.

I have heard that AFMA has had a bit of a torrid time, and the local fisheries have too. But I only ever get from the Japanese that I discuss things with that they are always concerned about how severe our fisheries are. They seem to think that they are doing an excellent job and I would concur with that. I think that my opinion of AFMA and with the fisheries, certainly in Western Australia, is one of ‘they know what they are doing, they have got a job to do and they do it’. That is basically all I would like to say. Everything else I have to say was in my submission.

We see it from both sides. We are providers of services to the Japanese, so naturally we have interests there, but having our own tuna boat has enabled us to see the other side of the cake.

Mr TONY SMITH—I was going to ask a question in relation to your fishing practice, in relation to the particular vessel, but you may not want to answer it in public—that is the only thing. It relates to where the vessel operates—

Mr Romaro—That is knowledge available to anyone who wants to check out AFMA records. We are actually operating—we have been for three years—off the east coast. We call it the east coast; it might be Tasmania but, basically, it is the east coast. Hopefully, next year or earlier, we will come to Western Australia because there is a reasonable resource of yellowfin off Port Hedland, et cetera, or Sharks Bay, that the Japanese have identified. We will want to go there and try and catch that next year,

hopefully.

Mr TONY SMITH—So not down as far as Tasmania or—

Mr Romaro—We fish Tasmania; yes, definitely. Tasmania is a very important area.

Mr TONY SMITH—And into the real southern type waters there, even below Tasmania?

Mr Romaro—Unfortunately, our ship is a little old—it is 18 years old. Our fishing master, who is Japanese, reluctantly goes there when he needs larger fish. But we would fish, I think, within probably 100 miles of the coast. We would not go much further off than that.

Mr TONY SMITH—And you have Australian crew, have you?

Mr Romaro—In fact, we have Australian crew, Indonesian crew and Japanese; we have a mix of three. We have a special labour agreement that requires us to increase the content of Australians as we go, as they learn and as we can source more crew. It has been a problem for years to get experienced crew to crew vessels, unfortunately.

Mr TONY SMITH—I have not done the maths but you have come up with a figure of \$46 million to \$50 million. Where do you get that figure from? Is that sort of ready reckoning, or what?

Mr Romaro—I have done it a hundred times. This is getting back to my ship agency side of things. Being a shipping agent—and the person that is after me can probably give you a better view of that than me—we do what we call disbursements for the vessels. We have to collate every expense that the vessel has while it is in Australian ports and send that back to the owners and then they pay us the money for it. On numerous occasions we have been through that equation and calculated each vessel's net worth per call. We got it down, I think it was, to \$180,000 roughly per call, so multiplied by, I think it was, 250 calls at the time we last did the equation, it worked out to about \$46 million or \$47 million.

Mr TONY SMITH—There is another estimate of about \$20 million to \$30 million.

Mr Romaro—That is for Western Australia. I am talking about Australia there, because we are an Australia-wide agency. For Western Australia, it is probably very correct because Western Australia is probably over 50 per cent.

CHAIR—Previous evidence has shown \$50 million to \$70 million could be the

national figure.

Mr Romaro—Yes.

Mr TUCKEY—Without giving away too many commercial secrets, are you managing to catch your 119 tonne of SBT?

Mr Romaro—I am glad you did not ask me this last year. We actually delivered 120 tonnes last month to Japan, so we actually caught our quota for the first time. Long-line tuna fishing is not an easy game; it is a very hard one. We are learning as we are going. I had spent 25 years in this industry so I thought I knew everything, but unfortunately until you bite the bullet and you do something you just do not know all the things that come up. So much relies on the fishing master you might have on board or the crew that you have, what bait you use and where you fish. It is amazing. It is almost like horse racing; it is a bit of a gamble each time you go out.

We had pretty bad luck for two years. We had mechanical breakdowns, freezer failure and quite a few different things like that, but we have now got it all together. The boat is sorted out. It is a converted Japanese; it is 18 years old. The pipes all fell apart one year and there were mechanical woes the next, so we are repairing it. The Japanese do not like us getting any new ships here. I think they are bit worried about our potential. They let only the older vessels go overseas. If there is some way you can put in the agreement you would like them to give us young ships, I would love that. That would be tremendous.

Mr TUCKEY—Is there potential there for another country to build one?

Mr Romaro—We would have to look at that here in Australia. We have some fantastic technology with aluminium and that, so I do not know. I am not an architect or anything like that. There is probably a capacity but there are so many things. It is their technology which catches fish. The Koreans have tried it, the Taiwanese have tried it and they all keep coming back to Japanese technology. They have been fishing for so long. So, unless you actually have your technology and that right, I think it would be very hard.

You can build the boat in Japan but for instance they will not let any vessel go overseas with all the freezer technology on board. They have to tear it out. We fish and keep it frozen, not fresh. We keep it at—60°. That is almost as fresh as the day it is caught. There is a special technique to be able to keep your vessel operating with—60° freezers for 12 months. They used to do it for two years in the old days. Yes, give me the day that we can do it here. I would love to see that, but it may take time.

Mr TUCKEY—In terms of transshipment, I asked the question earlier today, it sounds like your typical marine container. It could not do that. In other words, if a ship came to port and the fish were transferred into a typical refrigerated shipping container, you would not be able to do that. Do those containers exist?

Mr Romaro—I believe they exist, but I have never seen them. We have been asking for years. The normal container is—18° to—20°. We just shipped recently for our own vessel and for some Japanese ships some albacore overseas back to Japan. It seemed to be acceptable for albacore because that is a low-value product. But for SBT, maybe big eye tuna and some of the big yellowfin, it would not be acceptable. It has to be at—60°.

Cape Town leads us. The government there, or whoever it is, has encouraged the Japanese to tranship in Cape Town. They have a fantastic facility there where the ships pull up next to the reefer boats and they just put it straight into the reefer hold which is at—60°. We would hope futuristically to do that here. We have had negotiations in the past with the unions and they accepted it. We have had it with the fisheries and I think it is basically accepted that it can be done. But no Japanese owner has bitten the bullet and decided to do it in Australia. We are working on that though.

Mr TUCKEY—Basically the catcher boats take it all back.

Mr Romaro—Each boat takes it back themselves. That is why we went to Japan ourselves, because it was the safest way to get our catch there.

Mr TONY SMITH—In your vessel?

Mr Romaro—In our own vessel. It was an expensive exercise.

Mr TUCKEY—It says something for the value of the product. Coming on to your agency role and trying to get to the bottom of port access, in your opinion even at the margin, who is the beneficiary of port access? Is it the Japanese for the economic advantage or is it us by way of the revenue? In either case, where is the advantage in including port access in the negotiating of the actual SBT quota?

Mr Romaro—There are a couple of questions inside that one. I will answer the last one first. I have some reasonably strong views on using port access as a tool of having the Japanese agree on quota. I think that is wrong. That is my personal view. I think that port access should be handled individually. It should be a separate issue but I am told by many government people that if you separate it you then open the ports possibly to other fishing nations. I particularly would not want to see that happen so I do not know.

If a way can be found so that the Japanese can get port access without fishing in our zone, I am sure a lot of them would accept it and I am sure that is something they would dearly like. The Koreans, Taiwanese and Indonesians already fish in the area south-west of Perth and in the same area that the Japanese fish. They do not come to our port. I would tend to think that the economic advantage with Australia is that the Japanese save money, as I said before, by not having to go to Bali to get bunkers or to have a tanker go down to the fishing ground. I really think that we probably benefit greater than they do

from the money that they spend here.

Mr TUCKEY—Do you believe they are more inclined to enter into the quota agreement because they get access to the ports or do you think that does not matter?

Mr Romaro—I do not have an opinion on that. I do not particularly know. Once you have given them access, or you have an agreement, then as long as you keep the lines of communication open and as long as we give them access, at some later date that is something you could take away from them. I do not know. It is like holding a gun at their heads in some sort of funny way.

I think some of the owners definitely just suggest an agreement so that they can have port access. There is no question. Some owners have no intention of fishing in Australian waters. Most of those particular owners believe that the size fish they want are only in certain freezing cold temperature waters and they fish more down near the icebergs than they do near Australia. The only advantage for them to come to Australia is for fuel and recreation. I do not believe that that section of Japanese owners would worry about the agreement if they could not get their port access.

