



COMMONWEALTH OF AUSTRALIA

JOINT STANDING COMMITTEE ON TREATIES

Reference: Long-line tuna fishing

ADELAIDE

Friday, 27 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.

WITNESSES

**STONE, Mr Chris G., Vice-President, Game Fishing Association of Australia
Inc., PO Box 736, Port Lincoln, South Australia 5606 366**

JOINT STANDING COMMITTEE ON TREATIES

Long-line tuna fishing

ADELAIDE

Friday, 27 September 1996

Present

Mr Taylor (Chair)

Mr Bartlett

Mr Laurie Ferguson

Mr McClelland

Mr Tony Smith

The committee met at 2.05 p.m.

Mr Taylor took the chair.

STONE, Mr Chris G., Vice-President, Game Fishing Association of Australia Inc., PO Box 736, Port Lincoln, South Australia 5606

CHAIR—Welcome. We have received your submission. It has been published and is therefore part of the evidence. Before I ask you to make a statement, are there any amendments you wish to make to it?

Mr Stone—No. I am quite happy with it the way it is.

CHAIR—We have taken evidence in Hobart and we did hear from recreational fishing people down there; we have taken evidence, of course, in Canberra; and in the west yesterday we had quite a lengthy discussion with one of your state colleagues. Today we are interested to hear what you have to say. We have just come from Port Lincoln and we are interested to hear how you see it from a game fishing perspective.

Mr Stone—I did not quite know what to expect, whether it was a question-answer type session or whether you expected me to come with a presentation.

CHAIR—Would you just make a very short statement, just to pick out the main points, and then we will take up the questioning.

Mr Stone—The major area of concern is the poor return to Australia, the \$3.45 million, specifically as the return for the fishing. I cannot put that in terms of a dollar value per kilo. I do not think anybody can, because there is no idea of how much resource they are actually taking. But one of my concerns is that the CPUE level, whenever there are observers on board the Japanese vessels, as other vessels, seems to go up alarmingly. To me that indicates a fair amount of cheating. So we really do not know what level of resource is being extracted from our AFZ, and I would suggest that the \$3.45 million is a pittance.

I feel that, if we were to increase that to a level whereby we could, perhaps, come to a reasonable remuneration or to the point where they even decide that it is no longer suitable for them to fish in our AFZ, then I think that that effort would be displaced by the Australian effort—regardless of what they say. They say that that would not be taken up by the Australians; I think they have got a vested interest to say that it would not be. The high value proportion of the take, being SBT, is in the hands of a very few quota holders in Australia, and it is in their interest to just sit on their butt, do nothing and allow the Japanese to catch that quota.

The CSIRO, I know, are awfully concerned about the amount of scientific information that comes from the joint venture and the agreement. But I believe again that that will be still maintained because of the take-up by the Australian industry.

As for the east coast of Tasmania situation, I guess the guy in Tasmania has mentioned to you the figures that I have also reproduced here, showing that the take of large fish down there has dropped off to the point where they are non-existent in close. It is primarily because of the value of the recreational sector, in terms of dollars and also in terms of socioeconomic benefits to Australia, that we see that as having a direct influence on the recreational sector down in Tasmania.

The IOTC, as also the CSIRO, point out quite validly that tuna are a highly migratory species, with straddling stocks which really you cannot manage or ascertain on a small population. You must do it on a global base. The only way I see that that can be maintained is for Australia to have a strong voice on the IOTC. It is imperative that we maintain our interest in that organisation and get onto it, to have a very big influence on fine-scale management of the data coming out of that. That just about covers it.

Mr McCLELLAND—The evidence we have heard is that the Japanese portion of the catch in Australian waters is 600 tonnes. In that context, \$3.4 million for 600 tonnes, while it is considerably less than they would sell that for, is not outrageously low. It is the raw fish. You prefaced your comments by saying that the value we received under the treaty was very low, but you indicated that you were not aware of the volume of fish taken out. If you were aware that it was 600 tonnes, would that change your opinion?

Mr Stone—No, because I believe that the 600 tonnes is only a very small percentage of their total take in the Australian AFZ. I am talking now in terms of all species—the marlins, the broadbill, the shark, the whole range of tunas, including rose bream. I believe that the quantity taken out and the value that they get for that is far more important in a total context than just the 600 tonnes.

Mr BARTLETT—Have you got any estimates of what game fishing means to the Australian economy, and what it would be, in your opinion, if the Japanese were excluded—if we did not renew this agreement?

Mr Stone—Probably one of the failures of government generally, in management, is in trying to come up with a value of what game fishing is worth. We believe that not nearly enough effort has been made to ascertain the value of fishing, in terms of both the raw dollar value and also the socioeconomic value. We have done a small study ourselves, and we have come up with something of the order of \$200 million for the game fishing sector off Queensland and New South Wales.

Mr BARTLETT—What is your estimate of how that would increase if the treaty were not renewed?

Mr Stone—Again it is a slow growth situation. It is hard to put an estimate on the growth factor. If we had a situation such as, for example, in Cabo San Lucas, in Mexico, where it is a recreational fishery only—they see the fishery as being so significant and

important that they are not prepared to let the commercial people touch it at all—then the stocks would regenerate and become quite perceived as allowing a high ability to catch a fish, and therefore would attract a lot more people to that fishery. That sort of situation occurs around the world. If it were perceived to be a recreational fishery, if we did not have this high incidental catch by the foreign operators, then it very well could increase. But to try and put some specifics onto it, I would be hard pressed.

Mr BARTLETT—You said that recreational fishing is worth about \$200 million at the moment. Could you give us an idea of how that has changed, for instance, since Japanese long-line fishing has been occurring in the AFZ?

Mr Stone—I would have to have some notice on that question and come back to you on it. To try and put something together off the top of my head is a little bit difficult. There are all sorts of factors that come into play on that.

Mr LAURIE FERGUSON—At page 2 of your submission you have mentioned concerns about the accuracy of the Japanese statistics, and you have referred to that again today. Could you give us anything more clear-cut and specific?

Mr Stone—I am also a recreational representative on the southern tuna management advisory committee of AFMA. Through that we hear stories of when observers go onto these vessels. The strange thing is that the catch results go up incredibly. It is a bit of a standing joke amongst the observers that when they go on board a vessel the skipper might say, ‘You bring me good luck. My catch rate go up when you come on board.’ If it has got to the point where that is a standing joke, it must be pretty accurate, I would think. I have seen the charts—I have not got them with me—of how these catch rates go up quite substantially when the observers are on board.

Mr LAURIE FERGUSON—Could I be reminded: do we have figures on that ourselves?

CHAIR—No, I do not think we do. Mr Stone, could we have those on notice, but as quickly as possible?

Mr Stone—Yes.

Mr LAURIE FERGUSON—Finally, you mentioned your activity on the MAC. Do you agree with the assessment of the Australian National Audit Office that there must be some concern at the dominant influence of commercial interests within—

Mr Stone—Very much so. I have just been to the second World Fisheries Congress, in Brisbane, which ran over seven days and included representatives of just about every nation in the world. A very large part of that was the change all around the world in management structure of fisheries, to involve all user groups within that sector.

We believe that the recreational component of the Australian fishery is very valuable in terms of dollars, in terms of contribution to the conservation angle and also in terms of trying to manage the fishery for everybody—on behalf of the Australian people, who own the resource. We feel that we can have quite a considerable input on the management structure. We do, as I have said, through the MACs, but we feel that we should be considered to be a main player rather than just a part of it.