That is the trouble; I have learnt over the years there is a wide range of opinion in Japan. There are some who think that way but there are others that desperately want to catch their quota in the Australian zone. There is a concentration of fish in certain areas, Tasmania et cetera, where they can catch fish in a given time. They know they are going to catch a certain amount of tonnage; they know that their by-catch will be yellowfin and possibly bigeye and it will be good quality. Those particular owners all seem to come from one area of Japan whereas the other owners seem to come from another area. It is a totally different sort of idea and I think that that is the problem that they have got. There is a big conflict in their association as to really what is the best way to go. For seven months they boycotted Australia. We did not stop them coming. They just said, 'No, we will not come even though it costs us money.' Some people wanted to point things out to us and others did not. There are a lot of owners who are very unhappy about that.

CHAIR—You said your boat was operating in Tasmanian waters—I think you said about 100 nautical miles—

Mr Romaro—That would be the maximum.

CHAIR—It has been suggested to us by Tasmanian authorities that there is a strong argument for the present 12 nautical miles to be extended to 50. What would be the impact on you as somebody who is involved in the domestic scene?

Mr Romaro—Would that benefit us, do you mean? They would exclude the foreigners?

CHAIR—To what extent do you catch outside the 50 nautical miles off Tasmania?

Mr Romaro—In Tasmania the concentrations are actually close to the coast.

CHAIR—That is because of the continental shelf?

Mr Romaro—I do not know the technological side of it but the fish definitely come close to the coast. That 12 miles—I have had my fishing master hassling me to see if he can come in closer than 12 miles. That tends to suggest to me that the fish must be in closer than 12 miles which does not occur in a lot of other places. In other places they are a long way off the coast but especially around that tip of Tasmania, there is a strong concentration in certain areas there of fish.

I know if my boat was excluded for 50 miles out that would definitely affect our catches.

Mr TUCKEY—As the Australian boat you might be the only boat left in there.

Mr Romaro—Yes, if we were the only boat left in there we would probably—

CHAIR—You would be all right.

Mr Romaro—I was giving you that from the Japanese view.

CHAIR—We have had evidence down there that in fact they go further out.

Mr Romaro—They do. They fish right to the actual edge of the zone. They did it off Albany as well last year—a few years ago there were a lot of vessels that wanted to come in and out of the zone all the time near Albany. There were some excellent catches of fish two years ago there.

Mr HARDGRAVE—But are you saying that there would be some advantage for Hobart based, Australian owned vessels operating out further?

Mr Romaro—Most of them cannot get out that far anyway. It is funny; our Australian fishermen complain about all these foreign vessels coming in close but, quite frankly, if you check out the fishing ground and see where they fish, they do not go out very far. In some areas they do—off Eden and that—but in other areas they complain but they just do not go out there.

We have been complained of when we have been fishing 12 miles out because we look like a Japanese fishing boat: ‘Why are they within 12 miles?’ The vessels have only been going past us or they have seen us at a great distance. They are fishing inside.

Mr HARDGRAVE—For them to put an argument that it should get raised to 50 would be convenient if you were a Hobart based fishing operation?

Mr Romaro—Yes, it sounds good.

Mr HARDGRAVE—I think you were sitting in here when Mr Stagles gave his evidence. When I talked about smoke and mirrors, he said, ‘Yes, it would be smoke and mirrors,’ but you are saying that that is not the case.

Mr Romaro—Well, I did not quite understand that terminology about—

Mr HARDGRAVE—Well, it is perception rather than actual.

Mr Romaro—I think so.

Mr TUCKEY—The argument put when we were in Tasmania was that you had to get out to—was it 500 feet or fathoms they said—before there were any decent fish to be caught. That was outside the 12 nautical mile line and therefore there was no serious protection of Australian interests by only going to the 12 nautical mile line. But you are suggesting that certainly on the 12 nautical mile line, and possibly inside it, is where your people say there is good fishing.

Mr Romaro—Yes, I can only say that from what has been said to me. My fishing master is not the first one that has asked me about the possibilities. But they are only talking about one particular area off Tasmania, so possibly in the rest of the fishing zone that could be correct. What reason have the fish come there, whether it is currents or whatever, I do not know, but there was definite interest in trying in that particular area to come in closer than 12 miles.

Mr TUCKEY—While we are on the subject of a lot of boats, the Tasmanians were the only people to raise the issue of lines being overrun by other boats. As an operator have you had any experience of that problem, one boat running over another boat’s long line?

Mr Romaro—Having been in the game for 25 years, I can tell you some stories. I do not know exactly but I have some private views. My fishing master, who is Japanese, will never go and fish near any other Japanese. It is some sort of fear. I do not know whether they have a mafia running or whatever it is. Unfortunately I am on the record, but there is some reason why Australian fishing boats will not fish close to Japanese boats for whatever it is. Now, there is a pecking order. Once they get there they all agree to fish a certain way. I do not know what you would call it, but it is like the army. They all agree to certain things.

Mr HARDGRAVE—Protocol.

Mr Romaro—It is like their fishing protocol. They will not cross their other fishing partner's lines, but in the process they may well run across my lines or another Aussie's lines or whatever it is. I do not necessarily think they do it deliberately.

Mr TUCKEY—The suggestion was that it was done deliberately.

Mr Romaro—No. I think that what they tend to do is they get very narrow minded in the sense that they used to rush to get out there to get a certain place. Now I believe they draw straws or something and they agree that they will fish at this particular latitude or longitude. If they have got that space and they think it is a good one, they will set their line regardless. It is unfortunate if there happens to be somebody else there. That is why our fishing master just keeps away from them. He goes and fishes somewhere else. He does not want to have the problems of losing gear. Because every time you lose a buoy, it costs you a lot of money because you will tend to lose half your line as well. So it is a very expensive exercise to have that happen. I do not think it would be done deliberately.

CHAIR—What they were saying was that the Australian boats tend to finish up on the losing end because they have much lighter gear and the heavier Japanese gear tends to cut it. I guess you tend to have the Japanese style equipment, which is rather heavy gear.

Mr Romaro—Exactly the same, yes. I can understand where they are coming from, because it is a bit like the north-west shelf. We did a Chinese venture up there. The Western Australian government asked us to assist the mainland Chinese to come down here and pair trawl. We went to a lot of lengths to make sure that they did not destroy the resource or whatever. But there was such an outcry from the second that they gave us the licence to go there. The perception was that we were raping the place, yet there were no other people at the time that were there that could go and fish for what we were fishing for.

I guess it is a bit like that in Tasmania. There are guys that want to do it. Everyone wants to catch southern bluefin tuna and send it out fresh. You get \$50 a kilogram, but their ability to do it is in question. Why are they fishing with lighter line and all that? They should be geared up and doing it probably in a different way. They may be out over the distance that their vessel can operate properly or something. I think Aussies are a lot of talkers, but often we do not do things.

CHAIR—What about the Chinese in terms of SBT? We have heard about the Koreans. We have heard about Taiwanese. We have heard about the Indonesians. But there is now quite a lot of evidence to indicate that the Chinese are starting to get that capability, not this far south yet, but it is on the cards. Do you have any experience as to whether they are going to SBT?

Mr Romaro—I am sure they will. It is only speculation. I do not have any

evidence as such, but the companies that we still keep in touch with in China are looking for anything. It is terrifying. They just want to make the biggest dollar from whatever they can. So it is absolutely obvious what their next move will be. They have already got Chinese crew on board Indonesian and Taiwanese boats. Most of your Taiwanese are actually mainland Chinese crew. So those crew go back to China and tell everybody and then they tell everybody else. Sooner or later, and I am sure it is within five years or six years, they will be pressuring our government to have access to our ports.

CHAIR—So we should be involving the Chinese in the broader commission involvement as well.

Mr Romaro—Absolutely. Taiwan, Korea and Indonesia, yes, but definitely mainland China. They are going to be an absolute force.

CHAIR—We have heard of the other three but very little about China.

Mr Romaro—They will be a force, I am sure.

Mr McCLELLAND—Knowing the Japanese, what is your view as to what would happen if we locked them out of our fishing zone? Would they black ban our ports in retaliation for that step or do you think they would still want to use our ports?

Mr Romaro—I think in that case they would take whatever they could. They would probably just use our ports, yes. If we exclude them from our total fishing zone, do you mean?

Mr McCLELLAND—I have in mind the fact that they black banned us 18 months ago.

Mr Romaro—About 12 months ago.

Mr McCLELLAND—And you do not think they would do it again? Do you think they would still want to use our ports if we locked them out?

Mr Romaro—It depends how much resolve we have got. If it is a matter of fact and they are gone, that is it, it is finished. I think they are realistic. I do not think they will beat their heads against a brick wall. I think the owners will take over then. They are like you and me. They have a business to run. The fisheries association might want to. They will black ban us like they did last time, but that was the fisheries association, not the actual owners. The only reason that they are now sitting down, negotiating again and looking sensibly is because there is a backlash from their people.

It is the same as we would be giving AFMA and God knows whoever else a backlash if we had a problem. They are getting the same thing from their owners. They

are trying to make a dollar. To have a tanker go down to service a boat in the ocean will cost them \$50,000 to \$100,000 a vessel more. If they have to go to Bali and come back to the fishing zone, I estimate that they lose 10 days round trip in fishing time. That is \$10,000. It will cost you \$10,000 a day. So it is costing \$100,000 just to bypass Fremantle. You can get in there in three days and back in two maybe. If you go to Bali, it is \$100,000, so that you have lost \$50,000 for a start.

I know the Japanese would not like it if we deny them access because it helps them become viable. I think there are fish outside our zone but as I said before it is sparser; it is more widely spread. They have to put more effort in per hook or more effort in per line that they put out, and it is more in bait. It will cost them significantly more to catch just exclusively outside the zone.

I think our zone is very important to them and not just for southern bluefin, but I believe that yellowfin and big eye tuna are of huge importance to them. I know they can catch it. I do not know whether it is closer to the coast or there are concentrations, but it is much easier to catch it closer to the coast. They have to cover a lot more area out in the ocean than they do on our coast.

CHAIR—In your submission you mentioned bait supplies. Is that a growing market?

Mr Romaro—Yes. One of our companies is a bait supplier and we actually export it—although not much at the moment. We supply bait worldwide. We buy it in all different areas exclusively for long-line tuna fishing. We do that in cooperation with a company from Africa. We are currently trying to find bait in Australia. The sad thing about Australia is that most fishermen—and I am one of them—go for the higher priced products and we do not care about bait. With bait you have to catch it and they will offer you \$500 a tonne when I can get \$50,000 a tonne for tuna. Unfortunately, there is not the effort being put in in Australia to bait but, yes, it is a huge market.

CHAIR—We heard some evidence in Hobart that they are moving down that line.

Mr Romaro—We are developing it.

CHAIR—Is it yours?

Mr Romaro—It is not my business, but we are developing some of the species they have there. We are doing jack mackerel at the moment. We have been using it for every third bait on our vessel *Halcyon-3*, and we have had reasonable success. But it is the old story. I did the figures a couple of days ago and found that, unfortunately, now in Australia, of course, expenses go up and everything goes up, so the value of the fish is going up. It has cost us from 70c up to \$1.20 per kilogram. At \$1.20, because the weight of the fish is a little more than that of the fish we can import—250 grams as against 130

grams—we can get cheaper imports now than we can with our local product, which is sad.

Long-liners work per hook. It costs them so much per hook. A 130-gram fish is much better to put on a hook than a 250-gram fish because, even though the 250 grams is cheaper, it has to be significantly cheaper than something half its weight. That is the only thing. We are desperately trying to find better bait in Australia. It is here, for sure. We are catching it off Indonesia now. There is a special mackerel they catch there. Our southern waters have it and we know that. The old Taiwanese trawlers proved it was there, but what we need is someone up there to go and catch it. They only want to catch lobster or snapper and the higher value products. One day it will become economical to do it and someone will go there and fish at night instead of in the daytime. People have tried it, but they are just not doing it professionally.

CHAIR—Are there any more questions?

Senator ELLISON—In that calculation of yours of \$46 million coming into the country by these Japanese boats, is that Australia-wide?

Mr Romaro—Yes.

Senator ELLISON—What percentage or proportion of that would relate to Fremantle?

Mr Romaro—I always think 50 per cent, at least. You could do that by the number of calls. In our company we have 50 per cent of the calls in Fremantle and 50 per cent on the east coast. Hobart, Sydney and Brisbane are 50 per cent of our business and Fremantle is 50 per cent. Please ask that question of the next person after me. They will probably have a similar situation. I think you will find that it is probably fifty-fifty.

Senator ELLISON—You mentioned that the Japanese are good customers.

Mr Romaro—They are excellent payers. We deal with a semi-government organisation, so I guess we will always get paid. My experience with the Chinese was not the same. We are still owed a considerable amount of money. The Japanese are good payers and they have good taste. In other words, they like to buy a lot of produce from our local people.

Senator ELLISON—They spend well.

Mr Romaro—Yes, they spend well.

Mr TONY SMITH—Is albatross by-catch a problem on your vessel?

Mr Romaro—It depends what angle you look at it from. No-one wants to catch

birds because it is non-productive and it is expensive. We do not have a problem, in a sense, any more or less than any other long-line tuna boat. We use tori poles, we are trying to set at night; there are certain things that we have put in place to try and lessen the catch.

Mr TONY SMITH—Do you have any idea how many you have caught in the last year?

Mr Romaro—I have not got any idea.

Mr TONY SMITH—But you are talking about considerable numbers, are you?

Mr Romaro—No, I do not think so. In fact, I am off to Hobart on Monday—my ship is coming in—so I could check that with the boys on board. The Australians on board on our boat hate catching the birds. I have often had them say, ‘We had a bad week,’ or something and they might have caught one or two birds. Whether that is because the numbers have lessened or not, I do not know. But I do not think it is in the hundreds; it would probably be a lot less.

Mr TONY SMITH—Are the tori poles only partially effective?

Mr Romaro—They are effective. They are better than anything else there has been so far.

Mr TONY SMITH—They do not eliminate it?

Mr Romaro—They do not stop it. I do not think you will ever stop by-catch of birds. Albatross are very aggressive and a bit fearless, so they will attack a bait no matter what you do.

Mr TONY SMITH—Unless you set at night.

Mr Romaro—If you set at night that does reduce it dramatically, but you catch some other sorts of birds sometimes—the lights of the boat attract other birds.

CHAIR—Do you have the bait caster?

Mr Romaro—We do not on our vessel—not yet. It is unfortunately a little bit more expensive than we can afford. Once we make a dollar we will definitely get one, because I believe in them. I have seen the Japanese use them and they are brilliant. They throw it into the wash and it goes down. There are things you can do, such as thawing out your bait first, but you would know all that.

CHAIR—Yes, that is what we have heard.

Mr Romaro—We do all that sort of stuff anyway to minimise it.

Mr TUCKEY—It is an interesting point you have just made and it is the first time it has been made in this inquiry. All the focus on the albatross has been on the killing of the bird. You are pointing out that, further, it represents an economic loss to the fisherman because that is one bait he has not got in the water.

Mr Romaro—Absolutely—and it is just not one. They can get more than one. You do not always catch them. They can grab the tail of a fish and off they go, and onto the next one. You do not catch a bird every time you put a hook out. I am sure there are studies that have been done, but the birds do cost a lot of money. There is the loss of the bait, the loss of the chance—you could have caught a \$5,000 tuna on that hook and you have lost it.

Mr TUCKEY—So there is a major incentive for the fishing industry to be able to get the bait below the water before the birds get it.

Mr Romaro—Absolutely. If you were going to catch a \$5,000 fish on each bait they took, I would rather catch a \$5,000 fish than a bird.

Mr TONY SMITH—That being the case, why isn't the money being spent?

Mr Romaro—I think we have come a long way. If we did not have agreements like we have with the Japanese, they would be out doing what they want to do and we would be doing what we want to do. We have probably come a heck of a long way. Nothing moves that quickly, unfortunately.

Mr TONY SMITH—Unless you have to.

Mr Romaro—Yes, basically.

CHAIR—Thank you very much, that is good. We will have a short break before hearing from the next witness.

Short adjournment

[3.00 p.m.]

NEEL, Mr Robert Terence John, Administration Manager, J.N. Taylor and Company Ltd (Tropical Traders), 56 Marine Terrace, Fremantle, Western Australia 6160

CHAIR—Welcome, Mr Neel. The committee has received the submission and has published it. Are there any editorial changes, or any amendments that need to be made?