Mr LAURIE FERGUSON—Are you specifically concerned that the MACs, in their decision making, are too influenced by the high prevalence of commercial interests?

Mr Stone—Yes, simply by the make-up of the MACs. Our particular MAC, the southern MAC, is made up of five, I think, industry members, a state government member, an AFMA member and a recreational person. I am not classified as a member; I am there as a permanent observer, which means basically that they do not have to accept my input if they do not want to. It tends to impede my progress within the MAC and also we suffer financially through having to pay half of our own way through that MAC.

CHAIR—Does that apply to all the MACs?

Mr Stone—No. The western tuna MAC have a recreational representative there as a full member, and the eastern tuna MAC have a representative there as a full member as well. But the southern MAC does not.

CHAIR—Has that been raised with AFMA?

Mr Stone—Yes, it has, quite frequently.

CHAIR—What is the rationale behind it?

Mr Stone—The latest reaction to it was that, because the membership is fully made up, they are bringing me in as a recreational sector permanent observer because they cannot fit another person in on the paperwork. They say that the schedule is not big enough for me to be put in there as a full member, which is a bit of a joke.

Mr TONY SMITH—I have a few questions. One of the things that I have difficulties in distilling is the self-interest of the various people that appear before us. With that in mind, I need to get a little more background of what the Game Fishing Association is. What is the commercial component, if any, in it? You could give us a bit of a background, if you like.

Mr Stone—It is a voluntary organisation that is made up of representatives from each state association. We have about 10,000 members of clubs throughout Australia, in every state of Australia. The Game Fishing Association of Australia is the record keeper and policy maker for that organisation throughout Australia. Our parent organisation is the

International Game Fishing Association, which is in the United States.

We have a very strong ethic in terms of conservation. Our whole premise is based on conservation. We believe that a fish is better caught many times rather than just the once, and we encourage people to tag and release, and also to not overcapture. Does that answer your question?

Mr TONY SMITH—Apart from the interests of its many members and so forth, generally speaking there is no commercial flavour to it whatsoever? It is not a profit making enterprise?

Mr Stone—No. We have a foundation component attached to it, where we raise funds and use those funds for scientific research wherever we feel it necessary.

CHAIR—The charter boat element is a separate association, is it?

Mr Stone—It is, that is right. The charter boat is a totally separate entity.

CHAIR—They are not involved in the Game Fishing Association?

Mr Stone—That is right.

Mr TONY SMITH—One thing we heard yesterday concerned the marlin strike, in that the emphasis is turning toward getting the strike, getting the fish out of the water, getting a shot and cutting it loose. As someone said today, would you just leave it swimming round with 200 yards of line?

Mr Stone—No. At the moment, the rules do not allow for that sort of situation to happen. It can happen if the fish accidentally breaks off and goes free, but the aim is basically to get the fish alongside, put a tag in the fish so that it can be used for some sort of scientific research and then cut the trace down near the bill, or maybe grab the bill and actually take the hook out of the bill. That happens, I might add. Over 90 per cent of all marlins are returned alive to the water.

Mr TONY SMITH—One of the things about that is that that occurs after five or six hours of a fight, sometimes. You are leaving a fish that has been totally exhausted by that to its own devices. It has also been put to us, ‘Well, we never find any of these tagged fish.’

Mr Stone—That is not true. I would dispute that. For a start, to fight a marlin for five or six hours is unusual. You are more likely to average an hour or so for a fight. We have done studies whereby we have had Dr Julian Pepperell put sonic tracking devices into the marlin to demonstrate, basically, that these fish survive after they have been captured. In fact, that is exactly what the studies show—they do recover and go on and

live, to be fought again.

Mr TONY SMITH—Would you line up your association against the tuna fishers, in terms of knowledge of stocks? Would you say, ‘We know the stock side of things better than the tuna fishers’?

Mr Stone—No. I would say that we probably have about the same knowledge—which is very, very little. We really do not understand all that much about them.

Mr TONY SMITH—We have heard evidence, at least from Western Australia, that there is a concern about stocks. From anecdotal evidence of fishing, you just do not catch an SBT now as easily as you used to, by far. On the other side of the coin, we seem to be hearing evidence from the commercial interests that the stocks are okay. We seem to be told that there are stocks out there.

Mr Stone—I believe that the Australian CSIRO approach a very high level of integrity in comparison to the Japanese equivalent of CSIRO. They tell us that the stocks are at an all-time low and the biomass is still at a stage where it is possible for that biomass to totally collapse. It is by no means in recovery phase. I have seen enough statistics of that through the CSIRO’s research to believe in that data.

CHAIR—Would you support an endangered species listing?

Mr Stone—No, I do not think so. The CSIRO figures show that we are probably on a sustainable level of catch at the moment. I know the Japanese are very keen to see this increase through an experimental fishery. I see that as nothing more than simply a means to increase their catch. It is purely a simple sampling method, in areas that are not already covered by fishing. To me that is pure nonsense in terms of scientific research. CSIRO, in their methods of determining stocks, do it much more professionally than that and I believe their figures are far in excess of what the Japanese are.

Mr TONY SMITH—I would like to get back to an interesting point—we might have to take this up later, in consultation—on the by-catch. Mr McClelland asked you about the 600 tonnes and whether you would be prepared to revise your assessment of its being a low figure. Perhaps we just have not heard enough about the by-catch side of it. You are saying that there is something quite valuable in that, perhaps even that it is an attraction as much as the SBT?

Mr Stone—Yes, I believe that it could be. I base that on talking with observers that have been eyewitnesses to these long-line captures. It is highly possible that they are not coming clean with the captures that they are taking. I feel that there should be much more information. It goes to the Australian industry as well. All fishermen are notorious for understating their captures by falsifying logbooks. It worries me no end that this is very, very prevalent, not only in the Australian industry but right across the board. We do

not even start scratching the surface, really, on what they are actually taking. It is of real concern.

CHAIR—Let me take the four main points that you have made in the submission, starting with the poor return. The vast majority of the evidence that we have taken would indicate that it is just the opposite if you look at the multiplier, if you look at a lot of flow-on effects. In fact, it is—

Mr Stone—May I just interrupt you there? Are we talking now strictly of the access fee?

CHAIR—We are talking just about the access fee. The others flow from having access, I suppose.

Mr Stone—I would suggest that they are two different components. Access fee and port access should be treated as two different components.

CHAIR—Yes, I agree with that. But what we have had is that the \$3.45 million is well above what other countries get. In finite terms it is a good return, bearing in mind that a substantial element of that is for research, which would not take place, I would suggest, unless you had that access fee.

On the 50 nautical mile exclusion zone along the east coast of Tasmania, we have heard both sides. I have to say that my personal view is that I still tend toward increasing it from 12 to 50, irrespective of what one or two other people have said. But we will have to look at that as to whether it is smoke and mirrors or there is a bit more to it.

The negotiating team and the dialogue with the recreational fishing peak body is something that undoubtedly we would push. I say that without pre-empting what we are going to say in the report. As to the Indian Ocean Tuna Commission, I do not know that any of us would have too much disagreement with that.

What I am asking you is this: as a result of those four qualifiers, do you still support the bilateral agreement?