Mr Neel—I would like to make just one amendment. Towards the end of the submission there is part on transshipment. It is on page 116, at the bottom of the page. We make a statement that transshipment is banned. I believe that that statement is from old information. To our current knowledge, it is not banned. That was something to do with union work practices in the past. We would like to withdraw that statement.

CHAIR—Just that first transshipment statement, leaving the part that says: The Japanese are very keen to be allowed to tranship but taking the first statement out?

Mr Neel—Yes.

CHAIR—Let us note the record accordingly. So, for the *Hansard* record, on page 116, under transshipment, delete:

Transshipment of the catch by Japan Tuna vessels has been banned.

Would you like to make a short statement before we go to questions?

Mr Neel—Yes. First of all, I would like to apologise on behalf of Mr Don Quin, our managing director, who put the submission together and presented the submission. Unfortunately, he is overseas and, in fact, returns only today. I would also like to reiterate that the submission was made on our own behalf and not on behalf of Japan Tuna, or ourselves as agents for Japan Tuna.

Our submission was based on the fact that, over the last 30 years, we have built up a business that depends entirely on the Japanese tuna fishing fleet. We see the viability of that business and the livelihood of several staff being jeopardised by the fact that the issue of port access is included in the negotiations on fishing quotas. We are not qualified to talk about the quotas, but we do believe that the continuing access to the port of Fremantle is vital to our business and to many other small businesses in Fremantle.

Our submission details the value of the goods and services that are purchased in Fremantle by Japan Tuna, and I believe that those figures are quite significant. Last year, the negotiations broke down and there were no visits by Japan Tuna to the port of Fremantle and that had a very serious effect on our business. That is why we submit that the issue of port access should be separated from the negotiations on quotas. Thank you.

CHAIR—Thank you very much.

Mr HARDGRAVE—The obvious question is: if this bilateral agreement was not in place, do you think that we would see the Japanese visiting our ports?

Mr Neel—I should preface all of my remarks by the fact that I am fairly new to the industry, and so I am not fully familiar with all of the background to the agreement.

Mr HARDGRAVE—If they were not coming here because of this agreement, would they be coming to our ports regardless?

Mr Neel—There was a question put to the previous person who sat here about the economic benefits to Australia or to the Japanese tuna fishermen. I think that the benefits probably flow both ways. We think that the Japanese will see the port access as a separate issue to the quotas. I think that it is an economic thing to them and that, if it were negotiated separately, yes, I believe that they would come.

Mr HARDGRAVE—On the question of transshipment, it seems that would be something the Japanese would like to develop an arrangement on here in Australia.

Mr Neel—We believe so.

Mr HARDGRAVE—What sort of benefits do you think will flow to the Fremantle-Perth economy?

Mr Neel—I guess really it creates more work within Fremantle. That would probably mean more frequent turnovers of the boats coming into Fremantle. That is my initial observation.

Mr HARDGRAVE—That would not necessarily increase the amount of money spent by Japanese crews because they tend to spill out on to terra firma after months at sea and spend up in all sorts of manners and ways. If they came in more frequently they would not normally be spending more money, would they?

Mr Neel—I do not know about that. I think they possibly would be spending more money.

Mr McCLELLAND—Is there any infrastructure which could be developed which would make our ports more desirable to the Japanese? For instance, we have received evidence that in South Africa there is some development of the infrastructure there. Is that something we should look at or need to look at?

Mr Neel—I think we should look at it, yes. I am not sure if anything has been done or if there has been any research on it at all in our ports, certainly not in Fremantle to my knowledge, but I believe it is something we should be pursuing.

Mr TUCKEY—Your report refers to a reefer. Is that a container or a ship?

Mr Neel—It is a ship.

Mr TUCKEY—So it is a specially refrigerated ship?

Mr Neel—Yes.

Mr TUCKEY—Have you any knowledge of containers being available that would operate at the temperatures necessary for this?

Mr Neel—I do not have any knowledge of it. I believe that Mr Quin, who did the report, would have had that knowledge.

Senator ELLISON—I am just trying to get an angle on exactly what this is worth to Australia and also in particular to Western Australia, which concerns me. Do you have any experience in Port Hedland at all with Japanese boats there.

Mr Neel—The Japanese tuna boats periodically call in there and they are included in all our submission as if they were a Fremantle visitor.

Senator ELLISON—So when we say Fremantle, Port Hedland is included.

Mr Neel—Fremantle is Japan Tuna Western Australia.

Senator ELLISON—Looking at your figures, on an average it is worth to your company just over \$1 million a year. Is that right? You said in your report you have got over \$5.4 million over the last five years, so it is about \$1.1 million a year.

Mr Neel—That is the average expenditure per year of the boats.

Mr TUCKEY—Five million a year for the last five years? That is \$25 million.

Senator ELLISON—Okay, that explains that. So what you are saying is in addition to the previous witness, who gave his estimate of what it was worth. What about staff?

Mr Neel—We have four full-time people permanently to look after that business.

Senator ELLISON—They are consistently occupied with this business?

Mr Neel—Yes.

Senator ELLISON—Plus your part timers?

Mr Neel—Yes, we ramp it up in the season with part-timers—up to five part-timers in the season.

CHAIR—Looking at your figures, just taking up Senator Ellison's point, the \$5.4 million on average over the last five years, you then made a total estimate including lots of other things that came up to about \$21 million including fuel. It has been suggested to us, particularly in Tasmania, that the multiplier effect is about five to one. That is fairly consistent with that. Is that as you see it, four or five to one?

Mr Neel—Yes. Also, listening to the previous person, my figures would almost be exactly the same as his figures and that would also multiply out on a national basis.

Senator ELLISON—Would you agree that the access to Fremantle is about 50 per cent of the total port access of the country by Japanese boats?

Mr Neel—We do not have any experience of that. We do not handle any access on the east coast but it seems, from what we know of what we handle here, and from anecdotal evidence that, yes, it would be consistent.

Mr TONY SMITH—There is one thing I wanted to ask you but you may not be able to help me. It relates to comments on page 6 in relation to dispute procedure. Are you familiar with the background to that?

Mr Neel—Yes, in a sense, I am. I am familiar with that incident.

Mr TONY SMITH—What you say there is that the whole thing was a bit absurd. Basically, if a catch is over quantity then the master has broken the law and must be punished. I just do not quite see your criticism as particularly valid even if it is for a puny amount.

Mr Neel—To the Japanese, the cost of staying in port during the season is roughly \$10,000 per day. They made offers, and it happened in the past, where the catch had been sealed in the freezers, opened in Japan when they got to Japan, weighed, and the matter resolved then without keeping the boat waiting in Fremantle or wherever the port was. Similarly, the Japanese, in this instance, were looking for some sort of concession to enable them to get back to sea.

At the end of the day, when they had been through an enormous amount of pressure, if you like, to try to resolve this there was a \$20,000 fine which to them, in the sense of what they were missing by not being fishing, was insignificant. It creates a lot of ill will between the Japanese and ourselves—not ourselves as Tropical Traders but as Australians.

Mr TONY SMITH—Does it not also provide a significant sanction against

anyone who might be minded to break the law?

Mr Neel—Yes, it does.

CHAIR—As there are no further questions, that concludes this segment. Mr Neel, thank you very much for giving evidence today.

[3.25 p.m.]

FRANETOVICH, Mr John Ambrose, Key Engineering, 41 Wood Street, Fremantle, Western Australia

MARTIN, Dr Phillip Mathew, Medical Director, Westport Medical Centre, 18 Pakenham Street, Fremantle, Western Australia

PAINO, Mr Victor, Sealanes (1985) Pty Ltd, 178 Marine Terrace, Fremantle, Western Australia 6160

PHILLIPS, Mr Joseph James, Managing Director, Franmarine Underwater Services Pty Ltd, 8 Sparks Road, Henderson, Western Australia

SMITH, Mr Mark, Practice Manager, Abernethy Owens and Associates, Optometrists, 9 Point Street, Fremantle, Western Australia

CHAIR—Welcome. We will deal first with Mr Paino and Mr Franetovich, as the other witnesses are running a little late. Do you have anything to add to the capacity in which you are appearing?

Mr Paino—We run a business in Fremantle which mainly deals with ships providores and food services.

Mr Franetovich—I am the proprietor of Key Engineering and we run a ship repair business.

CHAIR—We have received your submissions. They will be published as part of this committee's evidence. Do you have amendments to the submissions before we get on to statements?

Mr Paino—I sent a fax to state my case about the supply business.

CHAIR—Okay. Could you both make a short statement and then we will ask some questions.

Mr Paino—I would like to see that Sealanes keeps on supplying the Federation of Japan Tuna. We have been supplying them for about 15 years with supplies and stores. That represents about \$2.5 million a year to our company, which is 12 per cent of our sales. We sell a lot of Australian products, which is good for Australia. We also supply a lot of souvenirs—toy koalas, sheepskins, chocolates and so on. There is no trouble as far as we are concerned with supplying them. We have never had any trouble with them paying their accounts. We would hate to lose the business because, if we should lose the business, we would be putting off about five full-time staff and about four casuals. These

ships also pay the sales tax which is also another good revenue for Australia. That is all I can say.

It is big business for us. They buy a lot of Australian products, they keep people employed. Besides the supplies that we supply, they also export there bait from Japan to here. It goes into cold stores, so there are truck drivers involved and there are cold storage charges from other companies. A lot of money spent is in Fremantle at the hotels, bars and the casinos. It is big business. It represents almost 15 per cent of my business and I would hate to lose it.

CHAIR—Thank you.

Mr Franetovich—My company has been involved, as my submission states, since 1962—my father was involved then—and from 1965 on I have been directly involved with preparing tuna boats. I do have an affiliation with them and I feel I have a commitment to service them. I, like Victor, would not like to lose their business. It does play a substantial part in our operation. I do not think my business would close down if they were not there, but it would certainly leave a big hole. It is an important part of our overall repair business.

As I have mentioned in my submission, there is a learning curve all the way through and in the 31 years I have been working on the tuna boats I still find something new every so often that I have never done before. They play a very important part in our operation.

CHAIR—In relation to Key Engineering and the figures in your submission—we do not want to get into commercial-in-confidence elements—what percentage of the business would that roughly be? If you feel that would impinge on your commercial—

Mr Franetovich—No, that is all right. It would be about 20 per cent.

Mr TUCKEY—Earlier today we received evidence that a business with links in Western Australia, but otherwise in this case operating on the east coast, has purchased a Japanese tuna long-liner ship and 119 tonnes of southern bluefin tuna quota. If there were 10 such Australian-owned ships based on Fremantle, would you expect similar economic results if those ships were fishing to use the 5,000 tonnes of SBT quota that is available to Australia through this international agreement?

Mr Paino—We are not an agency supplier, we are only a ships providores. As I said before, we just want to see the boats come here as it is big money for Fremantle and Western Australia. On the quota system or what they are allowed to catch, basically that is not my business, that is the agency's business.

Mr TUCKEY—The point I am putting to you is that part of that movement, and

not all of it, is that these ships are operating in joint venture arrangements and they are actually catching Australian quota. The convention on southern bluefin tuna alone provides the Japanese with 6,000-odd tonnes, Australia with 5,000-odd tonnes and New Zealand with a couple of thousand tonnes.

One Australian entrepreneur has purchased a ship. What would happen if 10 others Australians were to come to Fremantle and say, 'We now have 10 Japanese style boats'? They are, for all intents and purposes, identical to the ones you service now but they are Australian owned. They were not interfering with the Japanese quota side of things but they were the owners of and the catchers of Australia's quota. Would you anticipate similar financial returns from them as you would from Japanese boats?

Mr Paino—No, I would not. Personally, as far as supplies are concerned, I would not. I do not think Australian seamen would put in the hours that these Japanese people put in. They are away from home for a long time, possibly 12 months or more. They only see maybe three or four ports a year. It is a pretty hard life. Personally, from my point of view, I would not sail on one of their ships from here to Rottneest because they are small ships and they carry a crew of about 24 or 25. If ever they have an argument with each other there is nowhere else they can go, they are on that bloody boat all the time.

CHAIR—I might interrupt the proceedings here as Dr Martin has just arrived. Dr Martin, welcome, would you like to give us your relevant background.

Dr Martin—I am a registered medical practitioner. I am the medical director of Westport Medical Centre, a comprehensive medical centre in the centre of Fremantle. The centre has traditionally provided health and medical services to the merchant shipping industry for a period of some 30 years and currently enjoys providing these services for, it would be reasonable to say, virtually all shipping whether it be Japanese tuna vessels or general shipping in the ports of Fremantle and Kwinana.

CHAIR—Thank you very much. Mr Smith too has just arrived. Mr Smith, welcome, would you like to give us your relevant background.

Mr Smith—I appear to represent the optometrist firm of Abernethy Owens and Associates who practise in Fremantle and provide a service to the Japanese tuna fleet.

CHAIR—Thank you, Mr Martin and Mr Smith. Mr Tuckey, please continue.

Mr TUCKEY—That bit about purchases of Japanese ships was one of my special questions. People would know this issue of port access has been the subject of quite a bit of evidence so some of the questions we have are a bit repetitive. It is very hard. The issue before us really is to come to a conclusion as to whether or not port access should be part of the negotiations associated with quota for southern bluefin tuna. I guess your views are that that should not be the case.

You do get to have contact with various fishing countries and most are barred from Australian ports, presumably because we do not want to improve their chances of accessing our own fishing resources. With any other companies you have dealt with over time, would you have fears from their general business attitude that they would be harder to control than the Japanese in terms of management of quota and things like that? What is your view?

Mr Franetovich—Personally, the dealings I have had with the Japanese are second to none as far as has been mentioned before—payment, just the way they go about things. I have had dealings with other companies which are a totally different kettle of fish. I would much rather deal with the Japanese than other foreign fishing boats.

Mr Paino—I would second that.

CHAIR—What about medical and optical services? Are they good payers?

Mr Smith—I would say that that would be one of the most outstanding features of dealing with them. We receive very prompt payment, regardless of the vessel or the agency that we are dealing through. The cheque always comes through within a couple of days of the services being provided.

CHAIR—Do you deal through the providore or do you deal direct?

Mr Smith—We deal through their shipping agent.

Dr Martin—We have never had a bad debt on a Japanese tuna vessel. I have been involved for over 20 years. I must admit the Japanese do scrutinise some of the accounts very closely. But that is simply because they may require a bit further information in the translation for their insurer. I do not think it is the Japanese tuna fishing owner, but his insurer, particularly for a medical point of view, that would require further information. But we have never had a bad debt.

Mr TUCKEY—Is the bulk of your business in treating accident victims or is there general consultancy because people are not well?

Dr Martin—It is a broad mix. I would say that in tuna boats compared with other maritime industrial undertakings, the vast incidence of accidents outweighs illness probably four or five to one. It is due to the nature of the employment. I would say, having heard your previous question, Mr Tuckey, that you would find it difficult to employ Australian labour in those occupational undertakings. Given the Australian workplace and industrial occupation health and safety requirements, I would think you would have to largely revise the nature of your operation.

It may be possible to employ Australian labour under some mechanism of

percentage of the catch, et cetera, but if you transported it across our current workplace arrangements, I could not see it operating with any reasonable success, given that we currently service all of the Australian national shipping line. I would suggest to you that a good example of the efficiency of the Australians in that sort of situation is to look at the state shipping service, which no longer exists, and the Australian national shipping line, which is fairly frequently mentioned at political level.

Mr Paino—There also must be the Australian ships.

Dr Martin—Of course, it is a totally different environment. I am afraid workplace situations are such that it would be very difficult. Certainly one company is trying to do some joint work with tuna boats and I am sure the representatives of that company can give you a run-down on some of the difficulties that they have had in providing this service.

We certainly find there is a high injury rate and it falls into certain patterns in tuna fishing. However, you find that the management of these cases by the Japanese is far superior to some of the other shipping vessels from other countries that we have had occasion to provide medical services to.

CHAIR—Were there septic contusions and broken bones?

Dr Martin—Predominantly hand and limb injuries because they are working in close proximity with mechanisation. Eye injuries are very common. The Japanese do have a very high level of awareness to health matters. It is interesting that, when we recommend a particular course of action for Japanese crew, it is invariably followed. That is a provision of specialist referrals, operations, sending them home or whatever.