Mr Stone—Yes, probably until we can realistically determine whether the Australian industry has got the capacity. I know it has in Western Australia and that being pushed off 50 miles has seen an Australian industry starting to grow up over there. As to whether the same thing would happen here, I am told by the industry here that it would not. I do not believe that; I think that it would. But I think it should be a gradual phasing-out situation, not to chop them off. After all, realistically, Japan is the marketplace for SBT and if we, all of a sudden, push them off the patch then they could quite easily say, 'To hell with Australia. We are not going to buy their product. We will have it from Taiwan or other nations that are not part of the CCSBT.' They can arrange that very

easily. I think that there should be a gradual phasing effect.

CHAIR—But in principle you continue to support the bilateral agreement?

Mr Stone—That is right, yes.

CHAIR—Subject to improvement in a number of those areas?

Mr Stone—That is right.

Mr BARTLETT—At page 3 of the submission you comment that, in spite of the improved technology, the CPUE is falling. Yet other submissions we have had have pointed to a rise in the CPUE. How would you explain the difference?

Mr Stone—I was talking about the CPUE recreationally. I think I quoted in that there the last major tournament that was held off Tasmania resulted in virtually a nil catch for something like 30 small craft, I think it was, that went out for the week.

Mr BARTLETT—You would put that down, then, to the effect of the by-catch as a result of the SBT activities?

Mr Stone—No, we are talking specifically about SBT.

CHAIR—On that, it has been suggested to us that the recreational fishermen are going to areas where they traditionally expect to catch, rather than looking at water temperature and doing other things, but when they get there, there is nothing there. I am putting words in your mouth, I suppose, but is that the assessment? Do, perhaps, too many recreational fishermen tend to get used to—

Mr Stone—Doing the same thing?

CHAIR—The same thing, same area, yes: ‘It is this time of the year, this time of the day. We go to X.’

Mr Stone—I would not believe that for a minute. I am involved in the recreational fishing industry as a retailer, as part of my operation, and I believe that they are a very innovative mob. If they are not getting results they will certainly whatever they are doing, to find out what is happening.

CHAIR—To find where the fish are?

Mr Stone—That is right.

Mr TONY SMITH—The really keen fishermen really do go looking for the fish.

Mr Stone—Absolutely, and they will use all sorts of techniques. I know that we use them ourselves. Out here, off southern Australia, looking for broadbill, we use the temperature charts that are being put together by CSIRO; we study those. So we do use everything available to us to try to find out where the fish are.

CHAIR—How would you evaluate the impact of fish farming, aquaculture activities, on recreational game fishing as compared to, say, the long-line fishing?

Mr Stone—Strangely enough, the farming has been a boon to the recreational sector because of the wild stocks that actually follow the caged fish in. They then tend to aggregate around the caged fish, which brings a very attractive local industry right onto the doorstep of Port Lincoln. This is becoming a real money-spinner for the town. It is quite important to us.

CHAIR—What do you think the impact would be in the longer term?

Mr Stone—In terms of the cages, the farming?

CHAIR—In terms of their impact on game fishing.

Mr Stone—I cannot see there being any disastrous impact from farming. It can only encourage it. I think that, whilst ever we have got the global quota set where it is and we can see the stocks rebuilding, we will see the increase of game fishing for that particular species within those waters where they are being farmed. We have seen that to date. As the fish are returning, so we see more people trying to access the southern bluefin fishery.

Mr TONY SMITH—As to the fish that are following the cages in, if anything are they predators or are they looking out for the stuff that they do not quite catch themselves? The tuna might have a crack at something and therefore these other fish are after the bits that the tuna leave.

Mr Stone—They have basically got a herding mentality—a schooling mentality—where they all stick together, so they follow the caged fish in. Then, being opportunistic feeders, they will feed on anything that they can get hold of. They probably get a fair amount of the food that has been put into the rings for the farm fish.

Mr TONY SMITH—So in a sense that activity has enormous conservation benefits, not only for the tuna, because you are protecting those tuna from predators?

Mr Stone—The caged fish, yes, that is right. But the fish outside the cages are probably being targeted more than they would have been if they were in the wild. So you have got a certain amount of that stock that is being targeted.

Mr LAURIE FERGUSON—I have got a concern with Australia's actual return, quite frankly. It concerns me that even the previous minister, in press releases, talks about how well we fare as compared with Vanuatu, Kiribati or somewhere. I do not think it is a very real comparison when we look at the expertise of these countries in regard to forestry, the structure of their public service or anything. Obviously, tuna is a different market; Japan is the big buyer. Is there anywhere else we should look at, whether South Africa or somewhere else, as a country that is perhaps doing it better in regard to the price structure? We have got an unreal debate here by saying that we are better than these others, generally.

Mr Stone—The thing is that, okay, they put a figure of nine to 10 per cent return on it. I feel that that return can be slowly displaced by our own effort and give us a much better return than purely nine or 10 per cent of the landed capture value, in terms both of our own infrastructure, our own industry building process, and of returns to that industry. That is probably the way to go in the long term—to make it more attractive for the Australian people to develop that, rather than simply getting some money from the Japanese.

Mr LAURIE FERGUSON—It has been put to us that, essentially, the capital to start up is too expensive for Australia. Although we would like to see it happen—

Mr Stone—That is the story I get, yes, but I tend to think that that is a bit of a blind. I really think that the current level of value of those southern bluefin, particularly the larger fish, on the Japanese market would be sufficiently attractive for the Australian long-line industry to go and get it, if it were not so easy for them to just hold their hand out and say, 'Here is my bit of quota. You can use that at \$3,000 a tonne,' or whatever.

Mr LAURIE FERGUSON—Finally in this series of questions, have we perhaps got a fundamental problem in the dependence of large sectors of the industry upon Japanese companies and Japanese marketing?

Mr Stone—Yes, very much so.

CHAIR—Unless anybody has got any other questions, we might let you go back to your wife! I know she has been waiting.

Mr Stone—Thank you. I will do my best to get that information to you.

Resolved (on motion by Mr McClelland):

That this committee authorises publication of the evidence given before it this day.

Committee adjourned at 2.40 p.m.



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PIKE, Mr Robin, Member, Tuna Boat Owners Association of Australia Inc., PO Box 416, Eastwood, South Australia 5063 346

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VALCIC, Mr Mario, Member, Tuna Boat Owners Association of Australia Inc., PO Box 416, Eastwood, South Australia 5063 346

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Long-line tuna fishing

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The committee met at 11.01 a.m.

Mr Taylor took the chair.

JEFFRIESS, Mr Brian, President, Tuna Boat Owners Association of Australia Inc., PO Box 416, Eastwood, South Australia 5063

PUGLISI, Mr Joe, Member, Tuna Boat Owners Association of Australia Inc., PO Box 416, Eastwood, South Australia 5063

PIKE, Mr Robin, Member, Tuna Boat Owners Association of Australia Inc., PO Box 416, Eastwood, South Australia 5063

VALCIC, Mr Mario, Member, Tuna Boat Owners Association of Australia Inc., PO Box 416, Eastwood, South Australia 5063

CHAIR—Welcome to this hearing of the Joint Committee on Treaties on the subsidiary agreement between the government of Australia and the government of Japan concerning tuna long-line fishing. Let me just say at the outset that the submission from the Tuna Boat Owners Association has been published and has been accepted as evidence. Do you have any amendments at all?

Mr Jeffriess—No.

CHAIR—Perhaps you would like to make an opening statement and then we will ask you questions.

Mr Jeffriess—As you can see from our submission, we have a very positive view of the bilateral agreement. It has brought immense benefits to Australia, both to the southern bluefin tuna industry and also to the yellowfin and bigeye tuna fisheries, which dominate on the east and west coasts of Australia.