Unfortunately, the general situation applies to a lot of other vessels. They say, 'Just whack a bandage on it and we can amputate it when we get back to the next port.' The captain says they do not go home. Unfortunately, he who pays for the ticket decides where the crew members go. We have no control over that. We can only provide a medical service in this port which is contemporaneously following Australian medical guidelines. We very frequently find that our recommendations are that a patient will die if he goes back to sea. The response is, 'Thank you very much, the ship is just heading off.'

As I mentioned in the submission, these people are away for three or four months at a time and some of their injuries are quite significant. They are certainly inaccessible to any form of retrieval by helicopters which we have available. If they are operating out there outside whatever the agreed limits are and they do not have access to medical facilities, then it is going to lead to more morbidity and mortality.

CHAIR—Welcome, Mr Phillips. In what capacity are you appearing today?

Mr Phillips—I am here as the managing director of Franmarine Underwater Services, a commercial diving company of Fremantle.

CHAIR—Please continue the discussion.

Mr TONY SMITH—Following that up, are you saying that often your recommendations are disregarded?

Dr Martin—Yes, people are taken back to sea.

Mr TONY SMITH—Not the Japanese.

Dr Martin—The Japanese almost universally follow contemporary medical advice. I do not want to labour the time of the committee on this, but we have had a patient who was having a heart attack and who was taken back on a ship that sailed from here and who subsequently required helicopter evacuation to Geraldton because he had become moribund on the vessel. There are certain countries who place the financial requirements above those of the health of the crew members. This is monitored to some degree by the International Transport Federation—the ITF. But it would appear to me that they are only interested in general cargo carrying vessels; they do not have any involvement with fishing vessels.

Senator ELLISON—Can I get a rough idea of who many people we have involved in employment here as a result of the visit by the Japanese boats. Firstly, Dr Martin, could you give us an idea of who many people they keep employed in your practice?

Dr Martin—As I outlined in the submission, we have four full-time equivalent doctors and approximately nine full-time support staff. Based on my reasonable estimates, the removal of the Japanese tuna work—that is, specific to the tuna boats—would constitute the equivalent of a half full-time equivalent doctor and the associated support staff, which is one to two support staff.

Senator ELLISON—With Sealanes, how many people would be involved?

Mr Paino—I would say about 14 would be involved with supplying the Japanese fishing boats.

Senator ELLISON—About 14 full-time?

Mr Paino—Yes.

Senator ELLISON—And in relation to Key Engineering?

Mr Franetovich—Because it is a seasonal thing there are a lot of peaks and troughs, and we work a lot of overtime. But I would think it would probably be about five, if you spread it over a full-time basis. But when it is peaking I could have 12 or 15 people working on it.

Senator ELLISON—With the optometrists?

Mr Smith—We have a total staff of 15 people in Fremantle, four of which are professional optometrists. I would say that, based on the revenue generated last year, we would have to face dropping one optometrist and probably one receptionist if they were to cease altogether. So two full-time staff members would go.

Senator ELLISON—And Franmarine?

Mr Phillips—Again, reiterating that it is very seasonal, we would guarantee the loss of one, and because most of our divers are on a casual basis except for the supervisor I would say it would equate to about 400 man days a year which would equate to about one and a half if they were in full-time employment.

CHAIR—So what is the total, Senator Ellison?

Senator ELLISON—About 25-odd I make it, at a rough count—say, 25 to 30.

Mr McCLELLAND—There would be other industries affected.

CHAIR—That is only the direct effect. There is then the multiplier effect.

Senator ELLISON—We have also had evidence from prior witnesses of how many people were involved in this as well, so you are not the only ones by any means.

Mr Paino—There are also, from our point of view, the outside transport companies which sometimes cart stores down to the boats, cart the bait to the cold stores and bring it back—

CHAIR—That is right. Before most of you arrived, we talked about a multiplier effect of somewhere between four and five. So, if you extrapolated, it could be mean 100 people in total.

Mr Phillips—In the case of our company, for example, we have 10 full-time employees and we employ up to 49 divers a year. I would say that the income generated solely from the tuna boats gives us the advantage of having a full-time administrator and a full-time supervisor. So we have that natural flow-on and we would obviously suffer quite dramatically if you took away that amount. It is quite easy to say, 'I would definitely have to get rid of that and that,' but at the end of the year we may suffer quite badly.

CHAIR—It takes you to a threshold so that you can do other things.

Mr Phillips—It gives us the ability for a couple of months every year to be quite active as we are flush with funds. We have the ability of people on board on the payroll.

CHAIR—But then on top of yours, with a prop change or whatever it might be, it flows on through, does it not?

Mr Phillips—Yes, and it does not matter if we are buying anodes, for example. We go through probably half a tonne of anodes a year, which come from Geelong in Victoria.

Mr HARDGRAVE—Do each of you have an exclusive franchise arrangement in this or are there other competitors in the services you provide?

Mr Paino—I think we compete; we supply for the company called Black Swan. They also supply some of the tuna boats from a different agency.

Dr Martin—Medically, we are the only service provider to provide a 24 hour a day dedicated medical service for ships at sea. That is all the ships and includes radio medical advice for ships at sea. The cost of providing that service involves a 25 per cent loading on top of an ordinary standard rate that you would pay for a doctor. We currently do not, for our after-hours services, recover anything like the 25 per cent, but obviously to maintain the overall operation you absorb that. Given that the Japanese are now the largest users of after-hours services—that is they arrive at non-scheduled times and by the nature of their injury profile—if we removed that component of work from the medical centre it would be then questionable as to whether you could justify providing after-hours weekend service. It would then fall back on the public hospital which is sadly already crumbling. It also does not have the available services and skills in so far as interpreters and more of the other things that the Japanese really require. From our point of view, it really will have a major impact on the provision of 24-hour emergency services to ships at sea.

Mr HARDGRAVE—I will come back to you at length in a moment. Does anybody else here also have an exclusive arrangement?

Mr Smith—That would be the case with us. We have a fairly comprehensive optometrical service arrangement whereby we do the eye test, we do the optical dispensing of the glasses and we also have our own laboratory. We are really the only organisation in Fremantle that can provide a comprehensive from go to whoa sort of arrangement and so, consequently, we take the service right through. I do not think anyone else in Fremantle could provide that.

Mr HARDGRAVE—So you have a natural advantage rather than an exclusive arrangement?

Mr Smith—That is right, but I think it probably goes further in that we have had an arrangement and a relationship, I guess, with the agencies for a good many years. They know they can get the goods from us and they traditionally pass the fishermen on to us.

Mr HARDGRAVE—But in the other cases there would be some competitors so you have to be price competitive, service competitive and so forth.

Mr Franetovich—A lot comes back to the service that is provided. After 30-odd years I think we have got the runs on the board so far. We have still got to provide that service without any conditions. I have got to make sure the vessel leaves on time.

Mr Paino—From my point of view, it is not only competing in Australia. If they do not come here, they look towards New Zealand, Singapore, Indonesia or somewhere else and we miss out altogether, so there is no benefit.

Mr HARDGRAVE—What I wanted to pursue with Dr Martin, Mr Chairman, if I could is: how did these exclusive franchise arrangements come about? Is there a tender process that you have to undertake or is there simply some sort of negotiation with an agent?

Dr Martin—It is not an exclusive arrangement. We have offered a range of in-house services which are currently not available otherwise, including 24-hour radiology et cetera on site. We also have, through the history of the particular centre, obtained Commonwealth government approvals as medical inspectors of seamen; we have been accredited by the Japanese marine insurance people, who have done accreditation inspections. We are approved by Lloyds et cetera for delivery of health care. It would be difficult for another practice very quickly to obtain the various credentialling that we have. But yes, there is no reason why a particular shipping agent could not decide to refer patients to another health care delivery organisation.

Mr HARDGRAVE—You mentioned language matters before for your staff.

Dr Martin—We have staff who speak a range of languages. It is one of the requirements, preferably, that they can speak one more language and at the moment it is usually Japanese, Malaysian or Indonesian. We also have interpreter services which we have cultivated that are available to provide the sort of services which we need.

Mr HARDGRAVE—So you and the optometric company provide professional services which you have deliberately sought, you have geared yourself up, you have invested your time and efforts into doing that and have gained that market. I guess the same is true with the case of the service and technical services provided as well.

Dr Martin—That is correct.

Mr HARDGRAVE—So the feedback then, or the rollover effect in the local community, would be fairly pronounced if you are all geared up to this particular aspect of an industry. So if you were to lose the Japanese business, the effect in other businesses in your area would be pronounced as well.

Mr Paino—Yes.

Dr Martin—I would reiterate that definitely, and certainly at a time when the provision of timely and efficient services—it does not matter whether they are medical or providoring or otherwise—in spite of improved efficiencies and economies we have seen across the board in the marine industry downsizing of crews. It is not a big growth area in which you could say that there is another 100 ships of the old type.

If you take a sheep carrier with a crew of, say, 60 and compare the same tonnage to a container vessel with a crew of 12 or 13, things have changed a lot and I would suggest that there are not too many people who are in the business of providing services to ships who have shown a significant growth over recent years in that area. It has essentially been one of checks and balances as crews have come down and ships are here for a lot less time. We now find that a lot of our services are required after hours, whereas some years ago the ship was always here for three or four days and it did not really matter. Now you really have 24 hours, on an average, of open blue water vessel in which to provide all of your services—investigations, treat the patient and get them back on board—so both numbers and the nature of delivery of services to the marine industry has changed over the last 10 years. I think everyone would agree with that.

Mr HARDGRAVE—Senator Ellison has clocked up a couple of dozen direct people out of your businesses alone. Can you help him out further? What is your estimate on the community effect of employment?

Mr Smith—I was giving some thought to that earlier today and initially I was thinking that we have got the health service professionals involved. Then I thought, ‘What do the blokes actually do when they come to port?’ Bearing in mind that they are at sea for up to two or three months at a time—Dr Martin, possibly?

Dr Martin—We issue medical supplies for a period of three months; that is the standard prescription for their period until they return to port.

Mr Smith—So between getting in and leaving they have got to stock up on provisions as well. The Japanese have a bit of a soft spot for liquor and I believe that there is probably more than a couple of liquor merchants in Fremantle who would suffer if they stopped coming in. But also just general provisions—food and medical supplies and so on—I think there is probably a lot more people affected than we realised initially, on the surface.

Mr HARDGRAVE—Hundreds, thousands?

Mr Smith—A hundred probably would not be an unreasonable estimate, I guess, if you took in all of the businesses affected in any sort of way, shape or form.

CHAIR—It comes back to that four or five multiplier effect.

Mr TUCKEY—Can I just ask a question consequently: if the Australian government was more proactive—and we have had some evidence relative to the South African government approach—do you believe that there is extra business out there? In other words, if we were more relaxed about port access and we were more proactive in encouraging it and possibly even creating facilities, do you believe that there would be an increase in your business?

Mr Paino—From my point of view, I would say yes.

Mr Phillips—And mine, definitely, especially if they shook off some of these environmental concerns, which I think they are about 100 years too late on. One hundred years ago they brought their ships into the careening bay and scraped the bottoms and dumped the tube worm on the bottom. Now, slowly, the ports are closing, and with cleaning and any sort of underwater work that may deposit foreign matter on the seabed, as I said, I think they have left their run about 100 years too late. The only problem is that now with new paint, new technology and bearings we sometimes have only 12 hours to swing a vessel into port—the container vessels come in and out again in 12 hours.

Mr TUCKEY—And we are trying to halve that.

Mr Phillips—They come in at 10 at night and leave at 10 the next morning. With the services that we have geared up—and a lot of it is generated through tuna boat work—we have the ability to be able to do that. If we did not have that cash flow when it came in, sometimes it would make it very hard because we are competing directly with three or four days sailing away to Singapore, and it makes it quite difficult, especially when we are trying to work at 10 o'clock at night and pay overtime and proper rates.

Mr McCLELLAND—Just on that, Mr Phillips, do you know if anyone has done any research as to what infrastructure would be of assistance to the Japanese and, hence, make the port more desirable as a port of call?

Mr Phillips—Is this on tuna boats, or is it general?

Mr McCLELLAND—For the tuna boat industry.

Mr Phillips—I think you would have to probably ask the Japan Tuna people and things like that on that.

Mr Paino—It is the agents I think you should ask.

Senator ELLISON—What sort of service are we offering? There has been evidence given that there is an upside for the Japanese coming to Fremantle. We have heard of some of the services that have been offered to them. Are we offering them good services, good value for money?

Mr Phillips—I doubt it.

Mr Paino—From my point of view, we offer a good service and I think we can improve it a lot if we get more boats in, or more ships. In the last four or five years, they have had a bit of problem with the Customs—they have had to pay some sales tax and duty, which I think is a bit unfair because they are a Japanese crew, they fly a Japanese flag, they come into port, they pick up their stores and they go. The only technical point is that because they do not go to another port, the Australian government wants them to pay sales tax. If they go from here to New Zealand or even to Cape Town, they do not pay the sales tax. But, if they go from here to the fishing grounds and come back after three months, they have got to pay their duties.

Mr Phillips—There is excise on the fuel, too.

Mr Paino—Yes, and there are a lot of big expenses, and bit by bit we are losing it. They are going to Indonesia, which is the new grounds for these people, to try and get organised and get port access and stuff.

Senator ELLISON—That is sort of a government side of things that we could look at.

Mr Paino—Yes, that is government.

Senator ELLISON—Mr Phillips, you said that you doubted that we gave them good service?

Mr Phillips—Yes, I say that most emphatically. Because, if you come in from three months or six months at sea in one of those boats that does not have a lot of the pleasures of life on board, then you have got the south of the harbour which is now becoming a market area and you have three padlocked gates to get through to get in and out, and they park them over on the north side, which is three miles around to get to the nearest facilities. I do not think that is very good service at all.

Senator ELLISON—Apart from that, the service though generally that we are providing—

Mr Phillips—Our services, I believe, are all right. But the I think the actual fact of

giving them access to spending their money ashore and having a good time is fairly poor.

Senator ELLISON—The recreational side of it is down.

Mr Phillips—I think the casino would be a big loser if they did not come.

Mr Paino—Not only the casino but the hotels, the taxis and everything will follow through.

Mr TUCKEY—Why do we put them on the north side? It is not as though the joint is that crowded out, is it?

Mr Phillips—I would not think so, but I am not the one there making the policy in the port. I just have to drive around it.

Mr Paino—I just want to explain, we are only on the supply side. It is mainly as ships agents and Tropical Traders.

Mr TUCKEY—Yes, we understand that. Without going too far into practicalities, you talk about cleaning ships, and you would be talking about that from an underwater perspective. How are people handling that now? Your attitude is that they used to do it at the berth or whatever. For ships of this size, what are the practical aspects of having an enclosed area, something that they are still afloat in? Are they the sorts of things, or are we getting too close to a dry dock or a ship lifter or whatever?

Mr Phillips—The paints are so good now, they seldom need it.

Mr TUCKEY—So what you are saying is that that type of work is disappearing.

Mr Phillips—Is disappearing very quickly, and of course the small amount that is there is also disappearing because of restrictions. Some of the older vessels still have the older paints on, which do get growth on. But the newer vessels just do not need very much servicing. It is very difficult now to encourage them to have a service.

Senator ELLISON—Mr Phillips, I do not think you were here earlier when we asked about what sort of customers the Japanese were, and the overwhelming body of evidence has been that they are good customers. Would you agree with that?

Mr Phillips—Yes, excellent.

Senator ELLISON—Good payers?

Mr Phillips—Excellent payers, never quibble. They expect value for money and they expect service. Provide the service and you have a good client.

Mr TONY SMITH—You will all agree, I am sure, that unless the fish stock is carefully managed your continued tenure as providores to these people is pretty tenuous. Is that right?

Mr TUCKEY—That is, if we let them catch all the fish one year, there is no sense in that.

Mr Phillips—The thing is, though, I might have come here a little late, but I can remember as a youngster the newsreels on television about how wonderful our fishermen were in Port Lincoln, poling thousands of tuna without bait or hooks onto the deck of the vessel and they would be awash to the knees, as the tuna were swimming past Port Lincoln. We have got into some conversations with the Japanese and they believe the bluefin tuna does not actually spawn until it is about four years old. Yet the Australians for many years believed the best fish to put in a can was about two years old. So I do not really think we should point our fingers at anyone unless we look ourselves. We actually sell some odds and sods and provide some service and advice to the tuna fishermen in Port Lincoln, who are catching fish and bringing them in and putting them in their cages. I know that is a method of, shall we say, fattening the Australian dollar, but I do believe that we have got to look after our fish stocks.