The reason we have a positive view and we believe it has brought those types of benefits is that all tuna fisheries have to be treated as global fisheries. There are two aspects to that. First, the market is in Japan. There is no way that that will change in the next decade, although we are all trying to diversify markets all the time. Secondly, the fish are migratory fish and, in the case of some bluefin tuna, they swim from South Africa to New Zealand. Therefore, at any one time, they are accessible to the Japanese, the New Zealanders, the Taiwanese, ourselves and others, so there is no way that you can look at this as anything other than a global issue—a global problem and a global opportunity.

Another reason why we have a positive view is that historically the bilateral agreement has been what we would call a good business deal for Australia. The access fee to the zone is among the highest in the world for any fish and basically the Australian negotiators have always been able to exploit the Japanese desire to take a strategic view of access to the zone—in other words, as business people, we feel that the access fee they pay and the risky conditions under which they operate would not normally be a good

business arrangement for them; but they take a strategic view that access to the zone is important for general trade and fisheries relations and also because they may need it for some reason one day. So for a whole range of reasons they pay over and above the norm and therefore that is a good business deal for Australia.

We use that money, of course. A relatively small amount goes to net consolidated revenue. Most of it comes back in terms of further research and in terms of direct benefits to Australian fishing communities or to the fishers themselves. There is no way that the type of research that is accomplished through the bilateral agreement could be achieved otherwise. It is really fanciful to think that the industry could afford to contribute to replace the bilateral fee in terms of research and it is even more fanciful to think that the government would put in the extra money to achieve the research that is required on these species.

Obviously the accusation could always be made that they are buying the goodwill. But to us, this is a straight business deal for Australia and whichever way one looks at it, it is a good arrangement.

Our third reason for thinking it is a good deal for Australia is that the Japanese accept the theory that there will be Australianisation of the fishery over time, whether it be through commercial exploitation by Australians, or by expansion of the charter of recreational fisheries. The Japanese have the mentality to accept that. Basically that is what has happened—it has happened in a belated way in Australia. In our submission we give a whole range of examples where the Japanese were kicked out of various areas at various times during the 80s, but basically Australian exploitation of those areas has only started in the 1990s. The two most obvious areas are between Sydney and Eden, which is an area rich in yellowfin and southern bluefin tuna, and around Cairns. It is only since 1993 that a group of Australian entrepreneurs has been exploiting that area, even though the Japanese have been excluded from what is called area E for some years in terms of long-lining.

One change that we think would be beneficial is that the agreement be negotiated for more than one year. While the Australian negotiators see significant advantage in annual agreements, the amount of time that is put into those discussions, the small changes that occur in reality from year to year and the fact that there is a fixed formula for the access fee, really make multi-year agreements more sensible. We have held that view for some time. We also hold that view on the international Commission on the Conservation of Southern Bluefin Tuna (CCSBT) negotiations. These treaties need to be negotiated for a number of years. Just the duplication of the discussions themselves cost well over \$1 million a year and that is a waste of money that could be going into research.

Another change that we think should be made is the links that are drawn by the Australian negotiators between the bilateral agreement and port access and between the bilateral agreement and the international southern bluefin tuna agreement. We think that,

while they have provided good negotiating tactics at various times, they are currently counter-productive. In other words, nothing is achieved by those tactics other than net economic loss to Australia and a lot of bad blood.

My final point is that having the Japanese in the zone has tremendous advantages for environmental issues. A very practical example of that is that if the Japanese had not been fishing inside the zone and we had not been able to have influence over them, as we now have, the by-catch of sea birds probably would not have decreased. In other words, the only way that we got access to these groups was by virtue of the fact that they were in the zone at the time, so we could convince them to take on sea bird catch avoidance measures and equipment. The Tasmanian Parks and Wildlife Service has done a first-class job liaising with the Japanese on those issues. Because the Japanese use such measures on the high seas as well, the Taiwanese have now adopted them—not necessarily because they are altruistic about birds but because it is a good commercial technique to use on the boat.

So, for a whole range of reasons, Japanese access has historically been beneficial, and we feel that, while that access is gradually phasing down, there is every reason why it should continue for the foreseeable future.

CHAIR—Before we go to questions, there are a couple of points in your submission that are worth making on the record. There has been some confusion about 6,000 tonnes as distinct from 600 tonnes SBT quota. Could you just confirm that the global quota in terms of SBT is 11,750 tonnes and of that, the Japanese share is a little over 6,000 tonnes? Within our fishing zone, 600 tonnes maximum of that is Japanese—is that correct?

Mr Jeffriess—That is correct.

Mr Pike—That is negotiated annually.

CHAIR—That leads to a point that I want to clarify in your submission. In paragraph 18 you say:
Currently the Bilateral SBT access is only 400 tonnes. . .
Later on you talk about ‘400 to 500 tonnes’. It is a maximum of 600 tonnes, is it not?

Mr Jeffriess—What happens is that around Tasmania in the Tasmanian winter the maximum Japanese tonnage is 400 tonnes. They also impose a bilateral voluntary limit north of Sydney on southern bluefin tuna, which is limited to 200 tonnes. Mostly they catch the 400 tonnes around Tasmania plus about 100 tonnes north of Sydney.

CHAIR—It is worth clarifying that because yesterday during the hearing of evidence in Perth we started to stray into 6,000 tonnes again. I did not like to highlight the matter then because it was appropriate to do it today. That sets the scene.

In terms of the one-year agreement, as distinct from two or three years, how would you see going beyond one year as working? Could you give us an outline of what you would see as the best arrangement to optimise the bilateral agreement and to create a lot more certainty than exists at the moment?

Mr Jeffriess—The uncertainty exists purely because of the links between the bilateral agreement and the international southern bluefin tuna agreement. The actual changes in the bilateral agreement each year are very minor because there is a fixed formula for the access fee. The only changes are slight and they might include: changes sometimes to areas of access; the necessity to use certain equipment for avoidance measures for sea birds; and small changes to what are called the MARPOL regulations. Despite the fact that each year the changes are only minor, the amount of discussion time required and the resources devoted to this are very substantial. The only substantial uncertainty is the link between the two agreements and that is what causes the problem.

Mr Pike—You should also bear in mind the stability of the quota. Over the past eight years it has been the same. It is not as though you have to make major adjustments annually.

Mr McCLELLAND—Would it be difficult to put a clause in the agreement which made the Australian zone quota conditional upon what the international quota was each year? In property rental agreements there is a clause to adjust rent according to consumer price increases. Would it be possible to have a similar type of clause that the quota either rises or falls, depending on the international quota?

Mr Jeffriess—The way it rises and falls now depends on what the Japanese price is. It is a fixed formula based on a certain landing price in Japan.

Mr McCLELLAND—But that is the amount of money the Japanese pay for the access fee. I am talking about their quota of 600 tonnes. Could there be a rise or fall clause in that, depending on what the international quota was?

Mr Jeffriess—We do not see the two things as being linked unless the international quota sank to such a low level that it made something like that necessary. There is no problem with having a clause to that effect. We often have clauses in our own agreements with the Japanese to the effect that the agreement is null and void in the event of a fall to a certain level. But even if the international quota—or the Japanese share of it—were to fall by a significant amount, say 30 or 40 per cent, we would still see value in maintaining Japanese access to the zone because of the benefits it brings.

Mr Puglisi—The benefits that have come from this bilateral agreement with Japan have been astronomical. They have fished our waters, but we have learnt a lot, it has given us a stability that we have never had before and when we have needed assistance we have got it from them. Because it has given us stability, we have been able to invest

and borrow money from our banks. As far as we are concerned, it has been a very good arrangement. I get upset sometimes when I see our government bargaining along these lines: 'If you don't let us do this, we will not let you into our ports.' I think that is wrong. Access to the ports has nothing to do with fishing and the two issues should be separated. Contrary to what you read, as an industry we believe that Japan and Australia work very well together. We might sit down and argue for a week or two, but that is not a problem. The stability that we have got for our joint ventures from the Japanese has taught us to value-add, and I think we will both get a lot out of it in the future.

Mr BARTLETT—You said that one of the main benefits is that you have learnt a lot. In some areas now it looks as if we are ahead of the Japanese. Is it fair to say that we no longer need the agreement just in order to learn from them? If we separate out the port access so that we still get the port benefits anyway, could we not still reap most of the benefits without having the treaty?

Mr Puglisi—No. One thing about fishing is that you never stop learning. We have just come back from Canberra and we are now suggesting that they take up the ITQs. This is something that we can teach them. But the liaison between the two countries is very good because fishing is not just something you learn and that is it. It is not like being able to turn a lathe in a certain way and that is it. We learn every day. We learn amongst ourselves and we learn from other people. It would be wrong to think we knew it all. I have been in this game longer than anyone around now. I have seen the rises and falls and I honestly believe in my heart that our liaison with the Japanese has been wonderful for us. There is an exchange of ideas and that is good.

CHAIR—I do not think we have had any evidence yet which opposes the continuation of the agreement, conditional upon moving to an indigenous industry. The one possible exception was a modified submission yesterday from the Western Australian government. But when we questioned the Western Australian government representatives, we found that they drew back from that and said 'Well, yes, it is a progressive thing'. The bottom line seems to be that the final aim is always to have an Australian industry in due course; it is just a question of how long it takes to get there.

The issues that have emerged so far have been the quota, whether the port access and the quota should be separated, the economic impact and the periodicity of the agreement. Perhaps there are other issues too, but they are the four major ones. In terms of the economic impact, yesterday and in Hobart and Canberra as well, we heard varying figures. Those figures varied in national terms from about \$30 to \$70 million per annum, depending on to whom you listened. Yesterday they were talking consistently of about \$50 million in local terms. In Western Australia they were talking about \$20 million as the impact, and we worked through a multiplier effect of anywhere between two and five. What actually happens in Port Lincoln? What do you assess as the direct economic impact on an area like this, and then the multiplier effect flowing from it?

Mr Puglisi—I cannot tell you about the multiplier effect—I do not have that ability. But I can tell you from experience that only since we have been tied up with the Japanese and utilising their expertise have we gone anywhere. You must not forget that they are our main market. My company exports 100 per cent to Japan; we do not sell anything locally. Therefore, it is very important to us and to Port Lincoln. Take, for example, the \$80 million that we have put back into the economy of this place this year. That flows on. What we have learnt from working with the Japanese has flowed on to our crayfish industry and to our abalone farming. Our aquaculture industry will be astronomical—it will be a very big portion of Australia's economy, and most of that technology has been achieved by exchange with Japan mainly, and with other countries.

We must foster this sort of relationship—not only with Japan, but with other countries as well. No-one can come and take anything from us unless we want them to—they cannot come and take our fishery away unless we say 'Yes, you can', so we must never be frightened of that. If we can have agreements between countries, it is good. But to return to the matter that is upsetting us, our government is saying 'If you don't do exactly what we want, then we will not let you into our ports'. Who are we to say to the people of Hobart and Fremantle, 'You can't have that \$40 million.' Those issues should be separated.

CHAIR—What you are saying then is that port access should be separated from bilateral negotiations?

Mr Puglisi—Totally! It is a different kettle of fish. Why should the people of Hobart and Fremantle lose out because we are using port access as a lever? We should encourage people to use our ports.

Mr Pike—To get back to the original question to Joe about the multiplier effect: because of the underpinning of our association with the Japanese fishermen, we have freed up skipjack fishing. The effects of these things are massive. The quota has gone from 20,000 tonnes to 5,000 tonnes. At 20,000 tonnes it was worth \$40 million; now, at 5,000 tonnes it is worth \$100 million. You really have to consider these factors when you are doing this type of interview.

Mr Jeffriess—The normal multiplier effect in fishing is 3.3. For fish farming we would guess it is about 3.8.

CHAIR—Yesterday with the providores and agents sitting opposite us, Senator Ellison, from Western Australia, asked them how many they employed directly as a result of the tuna fleet. We were told that the total was 25—a doctor, an optometrist, a victualler, a diver and so on. When we looked at the multiplier effect, that total went up to about 100. There is a tremendous multiplier effect which people have to recognise.

The views we have received have been very consistent along the lines that Joe has

put today. I do not think that anybody would disagree with the view that there should be disassociation between the quota and the port access as a bargaining tool. What about the non-commissioned fishers—Taiwan, Indonesia and, in due course, China? What has to be done in relation to those countries?

Mr Puglisi—I feel very strongly about this. I think that Australia should work with these people and endeavour to set up a relationship similar to the one we have with Japan. We can get something out of such relationships. If we are not utilising our stock and it is just dying, why should we not bring those people in? If we can bring them in and control them, then there would be an incentive. What we have failed to do in a lot of our fisheries, and even in aquaculture, is to value-add. We have failed in this respect in a lot of our industries. We ship our wheat out. That is bloody crazy. We should be shipping out flour.

Let me give you an idea of how this attitude changes your fishery. My company lost 430 tonnes of fish in Cyclone Olivia, which took out everything. We had only 50 tonnes left. We have 67 people employed. Had this disaster struck a couple of years ago, I would have sacked everyone the next day. But because of the confidence that I have in the industry, I actually employed another three men! I went to the bank, I rebuilt the factory inside, I did this and I did that, and caught up with the maintenance. Without the security of the liaison with the Japanese and the confidence that my industry would be looked after, the bank would not have even listened to me. That is how things have changed and we should capitalise on that.

Why do we not negotiate with these other countries? Let us all sit down around a table and negotiate. We should control and manage the use of our fisheries and insist that some of the benefits flow back to Australia. I think along those lines all the time. If we are not using a fishery, let us tee up something with somebody else. At the present time we cannot justify catching the fish because it is cheap and we cannot sell it. But if it is available and we can learn how to produce an outcome that is good for Australia or to re-export it, or encourage others to land it in Australia so that Australians can value-add and re-export, we are in front by a mile.

CHAIR—The Taiwanese have got what—about 2,000 tonnes SBT?

Mr Jeffriess—About 1,400 tonnes.

CHAIR—And they pick that up all on the high seas?

Mr Jeffriess—Yes. The Japanese catch their quota in such a short time on the high seas that as they move out of those areas—as they are compelled to do by their government—the Taiwanese come in.

Mr BARTLETT—How accurate are those assessments of the Taiwanese catch?

Mr Jeffriess—Very accurate, because they are all sold on one market.

Mr McCLELLAND—On that point—a suggestion was made yesterday by Wilson Tuckey that if there were some tagging regime, whereby the countries that were part of the international agreement tagged their fish, and the Japanese only let into their market tagged fish, would that compel the Taiwanese and the Chinese to come into the international quota program?