I wrote in my submission that I believe the best way to control it was to actually have them come to our ports so we could see what they were catching. Let us not put our head in the bucket, because, no matter what we do, the Japanese are going to catch the same amount of fish from the same oceans. The fact that they come to our ports or do not come to our ports is naught to them; it means that they have got to sail a bit further. But the only thing is, when they do come to our ports, the fisheries people go on board, inspect the catch, make a record, tag them. At least we know what is happening and you might have some control, but ban them and you will not have any. That is my thoughts, good or bad.

CHAIR—All today, before you arrived, we have had evidence in terms of the quota and port access. You are reinforcing a view that they should be separate.

Mr Phillips—Yes, I think so.

CHAIR—There are other arguments, but I think we have heard most people say that they should be separate.

Mr Paino—The quota does not concern us as far as supply is concerned. We want the boats to come in the ports so we can supply—that is giving them port access. The quotas are a government sort of thing—

CHAIR—But in terms of this bilateral agreement, which is what we are here for, the two are inter-related, and what is being suggested to us here and has been suggested to us in Tasmania, and we will wait and see what happens in Port Lincoln tomorrow, is that

those two should be divorced. The thing that does affect you is the potential of that to impact on those who provide services, like yourselves. If we were to say, 'Look, we do divorce them,' would they still come in, and the view seems to be that they would. Do you have a view on that?

Dr Martin—I would question that, having had 20 years experience with Japanese and having travelled frequently to Japan. They do not always apply the same logic. Let us look at the situation where they felt that we were saying, 'No, you can't catch any fish within our 200-mile limit but, yes, you can come to the port.' Japanese logic would say that they really do not feel that is fair game and, in which case, they would rather bunker their vessels by the mother ship and increase their involvement with Indonesia. I make that comment because we are now seeing increasing numbers of Indonesian crew—not large numbers—being used on tuna boats. Some of the tuna shipping owners cannot get appropriate labour and they are now using Indonesian tuna fishermen. I suspect that we will see an increasing alliance between the ship owner and the country where he is getting his crew. That may, in fact, see a further move away from Australia as the primary host for services.

I would agree in general with your position statement that the quota and the services or access to ports should not be linked. I cannot see any logical reason for doing so, other than for political reasons. But I would equally say that it may not be as easy to convince the Japanese that, if you are going to cut their quota, they should continue to spend their money at the casino.

CHAIR—There is no suggestion that the quota should be cut to zero. It is just a question of the balance between the quota and the leverage that the quota argument has in relation to the port service argument.

Mr TUCKEY—I have to say that I have tended to establish the view that it is the reverse issue which is really before us. My understanding is that we link port access and the quota on the basis that we will give them some quota and we really do not want to give them port access.

Our question is: should port access be free, provided the normal requirements are met? Should we go off and negotiate quota as a separate issue based just on the environmental and conservation aspects which are linked to access to the Australian fishing zone and to actually catching the fish? Remember, at the moment, as they demonstrated during that ban, they were still fishing the Australian fishing zone and then taking the catch off back to Indonesia or somewhere else.

I do not think that the threat is in our saying that we are going to take all their fishing rights away from them but they can still use our ports. I think that it is more a question of whether there should be any interaction between the two services whatsoever. Presently there is, and it is part of our responsibility to make some comment on that issue.

Clearly, if it were open slather and—as I made the point—if Australia were more proactive, there is a fair chance that a few more boats might come here. We certainly should not be taxing them on fuel and stuff that they are taking out of the country. I thought that was a rather interesting point to be drawn to our attention.

Dr Martin—All I can say is that, if you have flown into Singapore lately and have counted the 100 to 200 ships which are located off Singapore, and compared that circumstance with the general living standard in Singapore, you can see that, not only with tuna boats, but in encouraging trade and the various marine industries, it may be great for Qantas to fly people around, but when you are talking about the economy, as far as trade is concerned, you are talking about shipping. Unless we have strong, stable and broadly based services to offer shipping, we will continue to see, sadly, what is happening in Western Australia now where containers wave as they go past and appear back about a month later on the railway line at huge expense, having been offloaded in Melbourne and Sydney.

Mr TUCKEY—Would you expand on that? Is that because the port of Fremantle is so crummy?

Dr Martin—I would say to you that it would not be cost-effective. I am not an expert in this area at all, but I frequently go on board container vessels. It is not cost-effective for a large container vessel to stop and unload half a dozen or so containers in Fremantle and then sail on. So unless they have other reasons—that is, while they are unloading the containers they can get their propeller fixed or take on their stores efficiently et cetera—it is just stopping dead in the water.

A good example is in Hong Kong where a lot of the stevedores go out by launch so that all the containers are unlashd and ready for lifting off when the vessel hits the wharf. Generally in our system the vessel is probably wharfside for six hours before eventually somebody comes along and starts up the machinery to move the containers. You are all aware of the inefficiencies in our ports and, hopefully, they are being addressed. I am just suggesting that this is just one small aspect of providing efficient port services which, to me, are really going to be the key to whether we get Western Australia, which is my major concern, off the ground. As I say, for a good example look at Singapore or Hong Kong—all their loading and unloading of containers is actually done at sea, within the port area, and they are brought in by barges and so forth.

We really are losing the plot when it comes to moving our produce in and out of this country. Vessels are going to be here for less time in future. I said less than 24 and you commented that most of these vessels are less than 24 now. I would see that a container ship that wants to unload half a dozen containers should really be able to look at a turnaround of less than eight hours.

Mr TUCKEY—They should be able to handle 30 an hour by international

measure and we do about 14 or 15.

Dr Martin—And to do that, they want their sick crew members seen, their provisions done, their vessels serviced, a new set of glasses, dentists, and if they cannot have those services then, essentially, you are going to have marquees on the port which is what we are getting now.

Mr TUCKEY—But, furthermore, when you start to talk of rail if we were ever super efficient in that area we might see that eastern states containers going on our railway line and travelling across Australia.

Dr Martin—I totally agree.

CHAIR—We are diverging from—

Mr TUCKEY—I have to say, Mr Chairman, it is a pretty interesting argument.

CHAIR—Yes, I know—

Mr TUCKEY—I have been putting up for the job of dictator, but they won't have me!

CHAIR—There are no further questions. Are there any final comments from the other side?

Mr Paino—I would just like to make one comment on what Dr Martin has said about the shipping itself deteriorating. They say in the paper quite often that the tonnage is up. It is mainly all container ships which bring extra containers and then go off and those ships do not buy a great deal of stores. From my point of view as a supplier, one tuna boat is equivalent to about six cargo ships. In spending with Sealanes they average about \$25,000 compared to the ordinary cargo ships that come into port and on average spend about \$2,000 to \$3,000. It is vital, as far as I am concerned, to the ports in Western Australia and to my business.

CHAIR—That is an important point.

Mr Phillips—I would go along with Victor. There are a couple of other things that I do not know if you are aware of that I would like to point out very briefly. They actually ship their bait in from Japan. It gets off-loaded in our port in frozen containers, it is stored in the cold rooms, gets transported to the wharf and unloaded. And there is quite a bit. You would have to ask the agents, but there is quite a bit of bait that comes in. Stores come in and get unloaded. Spares are freighted in. When there are a few tuna boats in you will see that there are a lot of ancillary services that are not here that are working that wharf constantly. There are bunkering people, and refrigeration people because they

run big refrigerators on board. There is a lot of gas goes on board.

It is quite dramatic what extra services are used, other than what is here, including minibuses, taxis, casino runs—you name it. I think you have only touched the tip of the iceberg here. Although you may have picked a certain sector of us, I think if you really wanted to see and outline the exact amount of services that are not counted here and that appear on the wharf you would see it is quite dramatic and it affects a lot of people.

CHAIR—On a number of occasions during the day, we covered the question of the bait, and that is something that has been raised not only here but in Hobart et cetera as well. The point is that the economic impact is anywhere between \$30 and \$70 million per annum, nationally. But nobody can quite put that too specifically.

Mr Paino—It is a lot of business.

CHAIR—The multiplier is about four to five. You have reinforced that today. Thank you very much indeed. We appreciate your evidence.

Resolved (on motion by Mr McClelland):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 4.14 p.m.