Mr Puglisi—You have that now. You cannot bring anything into Japan unless they know where it is—

Mr McCLELLAND—But they are presumably buying the Taiwanese and Chinese fish?

Mr Pike—What happens there is that they take the catch back to Taiwan or Hong Kong to Japanese companies there. It is reimported into Japan as Japanese product. Therefore, your suggestion is not going to help.

Mr Jeffriess—But it would have an impact. Because we have some kind of trade dispute with Indonesia over the North-West Gap, we don't close our markets to Indonesian exports of oil to Australia. That is the problem. The Japanese have wide trade relations with Taiwan and the Chinese mainland which they are not going to prejudice. The Australian government keeps on saying that, but it is not willing to do it itself.

Mr Puglisi—Japan in return uses the same tactic. It says, 'If you don't agree to what we want, we will not buy your fish.' But that is bloody bullshit—when it comes to it, it just does not happen. It is just a game of bluff.

CHAIR—In their submissions, both Queensland and Western Australia put a lot of emphasis on enhancing recreational fishing. How much face-to-face discussion is there between your industry and the recreational fishers? One thing that has not been accepted by governments at federal level is that recreational fishing is basically an industry.

Mr Puglisi—One thing that upsets me with recreational fishermen is that they say to us, 'We pay. We, as users, pay our fees and we pay our club officials.' Then they say that they should not have to pay the government because they pay taxes. Do they think that we do not pay taxes? So they are riding on the pig's back. If they can afford a \$250,000 or \$500,000 boat, they can afford to pay for the wellbeing of the industry. They can afford to pay for research and for good management. I am not referring to the little guy sitting on the wharf catching fish on a line. I am referring to those who can afford to go out on a very expensive boat and spend a fortune every day. They can afford to do what we do—they can afford to pay a licence fee, the proceeds of which will go to securing the fishery in the long term and funding some research. At the moment they want everything for nothing because they are taxpayers. Why do they not realise that we also

are taxpayers?

Mr Valcic—All the recreational people come from the charter boats. They are as commercial as we are.

Mr BARTLETT—They argue fairly strongly that tuna stocks are depleted and that the catch size is down and so on. On the other hand, you people are arguing that there are plenty of fish there.

Mr Jeffriess—Their own spokesman has now written—it is all documented—that this is the best yellowfin season ever on the east coast.

Mr BARTLETT—No, we are talking about bluefin.

Mr Jeffriess—Well, bluefin is not their target fish.

Mr BARTLETT—What about marlin?

Mr Jeffriess—CSIRO has very clearly documented that there is very little interaction between the commercial sector in Cairns and the marlin stock. The marlin stock is basically from Hawaii—it just swims into Australian waters to spawn and then swims straight back out again.

Mr Valcic—Also it is good to note that the biggest users of the marlin stock are the charter operators themselves. They tag almost any fish they catch, but the return of tagged fish is negligible. It is an obvious question—what happens to the fish once it has been tagged and released? They are so weak after the fight that they cannot defend themselves and obviously the presence of shark in the area is a very big problem for them.

Mr Puglisi—This is what does not come out. Recreational fishers can play a fish for four hours and say ‘Ah, that is wonderful’. They pull it up, it is bloody nearly dead and then they shove a tag in it and let it go—with a hook in its mouth. They do all this wonderful tagging, but nobody ever sees those fish again. If the research on that was done in the same way as it is done in our fishery, they would say to you, ‘The stocks are finished’. Recreational fishers should pay for some research—they are part of the industry. Ours are two different industries, but they should work together. One should not ride on the back of the other.

Mr TONY SMITH—There are two things that could be said about that though. They claim that they have gone fishing for a week for SBT, and after a week at sea they have caught five, whereas previously in the same period of time they have caught 40. Secondly, in relation to marlin, they are cutting on the strike—once they get the fish out of the water and it has done its big leap, they cut.

Mr Puglisi—Yes, and the fish then drags 1,000 metres of line behind it for the next 10 years.

Mr TONY SMITH—They have been found with long-line hooks in them as well.

Mr Jeffriess—I think that tag recovery is the issue. The recovery is minimal, therefore the fish must have died. That is where the problem arises. Secondly, in relation to the SBT, it is true that the stock is not as healthy as it was in the 1960s and 1970s. That is why the quota was cut to 70 per cent. The system is working.

Mr Puglisi—Let me illustrate your first point when you said the recreational fishers tell you that they go out and they do not get any fish, therefore there is no stock. The Tasmanians are great for this. They go around Tasman Island, to a place called the Hippolytes, in boats that are about 30 or 40 feet long. Some even go out in rubber duckies, even though this is illegal—I have seen them myself. They go out every year and, depending on their catch, they say ‘Oh, there are no fish here’ or ‘It is really good.’ But if you understand tuna, you know that they move in water masses—the temperature has to be right, the feed has to be right, everything has to be just so. With El Nino and all the rest of it, every year your water mass is different. If you keep returning to an area in which you have been fishing since 1958, you will not always find it the same. Some years it will be the best area of the lot, other years you will not catch a single fish. If you insist on fishing only in the one spot, you might as well give up, the game is finished. What you have to do—and these people do not understand this—is go looking for the fish. The biggest problem with the recreational fishers is that their boats are small and they cannot look over a wide area, nor can they go out in rough weather. So if the fish do not turn up, it is probably because the temperature of the water was wrong at that time.

Mr Pike—There is another good example of what Joe is getting at. The recreational people, without a doubt, used to follow us. We are not there anymore. The quota is now only 5,000 tonnes and we are all here. I come from Albany where the recreational fishers could go out and follow me around. Just four years ago the South Australians never caught their quota, so they leased it to me in Western Australia, where I caught the rest of that quota in three weeks. We know what we are doing and we know where to find the fish.

Mr Valcic—The people who are complaining are the semi-professionals. After all, if you catch 40, 50 or 60 fish a day, what do you do with them? You sell them. But they are the wrong type of fish. These days, because of monitoring and enforcement measures, you cannot do it, you cannot sell them. If you try to, you might get away with it once or twice but then you get caught. These people are making these complaints because they cannot be in the business anymore.

Mr Pike—They cannot fly to Singapore and sell them like they used to.

Mr LAURIE FERGUSON—I just preface my remarks by saying that if the Olympics were not in my electorate, I would have a lot more questions about the value to this country. I hear what you say, but there is a broader interest than just your own. Obviously you have a link up with the Japanese as you sell totally in Japan. In your submission you go to the question of the various reasons why Australia itself has not developed an industry. Why should we not be concerned that there has not been more? There is a debate about the number of fish. You claim that the agreement with Japan is great; we are getting all this technology and so on. Meanwhile, there is a debate about the long-term future of the industry and concurrently there is not much development of the Australian side of it. Why should there not be national concern about that?

Mr Jeffriess—Australia has tried. There is a whole documented history of boats that have tried to emulate the Japanese systems. Seven of the eight of them have gone bankrupt. There is one current operation that is reasonably successful one year out of three. It is simply that the technology, the capital, the crews are just not the Australian culture. Eventually, with mixed crews we might be able to achieve it. It is the ‘why grow wheat in the centre of Washington’ syndrome.

Mr Puglisi—Even the Japanese cannot now get their own people to work and they are putting on Chinese. In Australia we have so much difficulty getting crews. With long-lining, who wants to keep going 200 to 300 miles further south, when there is no guarantee that you are going to make wages?

Mr Pike—There is another problem too, which you probably would not realise. The cost of the frozen product has halved in the last five years. That makes that operation very marginal. You have to be absolutely good at it. You are talking about a \$9 million investment just for the boat. So it comes back to the issue that the Chairman mentioned earlier about multi-year agreements and putting in an annual index. I think it would be very difficult to do that to the Japanese because their business plan—that is what their fishing plan is—is for a minimum 18 months. If you want to think about our going into that same regime, you should remember that it would be exactly the same for us. These \$9 million boats cost \$14,000 a day to have on the water. This is an immense expense and you are operating on a very shaky annual agreement.

CHAIR—In terms of the bilateral agreement and its periodicity, what would you see as a suitable term? Two years instead of one?

Mr Jeffriess—We tend to think two years is the right period because it makes people feel more comfortable. The Japanese would feel even more comfortable with a three-year agreement, but two years would be better than one.

CHAIR—We have had evidence that with high seas data, it can take up to 18 months before you get the total data anyway. That is why it seems to me, as a layman, that a year is a bit of a nonsense.

Mr Puglisi—There is another very important point, and that is that the scientists take a totally different point of view. Those scientists spend most of their time at bloody meetings and workshops. If the agreement was for two years, it would give the scientists time to sit down and do their homework, liaise with other scientists and come up with the answers. But the way it is today, they cannot do this. The top scientists have told me that they spend about three months of the year in meetings. It is unbelievable.

Mr LAURIE FERGUSON—I turn to point No. 35 in your submission. You are talking about the amount of money we spend on monitoring of Japanese vessels in the AFZ. You say:

A substantial amount of this should have been used directly for research instead, including sea birds. I do not quite understand what you are saying here. You are not saying there should not be monitoring, are you?

Mr Jeffriess—No, that is not what we are saying. For example, last year we paid \$800,00 for observers on boats. What does the observer do? Obviously he sleeps part of the time, but the rest of the time he does not really achieve anything in terms of what he should be achieving. Rather than have an observer on the boat whose job it is to check the books every now and then, we should have someone whose job it is to check whether the boats are using the right sea bird avoidance equipment. That is the point; that, to us, is research. We are not talking about lessening enforcement.

Mr LAURIE FERGUSON—You are saying then that the observers could do a more diverse range of duties?

Mr Jeffriess—Yes.

CHAIR—A proportion of the access fee goes into research. Admittedly a larger proportion goes into the observer scheme. As a layman, I agree with what you have said in the submission—that if the bilateral agreement did not exist, you would not have that research effort, quite apart from anything else.

Mr Jeffriess—With the change from the AFS to the Australian Fisheries Management Authority, things have improved. There is more flexibility and a willingness to respond quickly.

CHAIR—In Hobart we discussed the extension of the 12-nautical mile zone to 50 miles. Yesterday we heard the view that that was a bit of smoke and mirrors. In your submission you say much the same. Is it not important to move to 50 miles?

Mr Jeffriess—Perception should not drive the bilateral agreement or the business, especially when there is no reason for the perception. The 30 tonnes of SBT owned by Tasmania is almost all leased back to farming in Port Lincoln.

If the limit were to be changed to 50 miles it would impact on the bilateral agreement with Japan. The point is that the fish move with the water mass—they can come right onto the shelf.

Mr Puglisi—We have even had tuna in the bay here. As we said earlier, if the water condition is right, you will find tuna. There are so many armchair scientists around. Even someone I visited recently in the old folks' home told me what the problem was. There are plenty of people around who, if they do not catch any fish, will be quick to tell you that the game is bugged and there are no fish left.

I have just seen a book about a royal commission into fishing that took place in 1895. A lot of the evidence given to that royal commission was to the effect that there were no fish left on the east coast of Australia. At that stage, the biggest boat on the east coast had an eight-horsepower motor. The inspectors were going crook because they could not catch the poachers—the poachers were using two sets of oars! The argument is exactly the same. If you just change the circumstances slightly, you hear the same thing today. If you do not know enough about what you are doing, you will think of anything.

Our scientists say they are still not sure about the fishery. But in the last two years my fleet has never missed one day's fishing. It has never needed more than one day to catch the quota we are entitled to for that day. Six, seven or eight years ago we had three aircraft trying to spot one patch of fish in a week. That was just for my company. At the same time there were up to 13 aircraft in the air.

Mr McCLELLAND—Is that because you have got better at it?

Mr Puglisi—No. Now there is that much fish. But still our scientists say there is none.

CHAIR—Yesterday I raised the point about the number of hooks. That was poo-pooed by one or two of those who gave evidence yesterday. Basically they were making the point that there was more there now than there had been in the past; that stocks had not been adversely affected.

Mr Puglisi—We actually raped that industry in the 1960s and 1970s. In those days the industry was governed by politicians. I can remember how we sat down with the scientists in Canberra. There were 40 delegates sitting around the table deciding that we should not catch the three- and five-kilogram fish in Western Australia. Up to 6,000 tonnes of these babies were being caught at that time, so we decided not to take them; we knew it was bad. We spent the whole morning on this and all the scientists reckoned that the situation was disastrous. At lunchtime the chairman said, 'Well, I am sorry to inform you that the minister has an election there soon, and he is not going to stop those people catching those fish.' During half my time in the game, the fishery has been controlled by situations like that.

I just want to make one more point—and it is a sore one. I had a vessel sitting in Cairns for three weeks waiting for the signature of the minister of the day. He refused to sign until after the election, which was three weeks off. It cost me \$90,000 in wages alone. I also had an aircraft sitting there. As soon as the minister signed, we went out and we lost the fish. This sort of thing happens. I know you are all politicians, but I do not bullshit—I just tell you what I think. Much of the time fisheries get managed by politics. We should take the politics out of fishing.

CHAIR—That is the same as the point you make in terms of the bilateral and international scenes.

Mr Puglisi—That is right.

Mr Pike—Before we move off into the Tasmania issue of the 12, 50 and 100 nautical mile limits—and these lines are almost impossible to manage anyway—you have to realise that for us to develop into the fishery, we have to work alongside the people who know what they are doing, and those people are the Japanese. When they are not there—and they excluded themselves last October—just have a look at the catch rate for the Australians. They did not know where to go. All of a sudden we were out in the great wide expanse of water without knowing where to fish because we could not use the Japanese fleet.

Mr TONY SMITH—In relation to sea bird mitigation, you mentioned the bait thrower. How effective is the bait thrower? Is it totally effective?

Mr Jeffriess—The figures on the bait thrower produced this week showed that it had the potential to reduce the sea bird by-catch by 78 per cent. The tori pole reduced it by about 70 per cent and the figure for night setting, instead of day setting, was something like 80 per cent. Those are the types of relative figures used by the scientists.

Mr TONY SMITH—Does night setting eliminate the albatross by-catch at all?

Mr Jeffriess—According to the New Zealand experience, almost all of it is eliminated.

Mr TONY SMITH—Why has there been such a slackness in eliminating the sea bird by-catch? In 1994 about 8,000 albatrosses were caught in this part of the world, and 44,000 were caught across the world. Why was there no resolve to eliminate this until very recently?

Mr Jeffriess—I do not think we spent enough money on it. It comes back to that point about the observers being on the boats spending this large amount of money. We did not want our money back, all we wanted was for the observers to do other things, such as investigating the engineering improvements that could be made to reduce the bird by-

catch. That is what eventually happened. A particular observer called Nigel Brothers, from Tasmania, developed the bait thrower with a Ballarat company and now it is proving effective.

Mr TONY SMITH—It seems rather peculiar that we are saying that we should have a zone because we need to develop by-catch mitigation devices. I want to raise a point in relation to paragraphs 13(4)(d) and 16(1) in your submission. If we have the status quo as far as yearly negotiations are concerned, are we not in a stronger position? I just detect some ambivalence there, if you do not mind my saying so. I think that what you are really saying is that we are in a stronger position negotiation-wise, but it is not a good thing.

Mr Jeffriess—We are if getting the SBT agreement started is the end aim of the exercise. But because of those links, the Japanese did not fish in the zone for eight months of last year—and even then, only 29 boats came in at the end of the day. So instead of having 60 boats in and influencing all of those, we had only a limited number of boats during a smaller part of the year. Thus the Australian government is losing its influence over those groups. But indeed that should not be the end aim; we should be looking at a balance of targets. We should not decide to just use the bilateral agreement to change their attitude on the SBT negotiations.

Mr TONY SMITH—I have been looking at your submission again. I am thankful for it—it is a very interesting one. My overall question is: why do the Japanese stay in this agreement? Why do they pay their \$3.45 million?

Mr Jeffriess—For strategic reasons. One day they may need access for some other reason. Port access is helpful, but it is not critical to their whole structure. They have access; the Taiwanese and Koreans do not. The Japanese think strategically—that is why they are successful.

Mr Puglisi—Because the Japanese fish all over the world, they try to keep their doors open, and they think that this is one of the ways in which they can do that.

Mr BARTLETT—You said the main problem to them is strategic. Why then would it be such a problem to them to be excluded from a 50-mile zone around Tasmania?

Mr Jeffriess—There is always a balance. There has to be a situation in which there is not a substantial loss.

Mr BARTLETT—If they were excluded, do you think we would still get most of the port benefits?

Mr Pike—It is a slippery slope once you get on it. You go from 12 miles to 50 to

100 and then to 200. Even our mentality can pick that up!

Mr Jeffriess—The Japanese have no problem doing that where there is a parallel Australianisation. They had no problem with Cairns. It is unlikely they will have a problem with being gradually excluded from the area between 32 and 34 degrees south on the east coast, as long as they can see a parallel Australianisation.

Mr BARTLETT—Yet they are still happy to fish in those other areas outside the 50-mile zone?

Mr Jeffriess—They are not happy about it, but they can understand the rationale for it.

CHAIR—Yesterday we heard from one witness that his fishing master keeps on pressuring him to come in really close. He can do it because it is a domestic vessel, but I guess that reinforces the point that perhaps at times this biomass moves in till it is right onshore.

Mr Jeffriess—Yes.

Mr BARTLETT—In paragraph 35 you say that Australian and Japanese vessels declined to use one Australian port. Which one is it?

Mr Jeffriess—Fremantle. The Western Australian enforcement authorities that are contracted to carry out federal responsibilities in those areas are considerably biased. Just to give you some indication of the rationale for that: in the last three years of the joint venture, the Fremantle operations were only about 20 per cent of our total operations, but the only three detentions were in Fremantle. Our point is that those in official areas should take significant note of that. It is quite unbelievable. All those boats were eventually released, but of course there was no compensation.

Mr BARTLETT—So there was no hard evidence when it came to the crunch?

Mr Jeffriess—Well, for example, one boat was fined for misstating his catch of Spanish mackerel on the high seas. That is the lowest of the most minor misdemeanours, especially as it is almost impossible to get it right anyway. The whole thing was just a nonsense. That is one of the technical problems that we are discussing with the government now.

Mr Puglisi—I will go even further on this issue. I think that somebody has got it in for the Japs and they will do anything to make life difficult for them. It is just ridiculous and wrong.

Mr LAURIE FERGUSON—So that was the main fine that was imposed, was it?

Mr Puglisi—Yes, because they couldn't find anything else to fine them for.

Mr Jeffriess—The government is currently in the position of having officially apologised about one vessel, but there is no compensation, as I said earlier.

Mr Pike—I was at the proceedings of one of the court cases, and the judge even apologised to the fishermen. He said that there was, however, a technical hitch because there was an infringement in that they had signed a particular document. He fined them \$4,000 for that, but because that document had to be repeated four times for four different authorities in Australia, the fine also had to be multiplied by four. The judge was so apologetic and he told the fishermen that their integrity was 'absolute'. And this case took five weeks!

Mr LAURIE FERGUSON—These practices such as bait throwing and night setting have resulted in some impressive figures in relation to the reduction of the sea bird by-catch. Can I be reminded which practices are mandatory?

Mr Jeffriess—The tori pole is mandatory; the others are not.

CHAIR—They are even using tori poles on the high seas now aren't they? But they are only mandatory within the fishing zone?

Mr Jeffriess—Yes, to both questions.

Mr LAURIE FERGUSON—In paragraph 50 (4), you talk about this booklet *Catch Fish Not Birds*. What are the commercial gains in avoiding bird by-catch?

Mr Jeffriess—They are well listed in that booklet and they are substantial. With the bait throwing machine, for example, you do not need a skilled operator.

Mr LAURIE FERGUSON—No, I mean the commercial gains from using it.

Mr Jeffriess—There is considerable cost saving.

Mr Pike—That gear, with a bird on it, pulls and that means the whole gear is not set right. That leads to other problems. It is not just that one hook.

Mr Puglisi—What people do not realise is that if there is no bait on the hook, you are not going to catch a fish.

Mr Pike—I just want to make the point that it looks as if we have not done much about this problem. But you have to remember that the long-line is in its infancy in Australia. We responded to the problem almost immediately, once it became obvious that there was a problem, once we started long-lining. You may think we have been reluctant

in taking up these procedures, but that is not quite right.

Mr TONY SMITH—But the Japanese seem to have been reluctant.

Mr Jeffriess—Not so much reluctant as unaware. It is a good model to trace the development of the bait thrower and use of the tori pole and ask how these have been so successful. The answer is that a couple of people in Australia were given a bit of money, grasped the nettle, saw the issue as an engineering and education problem and have almost single-handedly gone out and changed the culture on that issue.

Mr TONY SMITH—The curious thing is that the Japanese are so far ahead in fishing technology. Surely those devices are part of the fishing technology, yet the Japanese were not on to them?

Mr Pike—But you must have seen those stupid, simple inventions that people have made an absolute fortune from and thought to yourself, ‘Why didn’t I invent that?’. Nobody thought of it until we had an observer out there who thought he could do it better than it was being done.

Mr TONY SMITH—To me the loss of albatrosses is outrageous.

Mr Puglisi—Yes, that is so. Every fisherman regards them as sacred. When I started fishing at 13 my father would go crazy if anyone touched an albatross—you would swear the boat was going to sink. That feeling was instilled in us as babies. Killing an albatross is just taboo. One landed on the deck once and my old man would have given me a hiding if I hadn’t treated that squawking thing very gently. Traditionally fishermen think that albatrosses are gods; they do not want to catch them.

Mr Pike—The point is that the Japanese simply did not know how not to catch the birds until an Australian invented a system that could help them. It is that simple.

CHAIR—We have run out of time; I think we will close the hearing on that note.

Resolved (on motion by Mr McClelland):

That this committee authorises publication of the evidence given before it this day.

Committee adjourned at 12.05 p.m.